

# NATURAL DISASTERS

*Your guide to insurance and financial preparation in the event of a natural disaster.*

## ARE YOU PREPARED?



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Hurricanes aren't the only disasters that Floridians need to be prepared for each year. Wildfires, floods, tornadoes and sinkholes are other reasons it pays to make sure your homeowners insurance coverage is adequate and that your financial interests are up-to-date and protected.

This brochure contains information that can be extremely valuable in the event of a natural disaster.



## PLANNING AHEAD

### Do you need flood coverage?

Most homeowners insurance policies exclude flood damage (rising water). Depending on your home's location you may qualify for flood insurance through the National Flood Insurance Program (NFIP). You also may qualify for a discount if you include a flood elevation certificate with your application. In some instances, you may be able to purchase flood insurance through the same insurance company that provides your homeowners coverage. Flood insurance policies issued by the private market must include, at a minimum, the same coverage provided on policies issued by the NFIP. For more information, contact the National Flood Insurance Program at 1-888-FLOOD29 (1-888-356-6329) or your insurance agent.

### Do you need windstorm coverage?

Some homeowners insurance policies do not cover damage caused by windstorms, such as hurricanes. If you have trouble obtaining a policy that does, you can check with Citizens Property Insurance Corporation by going to [www.citizensfla.com](http://www.citizensfla.com) or calling Citizens toll-free at 1-888-685-1555. Citizens is the state-run insurance company that provides coverage to consumers who are unable to find it in the private market. Remember that insurance companies do not accept new applications or requests to increase coverage once a tropical storm or hurricane watch or warning has been issued for any area within the state of Florida.

### Do you need more coverage?

The value of your home and possessions may have increased during the past several years or you may have made improvements or purchased expensive items such as computers or major appliances. Review your insurance policy and check your coverage limits. Consider increasing your coverage if your policy doesn't cover the value of your home and its contents. If you want to make policy changes concerning wind and water damage, it's best to contact your agent before the start of hurricane season on June 1.

### What does your policy cover and exclude?

Homeowners insurance policies usually limit coverage on valuables such as jewelry, silverware, guns, antiques or boats. Check your policy and contact your insurance agent or company with questions or to request additional coverage.

If you live in a condominium, find out what coverage your condominium association provides. You may need your own policy for the interior of your unit. You should also check the deductible amounts contained in your policy. All policies include deductibles for perils or causes of possible loss, such as fire, hurricane, hail, etc. In Florida, most homeowners insurance policies include a larger deductible for hurricane damage and a smaller deductible for other damage. Hurricane deductibles are typically 2, 5 or 10 percent of the amount of insurance covering the dwelling at the time of loss. In Florida, you only have to pay one hurricane deductible within the calendar year, provided you are insured with the same insurance company or group of companies for the second or subsequent hurricanes during the same calendar year.

### “Replacement Cost” vs. “Actual Cash Value”

Replacement Cost is the amount needed to replace or repair damaged property with materials of similar kind and quality, without deducting for depreciation (the decrease in value of your home or personal property due to normal wear and tear). Actual Cash Value (ACV) is the amount needed to repair or replace an item, less depreciation.

For example, if you bought a television for \$1,000 in 2015, and it gets destroyed by lightning in 2018, a policy written to cover “Actual Cash Value,” would pay an amount reflecting its current value-about \$800. But if your policy is for “Replacement Cost,” it would pay the complete amount for a new television of a similar type and size - about \$1,100.

Keep receipts when you buy high-value items such as televisions and computers. You might need this information to verify the age and value of your possessions.

Inflation, renovations and rising property values increase the replacement cost of your home and its contents. Actual cash value may decrease over time.

## What about additional living expenses?

Additional Living Expense (ALE) coverage on most homeowners insurance policies will pay some expenses for losses that leave homes unlivable during repairs. Such expenses could include limited motel, restaurant and storage costs. Keep all receipts during this period. This coverage does not apply to flood insurance.

Civil authorities, such as law enforcement agencies and emergency management services, sometimes issue mandatory evacuation orders that affect thousands of residents. Find out whether lodging and meals are covered if you must evacuate but no damage occurs to your property. Does any deductible or coverage limit apply?

Most policies will provide ALE coverage when a civil authority prohibits the use of a residence due to direct damage to neighboring homes by a covered threat. Policies generally offer this coverage without any deductible and for losses of up to two weeks. If you have any questions, call the Florida Department of Financial Services toll-free Insurance Consumer Helpline at 1-877-MY-FL-CFO (1-877-693-5236).

