



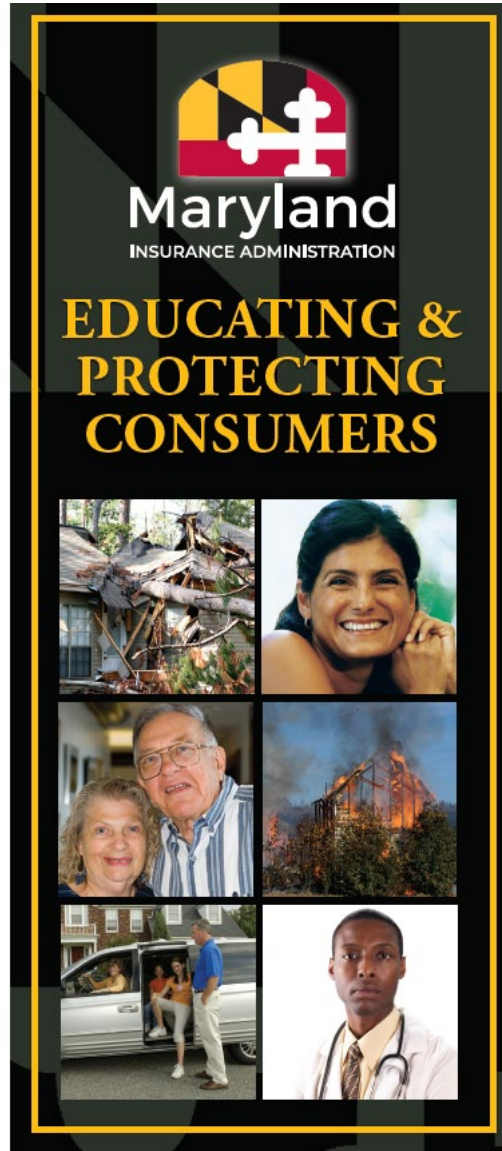
Insurance Preparedness and the Claims Process

Consumer Education and Advocacy Unit

This presentation does not provide legal advice. You should discuss specific questions with your trusted financial advisor or insurance producer.



What is the Maryland Insurance Administration



The Maryland Insurance Administration (MIA) is the state agency that regulates insurance in Maryland. The MIA:

Licenses insurers and insurance producers (agents or brokers).

Examines the business practices of licensees to ensure compliance.

Monitors solvency of insurers.

Reviews/approves insurance policy forms.

Reviews insurance rates to ensure rates are not inadequate, excessive or unfairly discriminatory.

Investigates consumer and provider complaints and allegations of fraud.

[Video: How the MIA can help](#)



What is the Maryland Insurance Administration?

If you feel that your insurer or insurance producer acted improperly, you have the right to file a complaint. Examples of improper actions include:

- Improperly denying or delaying payment of all or portions of a claim;
- Improperly terminating your insurance policy;
- Raising your insurance premiums without proper notice;
- Making false statements to you in connection with the sale of insurance or processing of insurance claims; and,
- Overcharging you for services, including premium finance charges.



Natural Disasters

Marylanders in recent years have sustained a significant amount of damage to their homes and personal property as a result of tornadoes, floods and hurricanes.

While you may not be able to control natural disasters, there are steps you can take to lessen the exposure to these types of losses and ensure that you have the appropriate insurance to cover potential damages.



Do you have the right automobile coverage?

When it comes to auto insurance coverage, **Comprehensive Coverage** provides you the coverage for property damage to your insured vehicle resulting from occurrences other than collision.



➤ Flooding

➤ Theft

➤ Vandalism



➤ Glass breakage not resulting from an accident

➤ A vehicle striking an animal

If you have only liability coverage, your insurer will not pay for the above types of damage or for damage to your vehicle from a collision.

Do you have the right homeowner coverage?

Review your policy to determine what is covered and what is excluded. Are the following covered under your current policy?

- windstorm damage
- debris or tree removal
- Water/Sewer Backup
- additional living expenses

Your Insurance Company
3535 Second Street
Company Town, USA 54321

Policy number XX-XXXXXX-XX
Policy period: 6 months
Effective date: January 1, 2015
Expiration date: July 1, 2015

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Homeowners Insurance Policy <SAMPLE>

Named Insured	Address	Mortgagee	Address
John E. Doe	123 E. Main Street Insured Town, USA 12345	Bank of USA	1212 First Street Company Town, USA 54321

XYZ Insurance Company considers your claims history when determining whether to cancel or to non-renew your insurance policy.

