

Recovering from Disaster: Getting the Most from Your Homeowner's Insurance

Natural disasters bring a wide path of devastation in their wake. Long after the initial loss of life and injuries occur, homeowners who are affected are left handling the cleanup. From 1980 to 2018, the United States has had [230 weather and climate disasters](#) with over \$1 billion in costs, for a total cost of \$1.5 trillion. In 2017 alone, natural disasters cost the country over [\\$306 billion](#). Even smaller scale disasters can leave homeowners devastated. Thankfully, homeowner's insurance helps cover most of these disasters, but homeowners need to know how to get the most out of their policies.

Unfortunately, many homeowners do not have adequate coverage to help after a serious disaster. Those that do do not know how to get the most out of their coverage. While insurance companies do seek to help their customers, they are ultimately businesses and are working to make a profit. Also, after a disaster insurance companies are often overwhelmed by the sheer number of claims they face, which can lead to delays or denials. Homeowners need to know what they can do to ensure they are getting the most out of their insurance policies in the days following a disaster.

Being prepared for an insurance claim after a disaster starts before the disaster strikes. This guide will help you know what to do before, during and after a disaster to maximize your insurance coverage and ensure you have enough money to move forward and rebuild. With the tips in this guide, you can be confident that you are fully protected and fully educated on what you need to do should a disaster strike your home.

Before the Disaster – What You Need to Do

Sometimes, taking precautions to protect your home and ensure you have full homeowner's insurance protection starts before the disaster strikes. Unfortunately, close to [65% of all homeowners](#) are inadequately insured, especially in relationship to natural disasters. Adding certain coverage types, reading your policy and ensuring you understand what is and is not covered, so you can take the right precautions to protect your home, will all help you come out in front after the disaster. Here are some tips that will help you make sure you are properly protected before a disaster strikes.

- [Weigh the risks you face](#). While most parts of the country can fall victim to any number of risks, you are going to have a higher risk of certain disasters depending on where you live. For example, if you live in "Tornado Alley," you're at a much higher risk of tornadoes than if you live in the mountains where landslides or wildfires are a risk. If you live on the coast,

your risk of hurricanes is high, but tornadoes is low. Living near a large body of water means a higher risk of flooding, while living near a fault line means a risk of earthquakes. If you live in the desert, your risk of a blizzard is minimal, but if you live in a colder climate it's a higher risk.

- **[Carefully review your existing policy for disaster coverage.](#)** Read through your existing policy to see whether natural disasters that are common in your area are covered. Look for terms about "acts of God" that may be excluded from your policy, or specific disasters that are listed.
- **[Check for flooding coverage.](#)** Almost all homeowners policies exclude flooding except for flooding that comes from plumbing problems. If you are prone to flooding in your area, you can purchase flood protection through the [National Flood Insurance Program](#). However, this may not be available to you, and this means your homeowner's insurance will not cover flooding that comes after a storm.
- **[Consider beach and windstorm additions.](#)** Because flooding is typically excluded, if you live in an area where hurricanes are common, consider adding beach and windstorm protection to your homeowner's policy. This will add the flooding and wind damage you sustain in a hurricane.
- **[Read your policy so you understand it.](#)** Make sure you understand what is covered and how to make a claim, should the need arise.
- **[Consider adding earthquake insurance.](#)** Earthquakes can happen anywhere, even if you don't live along a fault line. Consider purchasing insurance for earthquakes if they are not included in your policy. However, know that this will be costly if you live near a known fault zone. One way to reduce the cost is to invest in earthquake-proof construction techniques.
- **[Check for volcano coverage.](#)** If you live in an area without any known volcanoes, your homeowner's insurance policy probably already has this coverage. However, if you live near an area that has a known volcano, like Washington state, you may need to purchase additional coverage to protect against lava, ash, dust and particle matter that may damage your home after a disaster.
- **[Check for additional risks.](#)** Many natural disasters bring unexpected risks, like the risk of your air conditioning system or hot water heater exploding and damaging the building or the risk of damage from the weight of ice, snow or sleet. Consider the risks in your area, then make sure the policy has the coverage you need for these unexpected consequences.
- **[Consider sewer backup coverage.](#)** After a natural disaster, it's possible to have your sewage system back up into your home, putting toxins in your home and damaging your property and belongings. Most standard homeowner's insurance policies do not cover this, but you can add this coverage easily, and it's typically not very expensive.
- **[Keep your home in good repair.](#)** After a disaster, many homeowners are surprised when their insurance denies their claim citing poor home repair. You have a responsibility as a homeowner to keep your home in good repair, and if you fail to keep that responsibility, your insurance is allowed to deny your claim.
- **[Remember your responsibility to maintain trees.](#)** Tress can cause problems in a natural disaster, and if you've let yours grow without proper maintenance, you may be the one liable for that damage.
- **[Know how your policy pays, and make sure it covers replacement value.](#)** Does your policy pay for the market value of your home and belongings, or the replacement value? That 20-year-old couch you have in your living room is probably only worth \$50, but replacing it will

