



Department of Business Regulation
Insurance Division
1511 Pontiac Avenue, Bldg. 69-2
Cranston, Rhode Island 02920

Consumer Alert 2015-7

Disaster Preparedness:

Act Now to Make Filing a Claim Easier After the Storm

Spring and summer can bring all kinds of potentially damaging weather. This spring has already been a destructive season for natural disasters, and June 1 marks the beginning of hurricane season. Knowing what to do before and after a storm can help protect your family and your property. Now is the time to take several simple steps that could make filing an insurance claim after a storm easier. The Rhode Island Insurance Division and the National Association of Insurance Commissioners (NAIC) offer these tips to help protect your family and your investments:

It's Not Too Late to Create a Home Inventory

- To make the claims process easier, it's imperative to have a complete list of the belongings in your home. An inventory should include all of the vital information about your belongings (brand name, price, date of purchase, model, serial number and receipts) and should be accompanied by photos of the items. There are several simple ways to start building a home inventory. You can download a [home inventory spreadsheet](#) that will help get you started. If you are using an electronic or paper spreadsheet, remember to take pictures of your belongings, and save them in the same place as the home inventory.

- Or you can download the free [NAIC Home Inventory apps](#) for iPhone or the Android version. The app will guide you through capturing images, descriptions, bar codes and serial numbers, and then storing them electronically for safekeeping. The app even creates a back-up file for e-mail sharing.

- Once you have completed the home inventory, talk with your agent or company to make sure your homeowners or renter's policy is adequate to cover your new investments.

- If you don't have time to create a comprehensive list of the items in your home, then quickly videotape and/or photograph every room. The more detail you include, the easier it will be for your insurance company to evaluate your loss. When making your list, make sure to open drawers and closets, and don't forget to take stock of what's in your garage and storage buildings.

- Once you have made your inventory, or taken photographs of your home, e-mail the information to family or friends living out of the hurricane threat or your insurance agent.

Collect Your Insurance Information

- Store copies of your insurance policies with your home inventory. Make sure to have a copy of your policy declarations page listing all of your coverages, as well as your insurance cards.

- It's also important to have 24-hour contact details for your insurance agent and insurance company. Make a list that includes your policy numbers, your insurance company and insurance agent's phone numbers, website addresses and mailing addresses. Also, check to see if the company or your agent has set up an emergency information hotline. It is a good idea to store this information, and your home inventory, in a waterproof, fireproof box or safe. If you evacuate your home, don't forget to take this information with you.

- Before a storm hits, review your insurance policies to determine if you have adequate coverage. More expensive items like jewelry, electronics or collectibles may exceed the limits of your coverage and require an additional policy. Understanding your policy will also help you plan for any out-of-pocket expenses you may incur if your home is damaged, such as paying your deductible or for temporary living expenses. Be sure you understand the difference between replacement cost and actual cash value. Replacement cost is the amount it would take to replace or rebuild your home or repair damages with materials of similar kind and quality, without deducting for depreciation. It is important to insure your home for at least 80 percent of its replacement value. Actual cash value is the amount it would take to repair or replace damage to your home after depreciation. The NAIC's [Consumers Guide to Homeowners Insurance](#) offers more information about homeowners policies.

- NOTE! Flood damage is NOT covered by a standard homeowners or renter's insurance policy. If you have a separate flood insurance policy, remember to include a copy of the policy and the contact details for the insurance company on your list. Be aware that there is a 30-day waiting period before a flood insurance policy is effective. For additional information on flood insurance and knowing your flood risk, please see [Consumer Alert 2015-4](#), or you may contact your insurance agent, or the NFIP at 1.800.638.6620, or visit www.floodsmart.gov

Prepare for the Worst

- There are steps you can take to help mitigate some of the damage caused by a hurricane or tropical storm. If your home is equipped with storm shutters, make sure you can quickly put them in place. Clear your yard of debris that could become projectiles in high winds and trim dead or overhanging branches from trees surrounding your home. It's

also a good time to make a quick review of your home to make sure the roof sheathing is properly secured, that end gables are securely fastened to the roof, and that doors and garage doors are latched properly.

- Develop an emergency plan that will prepare you in case you need to evacuate your home or take shelter. The safest place to take shelter during a tornado is in a basement, but if you do not have a basement, an interior bathroom or closet without windows is the next best option. Keep thick blankets or sleeping bags nearby to protect you from debris. The National Weather Service has a [brochure](#) with more information about preparing for tornadoes, severe thunderstorms, and floods. Review your emergency plans with your family so that you are ready before the storm hits, and don't forget to include pets.

- If you are forced to evacuate your home, turn off all utilities and disconnect appliances to reduce the chance of additional damage and electrical shock when utilities are restored.