Coverages & property	Liability limits
SECTION I	
A Dwelling	\$250,000
B Dwelling extension (garage)	\$25,000
C Personal property	\$125,000
D Loss of use	Actual loss sustained
SECTION II	
L Personal liability (each occurrence)	\$300,000
Damage to property of others	\$1,000
M Medical payments to others (each person)	\$2,000

Loss of settlement provisions (see policy)
A1: Replacement cost – Similar construction
B1: Limited replacement cost – Coverage B

Forms, options and endorsements	
Replacement cost coverage	xx-xxxx
Mold, fungus, wet rot, dry rot or bacteria	xx-xxxx
Ordinance or law coverage:	
10% of Coverage A	xx-xxxx
Earthquake excl. masonry veneer	xx-xxxx
Sewer, water backup coverage:	
\$10,000/\$500 deductible	xx-xxxx
Increase dwelling, up to \$50,000	Option XX
Jewelry and furs, \$5,000 each	Option YY

Inflation coverage index XXX.X

Deductibles	
All peril	\$2,000

In case of loss under this policy, the deductible will be applied per occurrence and will be deducted from the amount of loss. Other deductibles may apply – refer to your policy.

Policy premium	
	\$1,000

Discounts applied

Home/Auto

Home protection (burglar and fire alarms, smoke detectors)

Claim record/Customer longevity

Your policy consists of this page, any endorsements and the policy form. Keep together.

When you purchase a homeowners insurance policy, renew your policy, or make any changes to your policy, the insurer will give you a document called a “Declarations Page.”

The declarations page identifies the kinds and amounts of coverage you have and how much it costs.

<https://insurance.maryland.gov/Consumer/Documents/publications/understandinghodeclarationspage>



Maryland
INSURANCE ADMINISTRATION

200 St. Paul Place, Suite 2700
Baltimore, MD 21202
410-468-2000
800-492-6116
800-735-2258 TTY
www.insurance.maryland.gov

www.facebook.com/MdInsuranceAdmin
www.twitter.com/MD_Insurance
www.instagram.com/marylandinsuranceadmin



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Do you have enough insurance coverage?

- ✓ Make sure you have enough coverage to repair or rebuild your home in the event of a disaster.
- ✓ Ask your insurance producer or insurer about purchasing coverage to protect against inflation.
- ✓ Notify your insurance producer or insurer if you make improvements or additions to your home to ensure they are covered.
- ✓ Determine whether you need additional coverage for antiques, collectibles, jewelry, computers, or other expensive items that may not be included in basic contents coverage.

Do you have the right insurance coverage?

- ✓ Know the difference between ACV and RCV
- ✓ Actual Cash Value (ACV) is the cost to replace the damaged property with “like kind or quality” minus depreciation for age and use.
- ✓ Replacement Cost Value (RCV) is the cost to replace the damaged property with “like kind or quality”, at full cost without depreciation, less the amount of your deductible.
- ✓ **It’s important to remember you may not receive the full replacement cost until you actually repair or replace the damaged property.**

How much coverage do I need for my household property?

This depends on the value of your personal property. You should start by making an inventory of your personal property and determining the value of that property.

[Video: Creating a Home Inventory](#)

- Group items together in logical categories, or room by room. Don't forget rarely used items.
- Photograph or videotape each item or room.
- Store your home inventory and related items, such as sales receipts or appraisal documents, in a safe place such as in the cloud or in a fire-proof box or safe deposit box.

An updated inventory can also make it easier to file an accurate, detailed insurance claim in case your personal property is damaged or destroyed by a covered cause of loss under your policy.

Insurance Preparedness Tips: Know what is not covered.

Most homeowners, renters, and condo insurance policies exclude the following from coverage:

- ✓ Mudslide
- ✓ Earth Movement
- ✓ Groundwater or seepage
- ✓ Flood



While some private insurers may offer some coverage for flooding as an endorsement to your homeowners, renters, or condominium policy, flood insurance can also be purchased from the National Flood Insurance Program (NFIP). For more information, contact your insurer, insurance producer, or go to the NFIP's website, www.floodsmart.gov.

Know what you will have to pay

✓ Know what your deductibles are.

Some policies have a separate percentage deductible for certain types of events, for example wind.