cost over \$1,000 after a natural disaster. Look for a policy with replacement value, not actual cash value.

- [Check limits against housing price changes](#). When you purchased your policy, it was based on the value of land and property as it was at the time. If housing costs have increased, your policy has not. Make sure that you have enough coverage to rebuild, should the need arise. Some policies have guaranteed replacement cost, which means it will cover replacement even if prices have changed. This is excellent coverage to have.
- [Set aside the money for your deductible](#). All homeowner's policies will require you to pay something out of pocket before your coverage kicks in. If your home is destroyed and you have no money to fund that initial expenses, you may be in trouble. Set aside enough money to properly fund your deductible, and then you will be well prepared for any disaster that comes your way.
- [Keep important contact information in a safe place](#). If you have a disaster that destroys your home, all of your insurance policy and contact information will be destroyed as well. If you maintain a safe location outside of your home for important paperwork, put copies of your policies and your contact information inside that location. You will need to contact your insurance as quickly as possible after a disaster, and that requires fast access to your important contact numbers.
- [Add insurance information to your emergency grab-and-go bag](#). If you have a grab-and-go bag for emergencies, stash your insurance information inside.
- [Get important coverage now](#). If you need to add coverage to your homeowner's policy to avoid disaster problems, don't wait. Get the coverage now, before a disaster is looming. Many policy types will put a limit on when the coverage kicks in to prevent policy holders from purchasing a policy right before a known disaster. If you purchase flood insurance because a hurricane is coming, and the policy won't kick in for 30 days, you will be in trouble. Also, many insurance companies freeze new insurance purchases right before a disaster, so you may not be able to get an additional policy if you wait.
- [Call your insurance provider](#). For disasters that have warning, like hurricanes, calling before it strikes can help you be prepared for what the claims process will entail. Find out what to expect in the days following the disaster and what you can do now to make your claim easier.

For more information about preparing for a disaster as it relates to insurance, visit:

- [US News: How to Insure Your Home Against Hurricanes and Other Natural Disasters](#)
- [House Logic: The Right Disaster Insurance for Your Region](#)
- [Edelman Financial services: What You Should Know About Your Home Insurance Before a Disaster](#)
- [Sun Sentinel: Review Your Insurance Policy Before a Storm](#)

During the Disaster – What You Need to Do

When a disaster hits, either with or without warning, your main focus needs to be on protecting your family. There is not much you can do related to the insurance while the disaster is happening. Your primary focus needs to be safety. However, there are some steps to take to ensure you get the most out of your homeowner's insurance when the dust settles. Here are some tips to help.

- **[Focus on the safety of people and pets first.](#)** Yes, your home and your homeowner's insurance are important, but people come first. Make sure everyone gets out of the house and to safety before you take any measures to protect your home or make changes to your finances.
- **Take your insurance contact information if you are displaced.** Having it in your grab-and-go bag will help ensure you have it with you. Keep it simple, just a one-page document with your policy and account numbers and the necessary contact information.
- **[Contact your insurer.](#)** Once everyone is in a safe place, make a phone call to your insurance agent or the insurance company. Let them know what is happening and where you can be contacted.
- **[Find out if there are catastrophe units coming.](#)** Big insurance providers or local insurance providers may send a catastrophe unit to the area. Find out if this is happening and what the catastrophe claim number is for your region's event. If there is a number, it must be in all of your communications, so find it out as early as possible to get your claim pushed through quickly.
- **Reach out to friends and family for videos or pictures.** You're going to need an inventory of what was in your home, and if the home was destroyed that's challenging to make. Reach out to friends and family while you're waiting out the storm to see if they have any videos or pictures that were taken in your home. They can start gathering these while you wait out the storm, and then you will be able to make your inventory more easily.
- **Secure your property if you can do so safely.** Don't put your safety at risk, but do all you can to secure your property. The less damage you have, the better when the event is over. Remember, your insurance claim could be denied if your insurer feels you didn't do due diligence, but don't put your family's safety at risk to secure the house.
- **[Stay informed about the disaster and recovery efforts.](#)** Use a battery powered radio to stay informed about what is happening. Focus on your own safety before worrying about insurance, and only return to your home when the officials have said it is safe to do so.