# WHAT TO DO BEFORE A DISASTER

## What can you do to prepare?

Being prepared to evacuate your home will help to prevent major financial headaches down the road. Here are some steps you can take:

- Make an itemized list of your belongings, including costs, purchase dates and serial numbers. Attach receipts, especially for “big ticket” items. Your insurance company may require proof of the cost of any item for which you make a claim. Dated photographs or videotapes of your possessions are also good ideas.
- Take copies of your legal, financial and medical documents with you, including bank statements, insurance policies, mortgage information, credit card addresses and toll-free phone numbers, wills, birth certificates, passports and medical prescriptions. Flood insurance will not cover the cost to replicate these official documents.

## Know Your Insurance Company

Write down the names of your agent and agency, your insurance company, your policy number and telephone numbers to report claims. Remember that the name of your insurance company might differ from that of your agent, agency or underwriter.

## Do you have enough cash?

Remember to withdraw money before a pending disaster. Since carrying or keeping large amounts of cash in your home can be unsafe, take out only as much as you’ll need. Financial institutions may be closed immediately after a direct hit due to conditions such as road hazards, building damage and/or lack of electricity. It is important to withdraw funds in advance of a storm.

## Do you have enough credit?

Keep and protect a credit card with an available balance of at least \$1,000.

## Paying Bills

If you pay bills by phone or online, try to pay them before a disaster hits, even if they are not yet due. Hurricanes and wildfires could interrupt phone service, causing you to miss payments and incur late charges. If you pay by mail, send payments as soon as possible. Mail delivery and pickup by the U.S. Postal Service may be delayed due to conditions immediately following a disaster or storm. Keep copies of all payments mailed within three days of a natural disaster, if possible.

## How can you safeguard your records?

Keep insurance and financial papers in a secure and accessible place like a safe deposit box or with a relative or friend. Include your insurance policy, inventory records, agent or company telephone numbers for reporting claims, mortgage and other loan contracts and payment records. You may need quick access to this information. If you need to evacuate, take the records with you.



### How can you get more information?

Visit the Florida Department of Financial Services, Division of Consumer Services' website at [www.MyFloridaCFO.com/Division/Consumers](http://www.MyFloridaCFO.com/Division/Consumers) for consumer guides and other publications. You may also call the Department's toll-free Insurance Consumer Helpline at 1-877-MY-FL-CFO (1-877-693-5236) for additional assistance.

### Report property damage to your insurance agent and company

Once you contact your insurance agent or company, you should receive claim forms and a special reference number for your claim. Be sure to write down your reference number and keep it handy. In all likelihood, a licensed insurance adjuster will visit your property to assess the damage.

Different types of adjusters handle different types of claims.

Adjusters determine the amount of any claim, loss or damage payable under an insurance contract. Adjusters often participate in claim, loss or damage settlements. An adjuster must be licensed by the Department of Financial Services to work in Florida. There are three kinds of adjusters:

- Company adjusters, who work as insurance company employees;
- Independent adjusters, who usually work as employees of independent adjusting firms that contract with insurance companies to handle claims; and
- Public adjusters, who contract with policyholders to help settle their claims with insurance companies.

All adjusters are required to adjust your claims in accordance with your insurance contract and in compliance with the Florida Insurance Code. All adjusters must comply with the "Adjusters' Code of Ethics" contained in the Department's rules. To review the Company Adjusters Code of Ethics, visit [www.MyFloridaCFO.com/Division/Consumers/Documents/AdjusterCodeOfEthics.pdf](http://www.MyFloridaCFO.com/Division/Consumers/Documents/AdjusterCodeOfEthics.pdf) and to review the Public Adjusters Code of Ethics, visit [www.MyFloridaCFO.com/Division/Consumers/Documents/PACodeOfEthicsContractChecklist.pdf](http://www.MyFloridaCFO.com/Division/Consumers/Documents/PACodeOfEthicsContractChecklist.pdf).

No matter which type of adjuster you use, be sure he or she is properly licensed. If you have any questions about the license status of an adjuster or the way he or she handled your claim, call the Florida Department of Financial Services Insurance Consumer Helpline toll-free at 1-877-MY-FL-CFO (1-877-693-5236).

### Flood or Damage Assistance

If your property has been damaged by flooding or rising water, contact your insurance agent to find out if you have flood insurance. If you have flood insurance and need to file a claim, you must:

- Notify your insurance agent. If your home has been destroyed or massively damaged, tell the agent you need priority help.
- Make temporary repairs. Document all repairs with "before" and "after" photographs and keep receipts of all repair expenses for reimbursement purposes.
- Maintain copies of your household inventory, cancelled checks, invoices and other documentation. This will help the adjuster assess the value of the destroyed property.
- Be careful not to dispose of any destroyed property during the initial cleanup.
- Never give original documents or photos to anyone.