Some policies have a deductible based on the amount of insurance coverage on your home.

Example: If your dwelling is insured for \$100,000, and your policy has a 2% deductible for certain perils, your deductible would be \$2,000.

Filing a Claim - Homeowners

WHEN SHOULD I REPORT DAMAGE TO MY HOME OR PERSONAL PROPERTY?



Before reporting the property damage to your home, it is a good idea to find out what your deductible is. If the damage is minor, for example, just a few shingles were damaged, you might decide you're better off paying for the repairs out of pocket instead of filing an insurance claim. But, remember you might not be able to see all the damage. You may want to have a contractor inspect your home.

Filing a Claim - Homeowners

WHEN SHOULD I REPORT DAMAGE TO MY HOME OR PERSONAL PROPERTY?



If you believe the damage will cost more than your deductible to repair, or there's a lot of damage, you may want to file a claim. It's important to notify your insurer as soon as you know there's damage and you decide to file a claim. The easiest way to report damage is to call your insurer or insurance producer directly.

Filing a Claim - Homeowners

WHAT DO I NEED TO KNOW WHEN I CALL TO MAKE A CLAIM?

It will help if you have your policy number. But if you don't, your insurer or insurance producer can find your policy with your name, address, and phone number. You'll need to briefly explain what happened and describe the type and extent of the property damage.



Filing a Claim - Homeowners

WHAT DO I NEED TO KNOW WHEN I CALL TO MAKE A CLAIM?

If you aren't staying in your home, be prepared to give your insurer and insurance producer your new contact information—a phone number and an address.

Let your insurer and insurance producer know when you call if you've taken photos and videos of the damage and have cost estimates.

Filing a Claim - Homeowners

WHAT DO I NEED TO ASK WHEN I FILE A CLAIM ?

It is a good idea to ask:

- For the name and phone number for every person you talk to.
- For your claim or reference number.
- How long you have to file a claim.
- If you need estimates to make repairs or rebuild before you can file a claim.
- For a general idea of what your policy will cover.



Filing a Claim - Homeowners

WHAT DO I NEED TO ASK WHEN I FILE A CLAIM?

It is a good idea to ask:

- If your insurance policy covers hotel costs. For how much? For how long?
- For information about your deductible. Are there separate deductibles for hail, hurricane, or wind damage? What are those?
- If there are any special processes or procedures you need to know about.
- When you can expect an adjuster to call.
- What other information the company will need to process the claim.



Filing a Claim - Homeowners



Estimating the Damage

WHAT IS AN ADJUSTER AND WHAT DOES AN ADJUSTER DO?

An adjuster is a person who determines the amount of damage to your home and property – what can be repaired or replaced, and at what cost. An adjuster reviews your insurance policy to determine if the damage is covered and if there are any dollar limits or deductibles that apply. They also should explain your policy's coverage for the claim.

There are three different types of adjusters:

- Company
- Independent
 - Public



Filing a Claim - Homeowners



HOW DO I GET A SETTLEMENT OFFER? WHO GIVES ME THAT ?

The company adjuster or independent adjuster will calculate the amount of damage to your home and property. They will review your policy and determine what deductibles may apply and if there are any limits on what will be paid. Once they've made those calculations, they'll contact you and your public adjuster or lawyer (if you have one) and share their estimates and calculations with you.

They also may contact your contractor about their estimates and calculations.



Filing a Claim - Homeowners



HOW LONG WILL IT TAKE FOR MY INSURANCE CLAIM TO BE SETTLED?

Everyone wants the process to be done as fast as possible so they can return to a normal life.

If there's substantial damage involving your home and property, an insurance claim is not going to be closed with a single payment. There will likely be multiple claims payments for various parts of your claim as the rebuilding process moves along. Most people find it takes at least 18 to 24 months to repair/rebuild their home and replace their possessions after a major disaster.



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Filing a Claim - Homeowners

HOW LONG WILL IT TAKE FOR MY INSURANCE CLAIM TO BE SETTLED?

Your insurance claim will stay open until the insurer has made all payments you're entitled to under your policy.

You should feel free to contact your insurer or adjuster for a status on your claim at any time during the claims process.



Filing a Claim - Homeowners

WHAT IF I'M NOT SATISFIED WITH THE AMOUNT OF MY INSURANCE SETTLEMENT ?

