

CONSUMERS BEWARE: TOP FIVE POST-HURRICANE MISTAKES

Sadly, the biggest mistake people in protecting themselves against hurricanes such as Florence is not buying flood insurance in the first place. According to a 2016 study commissioned by Trusted Choice® and the Independent Insurance Agents & Brokers of America (IIABA or the Big “I”), at least 73% of survey respondents didn’t have a flood insurance policy that is separate from their homeowners coverage, leaving them with no coverage for damage due to rising water and vulnerable to potentially catastrophic financial loss.

However, even those consumers *with* flood insurance can make mistakes after major storms that make a bad situation even worse. A few missteps in the recovery process can cost storm victims big bucks.

Some of the most common or costliest pitfalls include:

FLOODED CARS

After a flood, most people understandably focus on their home and its contents. But they can’t ignore what’s sitting in the driveway. Cars flood too. Eventually the water recedes, and in many cases, the car simply dries out. Just because a car is drivable after the flood, though, doesn’t mean it’s OK. Water damage and related problems such as wiring issues or undercarriage damage can be hidden...or crop up later in the form of carpet molding or rusting. If you have a car that was exposed to a flood, talk with your insurance agent about having it evaluated by a reputable expert. Consider filing a claim if water exposure has been significant. (Similarly, savvy car buyers need to be alert for this type of problem months after a massive flooding event. Auto dealers lose massive inventories to water damage after a catastrophic flood, and their insurer pays them for those losses. But flooded cars can make their way back into the marketplace—often in states far from the storm-- and their damage is tough to detect. *All* used car buyers need to keep this in mind, request a car history, and watch for red flags in these situations.)

MOLD

In trying to restore their lives and property as quickly as possible following a catastrophic flood, too many home and business owners forget to consider a costly issue that can wreak havoc long after the storm. Mold. It’s important to remember that flooded structures often sit untouched for periods of time after a storm, making them highly susceptible to mold growth weeks and months later. While everyone wants fast repairs, it’s critical to allow ample time for materials to dry out before they are covered over and closed up again. Ask your contractors and recovery teams about treatments to prevent mold growth at the time of repairs. Addressing the issue right away with aggressive and effective mold retardants saves money and headaches later.

ADJUSTERS

The first insurance representative to visit a storm-ravaged property is usually the adjuster who estimates the dollar value of the damage. But there are different types of adjusters and it’s critical to understand the difference. If not, people risk further loss at a difficult time. Staff and independent adjusters represent the insurance company. Public adjusters represent the consumer AGAINST the insurance carrier, fighting on behalf of the home or business owner. A good public adjuster can be helpful in navigating the claims process, but consumers need to ask the right questions to make sure

they are hiring a reputable one. Ask to see their state license and professional affiliations and never agree to pay anything upfront before the work is done. Most importantly, understand that a public adjuster will receive a portion of your total claim payout—often 10-15 percent. Be on guard for public adjusters who don't follow basic ethics rules or seem unwilling to deal openly with your insurance agent. Unfortunately, unscrupulous characters (across many different professions) prey on vulnerable disaster victims and can cost desperate consumers thousands. Watch for them.

DON'T BE A DO-NOTHING

For many in the path of a widespread disaster, the claim they file from the event is their first ever. In too many cases, this means victims aren't familiar with the claims process or the terms of their policy. Following a catastrophe, most policies *require* that the homeowner protect their property from further damage. Failure to do so can cost you dearly. Any additional damage that results from you not taking steps to secure or temporarily repair your property *won't* be covered. For example, if a tree falls and creates a hole in the roof, it's the homeowner's job to remove the tree as soon as possible (expenses would be reimbursed through the claim) and to tarp the hole to prevent additional damage to the home's interior. Too often, consumers mistakenly hold off on taking any action until the insurer has made a full assessment. Photographing the original problem and starting on a fix prevents further expensive losses for the homeowner that will have to be paid out of pocket.

WHEN IN DOUBT, DON'T THROW IT OUT

Damage from a major disaster impacts not just the home or place of business but also what's inside. When returning to the devastation, many property owners start the recovery by clearing and cleaning out. While that approach is OK and indeed often necessary, it's important to remember whenever possible: remove but retain. Although a sea-soaked sofa is useless and problematic to the homeowner, it might be helpful to your insurer, especially if a video or photographic home inventory was never taken ahead of time. When an adjuster can actually see the ALL the damaged property, it's easier to estimate the extent of the loss, and the claim will be filed more accurately and quickly. Relying on piecemeal recall or searching for original receipts can cause significant delays in resolving the claim. So don't haul away damaged items (especially larger or expensive ones). Move them elsewhere on the property if necessary, but wait for the OK from your insurer before you trash them for good.