## WHAT TO DO AFTER A DISASTER

### Flood insurance will not cover:

- Your personal automobile. To repair or replace your vehicle following flood damage, file a claim against the comprehensive portion of your auto insurance.
- Currency, precious metals and valuable documents such as stock certificates.
- Property and belongings outside of the insured building.
- Living expenses such as temporary housing.
- Financial losses caused by business interruption or loss of use of insured property.



**Note:** If you do not have flood insurance, you may contact the Federal Emergency Management Agency (FEMA) to find out what assistance is available. If your county is declared a Major Disaster Area, FEMA may help cover some of the necessary costs to make your home safe and livable.



## FEMA may provide assistance through the following options:

- Low-interest loans – Most, but not all, assistance is in the form of low-interest loans to help cover expenses not covered by state or local programs or private insurance.
- Disaster grants – If you do not qualify for any loans, you may be able to apply for a disaster grant. Disaster grants are available to meet disaster-related needs and expenses not covered by insurance or other aid programs.
- Housing assistance – FEMA’s Disaster Housing Program makes funds and services available to individuals whose homes are uninhabitable due to a disaster. Individuals, families and businesses may be eligible for federal assistance if they live in, own a business or work in a county declared a Major Disaster Area.

To apply for FEMA assistance, call toll-free at 1-800-621-3362 (TTY: 1-800-462-7585)

## You should also:

- Contact those you’ve sent payments to and confirm that they received them.
- Use credit cards to finance emergency repairs and document all transactions.
- Your policy probably requires that you make emergency repairs to prevent further damage to your home or its contents. For example, you may need to use plywood, tarp and duct tape to keep rain from entering a hole caused by a tree limb hitting your home.
- Keep all receipts and take photographs of the damage, before and after repairs, to submit with your claim.
- Take precautions if the damage requires you to leave your home.

- When evacuating, secure your property and remove any valuables. Lock all windows and doors. Let your agent or company know your temporary forwarding address and phone number (i.e., place where you will stay). Take these same precautions if you receive notice to evacuate before a storm, wildfire, etc.
- If the damage does not allow you to occupy your home, keep all receipts for temporary living facilities and notify your agent, company or adjuster.
- If you have other insurance-related problems or questions, you may call the Florida Department of Financial Services Insurance Consumer Helpline toll-free at 1-877-MY-FL-CFO (1-877-693-5236).

## Beware of fly-by-night repair businesses

Hire licensed and reputable service people, preferably from your community.

Beware of anyone offering to help after a storm who wants cash only. Before you use a “fast-cash” contractor, be certain you understand exactly what the service will cost. Call the Florida Department of Business and Professional Regulation at (850) 487-1395 or browse its website at [www.myfloridalicense.com/dbpr/](http://www.myfloridalicense.com/dbpr/) to find out if a contractor is licensed or to file a complaint.

## Beware of Fraud

If you suspect insurance fraud, call the Florida Department of Financial Services Insurance Fraud Hotline toll-free at 1-800-378-0445.

## Consumer Assistance

If you have an insurance or financial question or problem, call the Florida Department of Financial Services Insurance Consumer Helpline toll-free at 1-877-MY-FL-CFO (1-877-693-5236). The Florida Relay Service provides communications assistance to individuals with hearing, speech or vision disabilities and can be reached by dialing 711.

**Write down important claims information**

After you file a claim, you may need to take follow-up action or check on its progress.

You should complete the form below and keep it as a handy reference throughout the claims process.

Insurance agent's name and address: \_\_\_\_\_  
\_\_\_\_\_

Effective date of policy: \_\_\_\_\_

Insurance policy number: \_\_\_\_\_

Telephone number to report claims: \_\_\_\_\_  
\_\_\_\_\_

Insurance claim number: \_\_\_\_\_  
\_\_\_\_\_

Claim reporting date: \_\_\_\_\_

Other relevant information: \_\_\_\_\_  
\_\_\_\_\_  
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Once an adjuster visits your home, you should use the space below to write down additional information.

Adjuster's name: \_\_\_\_\_

Business address: \_\_\_\_\_

Telephone number: \_\_\_\_\_

Other: \_\_\_\_\_  
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# RESOURCES

American Red Cross  
1-800-REDCROSS (1-800-733-2767)  
[www.redcross.org](http://www.redcross.org)

Citizens Property Insurance Corporation  
1-888-685-1555  
[www.citizensfla.com](http://www.citizensfla.com)

Federal Emergency Management Agency (FEMA)  
Disaster Impact Helpline  
1-800-621-FEMA (1-800-621-3362)  
[www.fema.gov](http://www.fema.gov)

Florida Department of Economic Opportunity  
(850) 245-7105  
[www.floridajobs.org](http://www.floridajobs.org)

Florida Department of Financial Services  
1-877-MY-FL-CFO (1-877-693-5236)  
[www.MyFloridaCFO.com](http://www.MyFloridaCFO.com)

