

Insurance Tips



At one time or another, just about every homeowner or someone the homeowner knows has had a tree fall due to wind, a storm or winter weather. The question that everyone wants to know the answer to is, “Will my homeowners insurance pay for the damage?”

The answer is that it depends on the terms of your policy. It is a good idea to read your homeowners policy, or talk with your insurer or insurance producer (agent or broker) to find out what the policy specifically covers and doesn't cover. It can also be helpful to know what the policy deductible is, and any dollar limits on the amount of damage the policy will cover.

Although the terms of your actual policy will determine if the damage you have incurred is covered, in general, 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.

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➤ Your homeowners insurer may seek reimbursement from your neighbor for the claim if there is reason to believe the neighbor's negligence caused the damages. This is called “subrogation.” For example, if your neighbor's tree fell and caused damage, and the neighbor knew it was dead but failed to remedy it, your insurer may file a subrogation claim against the neighbor's homeowners policy. Remember though, that the amount of coverage will be determined by your policy's dollar limits.

➤ Your homeowners policy may 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.

➤ Some policies provide coverage for damage to your trees, shrubs or plants in certain very limited circumstances, such as fire, lightning or vandalism; damage from snow, ice or wind is generally not covered. Generally, the amount that your homeowners policy will pay is limited to 5% of the coverage of the structure (this is called your Coverage A), and is capped at \$500 for any one item.

➤ Many homeowners policies will not provide coverage for damage to your car if the tree falls on it. If you have comprehensive coverage on your

automobile, then your automobile policy may pay for the damage.

- Your local municipality may arrange for debris removal after a major storm that affects a large area. Watch for information in the newspaper or listen to the radio for details. If there is debris removal by a government jurisdiction, you may need to sign a Right of Entry form granting permission to come onto your property and remove the debris. Before the debris is removed, it is a good idea to photograph all damaged property because your policy will likely require you to prove your loss.

It is a good idea to review your insurance policy annually to make sure that you have the appropriate coverage.



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Will My Insurer Pay for a Place to Live If My Home Is Damaged by a Storm?

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 becomes uninhabitable because of damage from a covered loss and you have ALE coverage under your policy, then your insurer will reimburse you for certain additional living expenses incurred during the time that you cannot live in your home. For example, if a tree falls and damages your home so severely that you cannot remain there, and if that loss is covered under your policy and you have ALE coverage, then your insurer will pay for certain additional living expenses.

The terms of your policy will specify 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 incur 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 insurer 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 insurer 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 insurer for information if you experience a loss that makes you unable to live at home.



Did you Know?

You can hire a public adjuster to help you settle your first party claim with your insurer. A public adjuster is an insurance claims adjuster who, for a fee, acts as an advocate for the policyholder in appraising and negotiating a first party property insurance claim under a homeowners policy.

whether you should hire a public adjuster, take a look at our Consumer Advisory at: <https://insurance.maryland.gov/Consumer/Documents/publicnew/publicadjuster.pdf>

The Maryland Insurance Administration (MIA) is the state agency that regulates the business of insurance in Maryland. If you want to learn more about Homeowners Insurance, the MIA's Guide to Homeowners Insurance is a good first step,

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

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 or portions of a claim

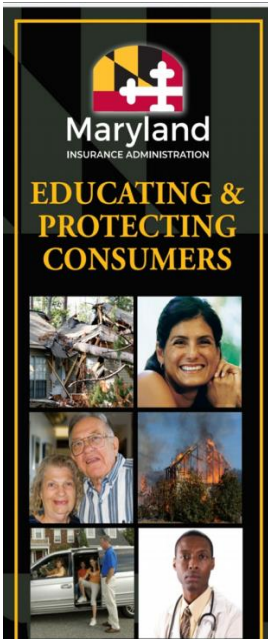
Improperly terminated your insurance policy

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: 410-468-2000 800-492-6116 800-735-2258 TTY



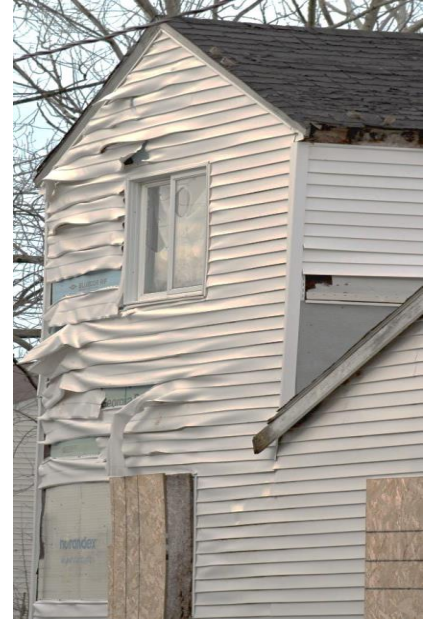


Insurance Tips

What Is My Insurer Required to Cover if My Siding Is Damaged by Hail or Wind?

The answer to this question depends upon the language of your policy. The first thing you must determine is whether your policy covers the event that caused the damage. Damage caused by wind or hail generally is covered by most "named-peril" policies or "all-risk" policies. Named peril policies may provide for payment on a replacement cost or actual cash value (depreciated) basis. All risk policies generally cover all causes of loss, unless otherwise excluded, on a replacement cost basis. Your policy will specify what perils are covered and the basis of payment, but if you have questions about the policy, you should ask your insurer or insurance producer.

Under most policies, the insurer 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 insurer is only responsible for the repair or replacement of siding on that damaged side. If the policy provides for replacement cost, it generally will pay the lesser of the cost to repair the damaged material or to replace it. 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. If the policy does not contain an exclusion for "mismatches", and it provides replacement cost coverage, the insurer may have to pay additional amounts when settling the claim. For example, the insurer may be required to offer an appearance allowance if the insured can demonstrate that the mismatch will negatively impact the value of the home. For additional information regarding the insurer's obligations under replacement cost homeowners policies, contact your insurance producer or insurer. You may also want to ask your insurer or insurance producer if you can purchase an endorsement to provide coverage for losses resulting from mismatches for an additional premium.



Does homeowners insurance pay for the replacement of your roof?

Whether your policy will pay for a replacement roof will depend upon many factors, including the terms of your homeowners insurance policy, the extent of damage, and if the damage was caused by a covered event. Homeowners policies typically cover losses that are sudden and accidental, and caused by specific perils such as fire, wind, hail, and the weight of ice or snow. Policies usually exclude coverage for losses caused by certain perils like flood or earthquake. Homeowners policies also do not provide coverage for "maintenance." Therefore, repairing damage due to wear and tear or deterioration of your roof over time generally will not be paid for by the insurer. Additionally, 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. **You should read your policy to better understand what types of losses are covered and which ones are excluded.**

If your policy provides coverage for the replacement roof, the amount your insurer will pay depends upon the terms of the policy, the coverage limits of your policy and your deductible. **Detailed information about how your claim will be settled can be found in the "loss settlement method" section of your policy.**



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This consumer guide should be used for educational purposes only. It is not intended to provide legal advice or opinions regarding coverage under a specific insurance policy or contract; nor should it be construed as an endorsement of any product, service, person, or organization mentioned in this guide. Please note that policy terms vary based on the particular insurer and you should contact your insurer or insurance producer (agent or broker) for more information.

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