For more advice for getting through a disaster, visit these resources:

- [Everyday Health: What to Do When Disaster Strikes](#)
- [LifeHacker: The Complete Guide for What to Do Before, During and After a Disaster](#)
- [Ready.gov: Plan Ahead for Disasters](#)
- [Noosa Council: What to Do During and After a Disaster](#)
- [Homeland Security: Prepare My Family For Disaster](#)

After a Disaster – What to Do

If you have prepared well and have the right coverage, the real work of getting the most out of your insurance policy will start after the disaster is over. This is where swift action is important, and it's also where mistakes can be quite costly. Here is a guide that will help ensure that you get the full coverage you have paid for when the dust has settled after the disaster, all while keeping your family safe.

Preparing and Repairing the Property

Your first priority is likely going to be your home and belongings. Here are some tips that will help you start the recovery effort without jeopardizing your insurance claim.

- **[Return to your home as soon as it is safe to do so.](#)** Getting back to your property quickly is important to prevent theft, vandalism and additional damage. However, wait until you get the all clear from emergency professionals so you do not put your health and life at risk.
- **[Take pictures.](#)** Take many pictures of the damage. The more you can show your insurance provider, the better. Take a variety of angles and try to photograph all damage that you can see. These photos may become part of your claim.
- **[Store the photos in a safe place.](#)** Make print copies of your photos and store the digital copies in multiple places, including at least one that is in the cloud. This will ensure that you have them, even if you lose a computer or hard drive. Do not keep the photos only on your phone.
- **[Contact your insurance provider.](#)** If you weren't able to do so during the disaster, contact your insurance provider as quickly as possible after the disaster. A natural disaster can create a backup of claims, and the sooner you get yours submitted the better.
- **Talk to the claims department.** If your provider isn't sending representatives to the scene of the disaster, call and ask to talk to the claims department. This is where you will start your claim. Make sure that you have a phone number you can give them that is accessible after the disaster, such as a cell phone or the phone of the place where you are staying. Also, if you are moving away from home during the recovery, give them your address.
- **Request a copy of your policy.** Your actual policy may have been destroyed. Make your insurance provider send you another one so you know your rights and coverage.
- **[Prevent further damage to your property.](#)** Secure your property as well as you can to prevent theft and water damage. Use a water-proof tarp to cover it, and take other measures to prevent issues while you focus on recovery.
- **Start making temporary repairs.** Board up your windows and cover any holes in the roof. Cover your furnishings with waterproof tarps or remove them to store elsewhere. These types of repairs can help prevent unnecessary damage while you wait for your claim and the repair contractors.
- **[Wait to clean.](#)** Wait to clean and salvage items until you have contact your insurance company, as this could hurt your ability to make a claim.

- **[Shut off utilities.](#)** Electricity and gas running to the home is dangerous. Contact the utility companies to ensure they are disconnected until after you are done with recovery.
- **[Keep all receipts.](#)** Repairs, hotel costs, dining out and other receipts that are connected to the disaster need to be kept. Your insurance company may wish to see these as proof for your claim, and you want to ensure you are fully compensated.
- **[Get an agreement, in writing, from your insurance provider before you contract with someone to handle repairs.](#)** Make sure the contractor or the quote amount is approved before you start the work.
- **Never sign a repair contract before researching the contractor.** After a disaster, unscrupulous contractors are on hand quickly to offer assistance, but you don't want to have the work done poorly. Research contractors and read contracts thoroughly before you sign anything.

Working with the Adjuster

Your insurance company will send an adjuster to research your damages before they make an offer for your claim. Here's how to work with one.

