

INSURANCE FAQs

AUTOMOBILE & HOMEOWNERS POST DISASTER CLAIM FAQs



Automotive

Q. My car was flooded, will my insurance cover it?

A. Flooding is covered by comprehensive coverage (sometimes referred to as Other than Collision coverage). You can find out if you have this coverage by checking your policy's declarations page. If you do not have your policy handy, contact your insurance producer (agent or broker) or insurance company.

Q. How do I file a claim?

A. Call your insurance producer or insurance company as soon as you can. Your policy or insurance card should have the number to call. It is important to file your claim as soon as you can. Take photographs or video of the damage and take all necessary steps to prevent mold or mildew from developing in your car.

Q. Can I dry it out?

A. It is important to properly dry out your vehicle to prevent mold and mildew. There are many professional companies that specialize in cleaning out wet vehicles. Your insurance company may choose to pay for a cleaning before looking to see if there is any flood damage that needs to be repaired.

Q. Will my car be totaled?

A. The insurance company will look at how much your car is worth versus how much the repairs will cost. Per Maryland law, your insurance company has to total your vehicle if the repairs are more than 75% of how much your car is worth. It is important to know that your insurance company is allowed to make a safety or financial decision to total your car even if the repairs are less than 75% of the value.



Automotive

Q. What if I think my car is worth more?

A. If you think your car is worth more than what the insurance company decided, you can negotiate your settlement with them. It is important to know that you must provide proof of how you came up with your valuation. You can do this by getting quotes from car dealers or viewing prices and ads online for similar vehicles.

Q. What if I owe more than the settlement?

A. If you have a gap policy or endorsement, it will pay the difference between what you owe and the settlement amount. If you do not have gap coverage, you will be responsible for paying off the remainder of the loan.

Q. Can I fix it?

A. If you want to keep your car, let the insurance company know. The insurance company will deduct the salvage value they could have gotten from your car from your settlement. Maryland requires an inspection of your vehicle by the State Police to make sure it is safe to drive. The Motor Vehicle Administration will issue a new title that is branded, which means it will show your car is a total loss. It is important to know that if you plan to keep your car, your insurance company may not let you keep comprehensive and collision coverage on your policy.

Q. What if my car floated away?

A. Contact the police department to see if your car has been recovered.

Q. How do I get a copy of the title?

A. If you have misplaced your title, you can request a copy from the Motor Vehicle Administration online or in-person. Remember, if you have a loan on your car, your lender will have a Security Interest Filing that your insurance company will need to process your total loss claim. For additional information, you may visit their website at www.mva.maryland.gov.

Automotive

Q. During the storm, a tree fell onto my car. Will my insurance cover the damage?

A. Again, as with flood damage, if you have comprehensive coverage, there will be coverage for this loss.

Q. The tree belongs to my neighbor. Would their insurance cover this loss?

A. If the tree was on the property of another, such as a neighbor or public land, the owner of the tree will generally not be responsible for the damage unless the tree was a known hazard prior to the accident and the property owner failed to take action.

Q. My car was not damaged but it was blocked by downed power lines and trees. Will my rental reimbursement coverage pay for a rental vehicle? The authorities are saying it could be several days before I can move it.

A. Probably not. Rental reimbursement applies when your car has been damaged by a covered peril. If there is no damage to your car, there most likely is no coverage for a rental. However, if you do rent a car and have collision coverage on the car that is blocked, then your collision coverage will extend to the rental and you will not need to purchase Collision Damage Waiver (CDW) coverage.



Homeowners

Q. Can you buy an insurance policy to cover damage from a wind, tornado, hurricane or tropical storm?

A. Generally, there is not a specific policy that covers just this type of loss. Instead, policies are sold to cover general damage, including wind. Wind damage is covered by most homeowners policies; flood damage is covered by a separate flood insurance policy. In most instances, flood insurance has a 30-day waiting period from the purchase date until coverage will apply. Although homeowners and automobile insurance usually become effective when bound and paid, most insurance companies will issue a moratorium on binding new policies once a hurricane or tropical storm watch has been issued.