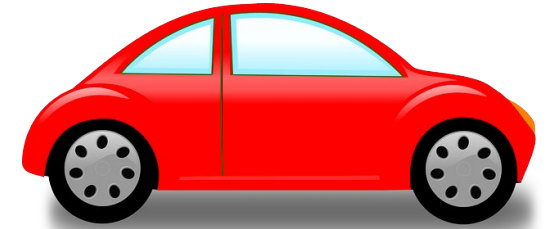
- Your settlement won't necessarily be the same as your neighbor's. Your coverages, deductible, and policy limits may be different even if the damage looks the same.
- If the insurer denies any part of the claim, it is a good idea to ask for the denial in writing and to keep all paperwork.
- If you don't believe the offer is fair, you can call the insurer. Be prepared to explain why you think the offer is unfair. If you're not satisfied with the response, you can contact the Maryland Insurance Administration for assistance or, depending on your policy, seek arbitration or file a lawsuit.

Filing a Claim - Homeowners

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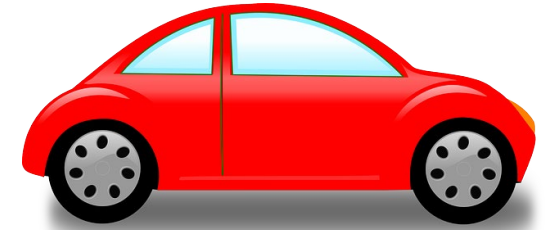


Filing a Claim - Automobiles



- If you experience damage to your vehicle and you decide to file a claim, call your insurance company as soon as possible.
- Your policy provides a certain period of time for you to notify the insurance company of your claim.
- Your insurance company may tell you to take your vehicle (or have your vehicle towed) to a body shop where you will receive an estimate of the amount of damage to the vehicle.

Filing a Claim - Automobiles



- You have the right to select the repair facility where your vehicle will be repaired.
- Your insurance company may send an adjuster to assess the damage.

Claim Process - Automobiles

- Review the estimate carefully. If you disagree with the estimate, you have the right to get another estimate at a different repair facility.
- Make sure to keep copies of all claim records, and keep track of the claim.



What happens if your insurer decides that your vehicle is a total loss?

If your vehicle is determined to be a total loss, your insurer will make a **settlement offer reflecting the actual cash value (ACV) of the vehicle immediately prior to the loss.**



You will be responsible for payment of your deductible.

What if my vehicle is a total loss?

Total Loss - the cost to repair the vehicle is 75 percent or greater than the fair market value of the vehicle immediately prior to the loss.

Your insurer is permitted to add additional costs such as the cost of a rental vehicle and potential hidden damage to the cost to repair your vehicle when calculating the 75 percent value.

What if my vehicle is a total loss?

You may request the following in writing from the insurer:

- ✓ Settlement offer
- ✓ Explanation of the method used to arrive at the offer
- ✓ Detailed explanation of the calculation of the motor vehicle's total loss value, including the calculation of any value added to the motor vehicle by options
- ✓ A list of all the deductions that will be made from the value of the motor vehicle.
- ✓ A copy of the inspection guidelines relied on to determine the condition of the vehicle at the time of the loss.

The insurer is required by law to respond within seven business days of your request.

After a Loss

- ✓ Contact your insurance company promptly after sustaining a loss.
- ✓ Take photographs and/or video of the damaged areas.
- ✓ Make only those repairs necessary to prevent any further damage. Do not make permanent repairs before talking to your insurance company.
- ✓ Before you remove any damaged property from the premises, be sure an insurance adjuster or your agent has seen the damage.

After a Loss

- ✓ Keep all receipts for emergency repairs.

- ✓ As soon as possible, prepare a detailed inventory of all damaged or destroyed property. Give a copy to the insurance adjuster and keep a copy for yourself. It should include:
 - Description and quantity of items.
 - Date of purchase or approximate age.
 - Cost - time of purchase and estimate to replace.

After a Loss

- Be present when your insurance adjuster inspects your property.
- Do not accept an inadequate settlement offer. Cashing a check may bar you from seeking additional compensation; confirm in writing that it will not.

Contact Information

Maryland Insurance Administration

1-800-492-6116

www.insurance.maryland.gov



Contact Information

Maryland Emergency Management Agency

1-877-636-2872

www.mema.maryland.gov/

Federal Emergency Management Agency

1-202-646-2500

www.fema.gov



Questions?