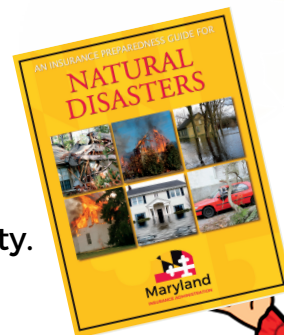


# INSURANCE TIPS

## DISASTER PREPAREDNESS

Storms can cause a lot of damage to your automobile and property. This advisory gives you some general tips to help protect your financial investments in your automobile, home, and personal property before and after a disaster.



## FLOOD DAMAGE VS. WATER DAMAGE

Homeowners policies generally do not cover all types of water damage. While the terms of your policy will determine what types of water damage are covered and the amount of coverage available, homeowners policies generally do not cover damage from floods and may only cover some types of water damage. If your homeowners policy excludes damage from a flood, you may be able to purchase a Standard Flood Insurance Policy from the National Flood Insurance Program ("NFIP"). This policy defines "flood" as: **a general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties, at least one of which is your property from: overflow of inland or tidal waters; unusual and rapid accumulation or runoff of surface waters from any source; mudflow; or collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a flood.** Water seepage is not the result of a flood, you will not have coverage under your flood policy. For example, if surface water or sub-surface water seeps into your basement through a foundation wall or floor, a flood policy will not cover the damages. Generally, you will NOT be covered for the resulting damages under your homeowners policy either.

Problems from seepage are considered maintenance issues and are generally not covered by insurance. On the other hand, if water overflows a sump pump or sewage enters your home through pipes or drains designed to carry it away, your homeowners insurance will provide coverage **if you have purchased a water/sewer back-up endorsement** from your insurance company. If you have this coverage, most policies will pay for the damage done by the water or sewage that backs up into your home. The cost to repair or replace the pipe, drain or sump pump itself will not typically be covered. Review your policy with your insurance company or producer to learn the amount of coverage available. If a pipe in your home suddenly bursts and water flows all over the floors, generally a homeowners policy will cover the damage caused by the water. The repair or replacement of the pipe itself is not covered. Once again, you should review your policy with your insurance company or producer to learn more about the scope and amount of coverage your specific policy provides.



# STORM-DAMAGED VEHICLES

**Comprehensive, or Comp, coverage (sometimes referred to as Other Than Collision or "OTC")** covers damage from certain events other than a collision, such as theft, vandalism, hail and flood or hitting an animal. Comprehensive coverage has a deductible that is shown on your **policy's declarations page**. Ask your producer (agent or broker) or insurer for details about what your policy covers.

If you purchase comprehensive coverage and your vehicle is damaged due to a storm, call your insurer or producer as soon as you can to file your claim. The number to call is typically found on your policy or insurance card.

When you have a claim, take photographs or video of the damage and take all necessary steps to prevent mold or mildew from developing in your car if possible. If your vehicle is determined to be a total loss as a result of a storm and you have purchased comprehensive coverage your insurer has 10 business days to make a settlement offer. The offer reflects the actual cash value of the vehicle prior to the loss minus the amount of your deductible. The settlement offer will include applicable tax and registration fees.

Insurance companies are permitted to treat your vehicle as a total loss and this typically happens when the cost to repair the vehicle is greater than 75 percent of the fair market value of the vehicle immediately prior to the loss. Your insurer also can consider your vehicle a total loss even if the known damage is less than 75 percent of the pre-loss fair market value if additional costs, such as the cost of a rental vehicle or potential additional damage plus the known repair costs exceed 75 percent. Vehicles that have damage exceeding 75 percent of the fair market value must be labeled as "salvage vehicles." If you decide to keep the "salvage vehicle," your settlement offer will be reduced by the vehicle's salvage value.

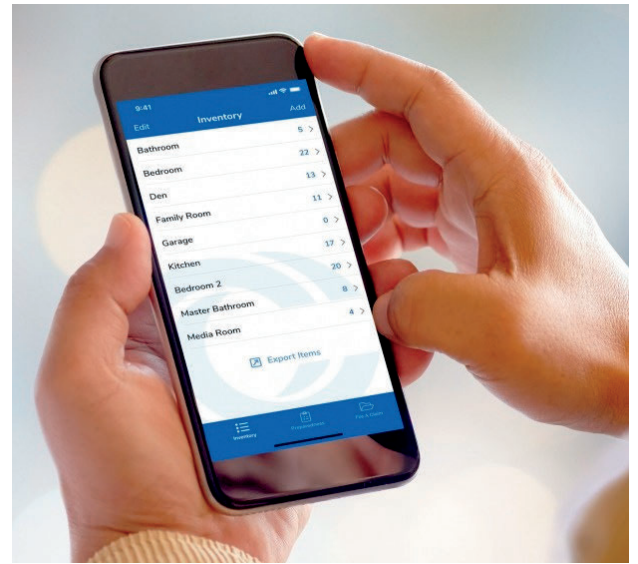




# WHAT IS A HOME INVENTORY LIST?

A home inventory list is a list created by the homeowner or renter documenting items in their residence and the value of the items.