Q. How much is the deductible for wind damage?

A. Deductibles vary by policy. Most insurance policies carry a deductible. You should refer to your policy documents to determine exactly what your deductibles are. Some homeowners policies have two different deductibles. One deductible will apply to all perils, except windstorms with a separate percentage deductible for damage caused by wind, including from hurricanes and tropical storms. A percentage deductible is based on your Coverage A – Dwelling policy limit and not on the amount of your damage claim. (Example: if your home is insured for \$200,000 with a 2% wind damage deductible, your wind damage claim is subject to a \$4,000 deductible). You should read your policy and/or ask your insurance producer or insurance company if there is one deductible for all covered losses or if there is a different deductible, such as a percentage deductible, depending on the type of loss.

Q. What if local officials condemn my house?

A. Even if your property is condemned by governmental authorities, the property may not be a total loss. Your insurance company may decide the property can be repaired.



Homeowners

Q. If my home is damaged by a storm, what should I do?

A. As soon as possible, you should contact your insurance company. If your home is damaged and you must leave, make sure the insurance company or your insurance producer knows how to contact you. You will want to document the damages. You should take photographs and/or video of the damaged areas. This will help you with documenting your claim and will assist the insurance company in their investigation of your claim. Before you remove any damaged property from the premises, be sure an insurance adjuster or your insurance producer have seen the damage. Keep all receipts for emergency repairs and for temporary living expenses if needed. You will need to submit the receipts to your insurance company for reimbursement. As soon as you are able, prepare a detailed inventory listing all of the damaged or destroyed property. Give one copy to the insurance adjuster and be sure to keep a copy for yourself. Your list should include a description of the item and quantity (if more than one); the date of purchase or approximate age of the property; its original cost at the time of purchase; and an estimated replacement cost for the time today. Include as much information as possible. You should be present when your insurance adjuster inspects your property. This will enable you to point out all areas that you believe have been damaged so nothing will be missed.

Q. Will my insurance company pay for a place to live if my home is damaged by a storm?

A. The answer to this question depends on the terms of your homeowners or renters insurance policy. Most homeowners and renters insurance policies provide coverage for "additional living expenses" or "loss of use" costs that arise from a covered loss. This coverage is usually called "ALE." If your home or apartment becomes unlivable because of damage from a covered loss and you have ALE under your policy, then your insurance company will pay you back for certain "additional living expenses" you paid for during the time that you couldn't live in your home. For example, if a tree falls and damages your home so severely that you cannot stay there, and if that loss is covered under your

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Homeowners

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policy and you have ALE coverage, then your insurance company will pay for certain additional living expenses.

The terms of your policy will list which types of additional living expenses will be paid, any deductible that must be met, and the maximum dollar amount of coverage. Generally, additional living expenses can include payment for an apartment or a hotel room, and the additional expenses you pay for everyday needs such as food.

For example, if you usually spend \$500 a month for food but now you must pay \$750 a month because you have to go out to eat, your insurance company may pay \$250 for the additional cost of food. Your normal expenses, such as your mortgage payment, gas and electric and water bills, would not be covered by ALE coverage and remain your responsibility. Before paying ALE, your insurance company likely will require documentation of both your normal living expenses and your additional living expenses; therefore, it is important to maintain records and keep receipts for all of your expenses while you are away from your home.

Remember that the terms of your policy determine what is covered, so be sure to read it or call the insurance company for information if you experience a loss that makes you unable to live at home. Additionally, most policies do not provide ALE if the reason your home is unlivable is due to a loss of power from an off premise power outage.

Q. Should I start to make repairs to my home right away?

A. Prior to inspection by the insurance company's adjuster, make only those repairs necessary to prevent any further damage to your home or business. This includes covering roofs, walls or windows with plywood, canvas or other waterproof material. Do not have any permanent repairs made without consulting your insurance producer or insurance company first and getting their approval.

Homeowners

Q. My power was out and my sump pump was unable to work. I had water that backed up into my house from the sump pump and caused damage. Is this covered?