- **[Do not try to negotiate with the adjuster during the initial visit.](#)** The adjuster has a job and your input isn't going to make a difference. Just let them look and take notes.
- **Throw nothing away until the adjuster visits.** Even damaged belongings need to be seen. You can start tossing things after the adjuster's visit.
- **Ask for a written copy of the estimate report.** The adjuster should provide this to you. Ask questions if you don't understand it.
- **[If you don't agree with the quote, consider hiring a public adjuster to help.](#)** These adjusters work for you, not your insurance company, and can help you negotiate a more fair quote. They are paid a percentage of the settlement reached. Make sure you choose a good one with a clear understanding of what you will be charged.
- **[Be willing to negotiate the final claim.](#)** You have the right to negotiate for a fair payment, and some insurance providers expect this.

Getting Through the Claims Process

Here are some tips for getting through the sometimes tedious claims process:

- **[Fill out the claim form.](#)** Your insurance provider may send you a claim or "proof of loss" form. Fill this out completely and accurately.

- **Provide a list of damaged items.** If you have an inventory of what was in your home, provide it to your insurance provider. Use brand names and model numbers when you can. The more detailed the list, the more accurate your claim will be.
- **Ask if you can receive an advance check.** Because a disaster means immediate expenses, your insurer may send an advance check to help you cover these. Keep your receipts, because when you settle your claim you will have to deduct these expenses. The advance will be deducted from the total you are allowed for living expenses.
- **Be patient.** If the devastation was wide-spread, your insurance company will have to give priority to critical facilities, like hospitals and fire stations, then homes that were destroyed completely. If you suffered more minor damage, you may have to wait. Secure your property and start your lists and wait patiently.
- **[Understand how replacement coverage works.](#)** The cost to replace times is subjective. For this reason, many insurance providers will pay you first the actual cash value of your items. When you replace them, you turn in your receipts to get the balance. Because of this, you need to track all of your receipts.
- **[Make a claim for storage costs.](#)** In the process of repairing or rebuilding your home, you may incur storage costs for your belongings. These are typically something you can submit in your insurance claim, so keep your receipts or invoices.
- **[Consider the insurance company's contractor suggestions.](#)** However, know that you have the right to make your own choice for a repair or restoration contractor. The one suggested by your insurance company may be the best, but feel free to shop around.
- **[Never use insurance money to pay contractors the full amount upfront.](#)** This opens the door for fraud potential, and if the insurance company has already paid, they aren't going to be able to help. Instead, pay a percentage of the job at the beginning, then the balance when the work has been completed and inspected.
- **If staying with friends and family, you can still request [living expenses coverage.](#)** Ask your host to itemize the value of the services that are being provided, and you may be able to get reimbursement to say "thanks" to the host family.
- **Keep paying your insurance premiums.** Yes, you are in financial straights after a disaster, but don't stop your payments. The liability protection alone is worth continuing your payments, and you will want coverage to remain in place when you are ready to move in again.
- **[Read correspondence from your insurance company carefully.](#)** If you receive a check that says you are accepting payment "in full release of" your claim, make sure you address this. Cross out that language on the check and write a letter to the company saying that you do not believe the claim is closed yet. You may find additional damages at a later date that need to be addressed, so don't be quick to close the claim.
- **[Understand how escrow funds work.](#)** If you have a large claim, your bank may hold some of the funds from your insurance check in escrow while the repairs and rebuilding takes place. Ask the bank how the escrow process works so you are well informed about when the funds will be accessible.

For more information on what to do in the aftermath of a natural disaster, visit:

- [New York Times: Rebuilding Your Home After a Disaster](#)
- [Free Advice Legal: How Do Insurance Companies Handle a Natural Disaster?](#)
- [Chicago Tribune: Filing and Insurance Claim After a Natural Disaster](#)
- [Center for Disaster Philanthropy: Insurance](#)
- [Wise Bread: What You Need to Know About Filing an Insurance Claim After a Natural Disaster](#)
- [Adjusters International: Denied! 6 Common Reasons for Denial of a Property Damage Claim](#)

Stay Informed and Alert, and Get the Most out of Your Insurance Policy

You have homeowner's insurance for a reason, and you have paid your premiums faithfully to ensure you are fully covered. If a disaster strikes and you need to make a claim, understand your rights as it relates to your policy. Follow through to ensure you are getting the payments you deserve based on the policy you purchased, and you can move forward after a disaster rebuilding with confidence.