Creating a home inventory is important to help you determine the best insurance coverage for your personal property, as well as to show proof of personal possessions and the monetary value that you may request to be compensated for from your insurer should you experience a covered loss.



It is a good idea to update your inventory list once a year or anytime you purchase something of value. **It is also a good idea to include detailed documentation of your possessions including receipts, descriptions, and photo/video of the contents in your inventory list.**

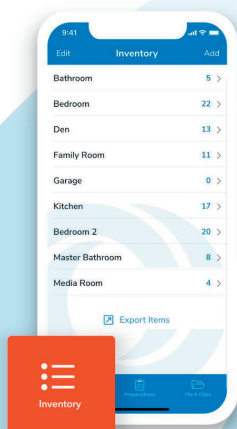
# HOW DO I CREATE A HOME INVENTORY LIST?

We suggest creating an inventory list by sectioning off the home by room (kitchen, bedroom, garage, living room, etc.). Going through each room separately will help you keep things organized and reduces your chances of forgetting important items.

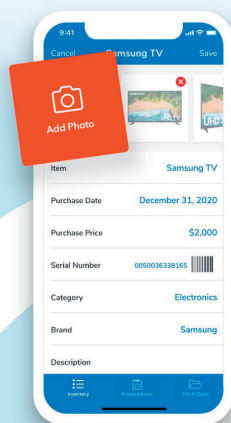
You can photograph and/or video each room and the exterior of your home. You should store your inventory list in a safe place, like a safety deposit box or fire proof safe, together with your home insurance policy and any pictures and receipts you have. If you have access to a scanner or have created your inventory list digitally, you can store it in the cloud.

**The NAIC's checklist is available at: <https://content.naic.org/consumer/home-inventory>**

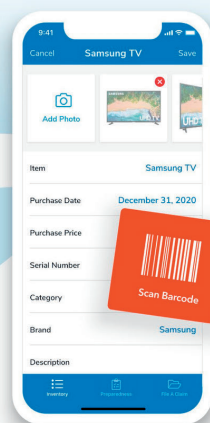
**Group Your Belongings  
By Room And Categories**



**Quickly Take Pictures  
Of Your Belongings**



**Scan Barcodes  
For Accuracy**



the APP



# WHAT TO DO AFTER A LOSS

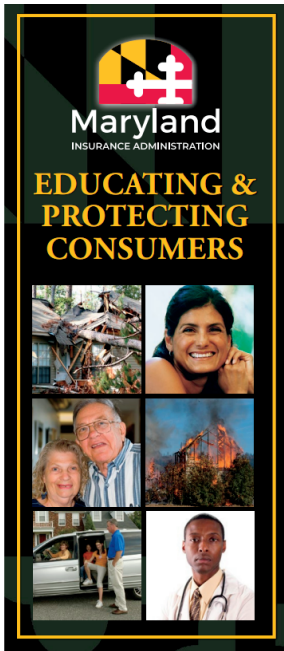
While many losses may be out of your control, there are some steps you can take to help ensure the recovery process goes smoothly.



Generally, it is a good idea to:

- Contact your insurer 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 insurer.
- Before you discard or dispose of any damaged property, be sure an insurance adjuster or your insurance producer has seen the damage.
- Keep all receipts for emergency repairs and for temporary living expenses.
- 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:
  - A description and quantity of items.
  - Date and place of purchase and approximate age.
  - Cost - original purchase price and current estimate to replace.
- Be present when your insurance adjuster inspects your property.
- Do not accept an inadequate settlement offer
- If your insurer denies any part of your claim, be sure they put the denial in writing and you keep all the paperwork.
- Contact your insurer and claims adjuster any time you find additional damage not previously reported.

## ABOUT THE MARYLAND INSURANCE ADMINISTRATION



The Maryland Insurance Administration (MIA) is the state agency that regulates the business of insurance in Maryland. If you feel that your insurer or insurance producer acted improperly, you have the right to file a complaint. The MIA can investigate complaints that an insurer or insurance producer has:

- Denied or delayed payment of all portions of a claim
- Improperly terminated your insurance policy
- Raised your insurance premiums without proper notice or in excess of what the law allows
- Made false statements to you in connection with the sale of insurance or the processing of insurance claims
- Overcharged you for services, including premium finance charges

**Contact the Maryland Insurance Administration at:**

**200 St. Paul Place, Suite 2700**

**Baltimore, Maryland 21202**

**410-468-2000 | 800-492-6116 | 800-735-2258 TTY**



<https://insurance.maryland.gov/Consumer/Pages/FileAComplaint.aspx>

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