A. You will need to check your policy to see if you have water and sewer back-up coverage. For an additional premium, you can purchase coverage for water that backs up through sewers when this back up is not due to the negligence of the insured. This coverage protects your home when water overflows a sump pump or sewage enters your home through pipes designed to carry it away. Maryland law requires that your insurance company offer you this coverage. Most companies offer several different coverage limit options. The amount of coverage you have purchased is the total amount the insurance company will pay for the loss. This includes the cost to clean up the water damage to the structure of your house and any personal property that is also damaged.

Q. We have multiple trees down, including on our house and fence. Will our homeowners policy cover the damage and the cost to remove and clean up the trees?

A. The answer is that it depends on the terms of your policy. Although the terms of your actual policy will determine if the damage you have incurred is covered, generally, many homeowners policies will provide coverage for damage to your home and the contents of your home if a tree (even if it is your neighbor's tree) falls on your home or other insured structure, such as a fence or a detached garage. If your neighbor's tree was dead and the neighbor knew it was dead, then your homeowners insurance company may seek reimbursement from your neighbor for the claim. Your policy may also provide some coverage for the cost of tree removal. Many policies pay a limited amount (usually between \$500 and \$1,000) to remove the tree(s) from your property, whether the tree damages an insured structure or just falls in your yard. The amount paid for tree removal is typically based on the event and not the number of trees that fall. This means that you will receive the same amount of money whether just one tree falls, or if 10 trees fall.



Homeowners

Q. The storm caused damage to my roof and siding. Will my policy pay to fully replace my roof and all of the siding? I am concerned that my contractor can't match my siding and roof shingles and this will lower the value of my home.

A. The answer to this question depends upon many factors, including your homeowners insurance policy. If your policy provides coverage for the damage, the amount your insurance company will pay depends upon the terms of the policy, the coverage limits of your policy and your deductible. If a covered peril, such as hail for example, damages a roof that is already in need of maintenance due to wear and tear or deterioration, your insurance policy may not cover all or part of your claim. Likewise, if only a portion of the roof is damaged, your insurance policy may cover the repair of the damaged portion only.

Under most policies, the insurance company is required to pay for the direct physical loss caused by the covered peril. This means that if hail damages only one side of your home, then your insurance company is only responsible for the repair or replacement of siding on that damaged side. So, what happens if the siding does not match the existing siding in color due to the age of the material, or the fact that the original siding is no longer available from the manufacturer? You will need to look at your policy to see what it provides in the case of a mismatch. Many policies contain exclusions for mismatches that occur when the damaged material is replaced with new material. For additional information regarding the insurer's obligations under replacement cost homeowners policies that do not contain exclusions, see the Maryland Insurance Administration's Bulletin 18-23 at <https://insurance.maryland.gov/Insurer/Documents/bulletins/18-23-Siding-Claims.pdf>.



Homeowners

Q. My house flooded during the storm. I do not have flood insurance. Since I do not live in a flood zone and I am not required to have flood insurance, will my homeowners policy cover the damage from the flood?

A. Generally, flood damage is not covered by a homeowners or renters insurance policy. You can purchase a separate flood policy if you want coverage. If you have a federally backed mortgage and live in a special flood hazard zone, federal law requires that you have flood insurance. However, even if you are not required to purchase flood insurance because, for example, you do not reside in a high-risk flood zone, you own your home outright, or you are a renter, you may still wish to buy flood insurance to protect yourself from damage caused by flooding. Flooding can happen at any time or in any place. For more information about flood insurance, visit the National Flood Insurance Program's (NFIP) website at www.floodsmart.gov.



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Q. My car was swept away in a flood. I lost some personal property when this occurred. My automobile insurance company is covering the loss of my car but not the items in the car. Will my homeowners policy provide coverage for my personal property?

A. Homeowners and renters insurance will cover your personal property regardless of where the loss occurs. However, special limits may apply to certain categories of personal property and your claim payment will be subject to your deductible. Please refer to your policy to learn what limits apply to property such as musical instruments, electronics, cash, and jewelry to name a few.