Executive Office of the Governor  
Florida Division of Emergency Management  
(850) 413-9969  
[www.floridadisaster.org](http://www.floridadisaster.org)

Florida Department of Elder Affairs  
1-800-96-ELDER (1-800-963-5337)  
<http://elderaffairs.state.fl.us>

Florida Department of Business and Professional Regulation  
(850) 487-1395  
[www.myfloridalicense.com/dbpr](http://www.myfloridalicense.com/dbpr)

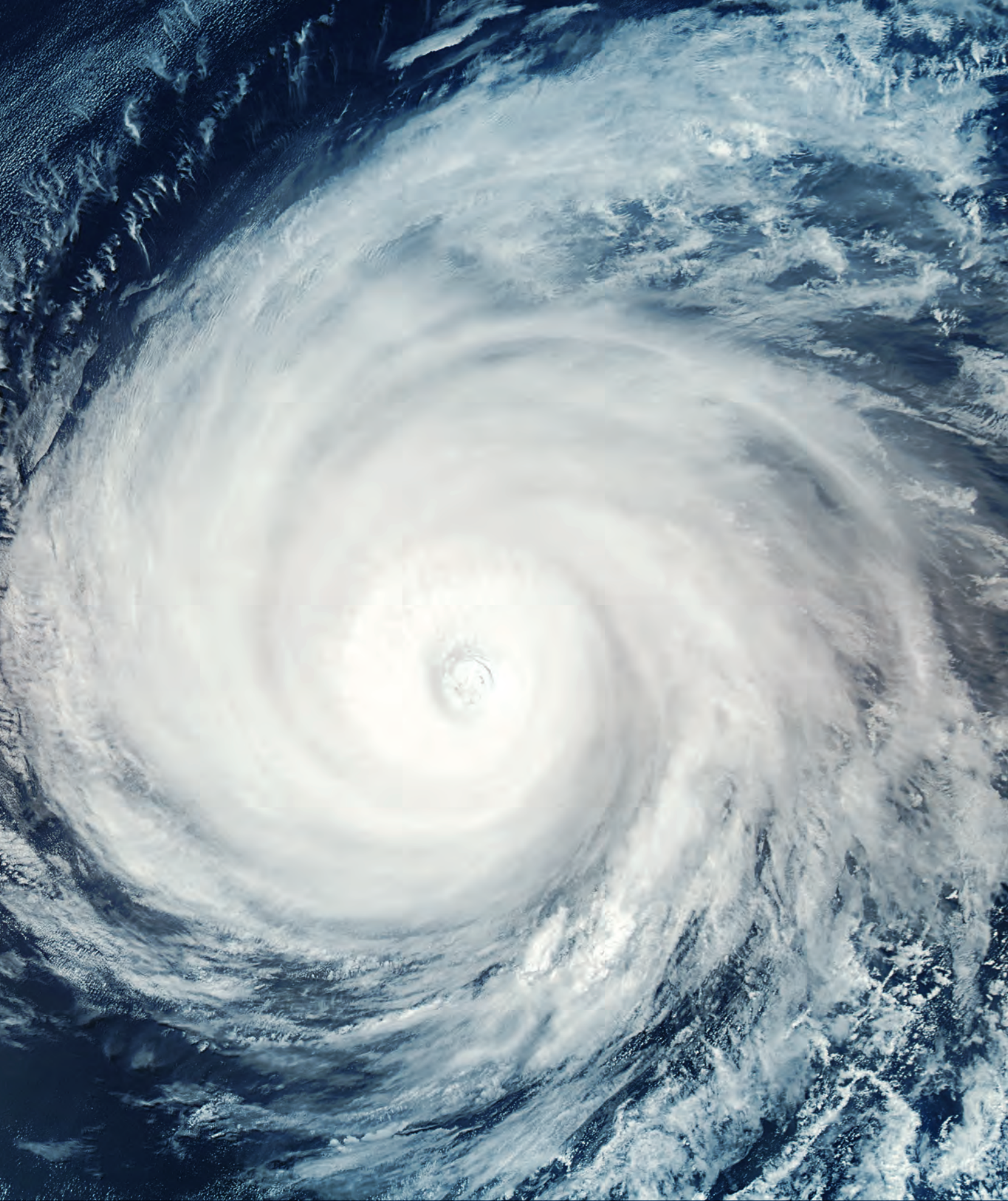
National Flood Insurance Program  
1-800-427-4661  
[www.fema.gov/business/nfip](http://www.fema.gov/business/nfip)

National Hurricane Center  
[www.nhc.noaa.gov](http://www.nhc.noaa.gov)

National Weather Service  
[www.weather.gov](http://www.weather.gov)

Small Business Administration  
1-800-827-5722  
[www.sba.gov](http://www.sba.gov)





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