- You should also create a disaster kit. A basic disaster kit includes drinking water, non-perishable food, prescription drugs, flashlights and chargers for cell phones, among other items. Make copies of any personal documents - including your insurance information - and store them in a waterproof container. The [Red Cross](#) and [Ready.gov](#) have more suggestions for putting together a disaster kit.

After the Storm

- The days following a natural disaster can be confusing and stressful, but it is important that you focus on filing your insurance claim(s) as quickly as possible to help protect your financial future.

- The first step to getting your home restored is to contact your insurance company and/or agent with your policy number and other relevant information. Be aware that your policy might require that you make this notification within a certain time frame.

- Take photographs/video of the damage before clean-up or repairs. It is important to have an accurate account of any damage. After you've documented the damage, make repairs necessary to prevent further damage to your property (cover broken windows, leaking roofs and damaged walls). DO NOT have permanent repairs made until your insurance company has inspected the property and you have reached an agreement on the cost of repairs. Be prepared to provide the claims adjuster with records of any improvements you made prior to the damage. Save all receipts, including those from the temporary repairs.

- If your home is damaged to the extent that you cannot live there, ask your insurance company or insurance agent if you have coverage for additional living expenses.

- Cooperate fully with the insurance company. Ask what documents, forms and data you will need to file the claim. Keep a diary of all conversations you have with the insurance company and your insurance agent, including names, times and dates of the calls or visits and contact details.
- Be certain to give your insurance company all the information they need. Incorrect or incomplete information may cause a delay in processing your claim.
- If the first offer made by the insurance company does not meet your expectations, be prepared to negotiate. If there is a disagreement about the claim, ask the company for the specific language in the policy in question and determine why you and the company interpret your policy differently. If you believe you are being treated unfairly, or if the delay is unreasonable, contact the [Rhode Island Insurance Division](#) at 401-462-9520 or email at dbr.insurance@dbr.ri.gov for assistance. You may also file a complaint online with the RI Insurance Division by clicking [here](#).
- Even after settling your claim, if you think of items that were not in your initial loss list, contact your insurance company. Unless the company has paid the entire limit for the coverage of those types of items, it is possible the company will make an additional payment.
- If your damages exceed the amount of your coverage, federal agencies will occasionally provide grants or low-interest loans to assist with recovery following major disasters. Check with the State of Rhode Island [Emergency Management Agency](#) at 401-946-9996 for additional information.

Protect Yourself from Home Repair Fraud

- Home repair fraud increases exponentially following a major storm. Protect your investment by getting more than one bid from contractors and requesting at least three references.
- When choosing a contractor to make repairs, check licensing and references before hiring. You may contact the Contractor's Registration Board at 401-222-1269 or www.crb.ri.gov for status of contractors. Always insist on a written estimate before repairs begin and do not sign any contracts before the insurance company's adjuster has examined the damage. In some cases the adjuster will want to see the estimate before you begin making repairs.
- Do not pay a contractor the full amount up front or sign over your insurance settlement payment. A contractor should expect to be paid a percentage when the contract is signed and the remainder when the work is completed.
- If the contractor finds hidden damage that was not discovered in the original assessment by the adjuster, contact your insurance company to resolve the difference. For

any disagreements that cannot be resolved, contact your state insurance department about your recourse.

More Information

- Get educated about your insurance choices. For more information about homeowners or renter's insurance and the basic coverages in a policy, go to www.InsureUonline.org and choose the life stage that best fits your life situation or download the [NAIC Consumer's Guide to Home Insurance](#).
- Take the time now, before a major purchase or life change, to fully protect yourself from the unexpected. The Rhode Island Insurance Division and the National Association of Insurance Commissioner's offer [Get Ready resources](#) to help consumers do just that.
- Don't be a victim of insurance fraud! Before you sign a contract, write a check or give out personal information, STOP. CALL the Rhode Island Insurance Division at 401-462-9520 or email dbr.insurance@dbr.ri.gov and CONFIRM that the agent, adjuster, appraiser, and/or company you are working with are licensed to do business in RI. You may also file a complaint online with the RI Insurance Division by clicking [here](#).

About the RI Insurance Division

The mission of the [Rhode Island Insurance Division](#) is to assist, educate and protect Rhode Islanders through the implementation and enforcement of state laws mandating regulation and licensing of the regulated industries while recognizing the need to foster a sound business environment in the state. We are also committed to treating everyone who comes before us fairly, efficiently and with respect. Please visit our [website](#) to obtain additional consumer information and [alerts](#) issued by the Rhode Island Insurance Division, or you may contact us at 401-462-9520 or email dbr.insurance@dbr.ri.gov for assistance.

About the NAIC

[The National Association of Insurance Commissioners \(NAIC\)](#) is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S. For consumer information, visit insureUonline.org

Joseph Torti III
Superintendent of Insurance
May 22, 2015