



**LOUISIANA
DEPARTMENT OF
INSURANCE**

HURRICANE INSURANCE GUIDANCE

FOR LOUISIANA RESIDENTS

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After the Storm Guidance

Immediately After the Storm:

- Before you begin clean-up, take pictures or video of the damage that occurred both inside and outside your home.
- Make temporary repairs to your property to prevent further losses from the elements and to secure your property. This would include boarding up windows, placing plastic tarps over holes in the roof and drying out wet carpets and furniture. Keep receipts for materials used and keep a record of the repairs you make for the adjuster.
- You can pull wet items out of your house to help prevent mold, but do not throw anything away until an adjuster has seen it.
- Do not begin permanent repairs until after you have been instructed to do so by your insurance adjuster.
- If you evacuate, file for Additional Living Expenses (ALE). Many homeowners policies include provisions to cover the extra expenses you encounter while displaced from your home. ALE is supposed to cover the difference between what you would normally spend on things like food and other essentials while you are at home and when you are displaced. It is designed to cover additional expenses, not ordinary bills.

Filing a Claim:

- Contact your insurance agent or company as soon as possible. Gather as much information as you can about your policy including how much time you have to file a claim.
- An insurance adjuster should be sent out within 30 days to inspect damage after you file your claim in a catastrophe.
- Homeowners policies do not cover flood damage, so you must file a separate claim if you had a flood insurance policy.

Working With Your Insurer:

- Know your hurricane/named storm deductible. This is the amount you have to pay out of pocket before your insurance coverage will pay for the claim. A storm deductible typically ranges anywhere from 2%-5% of a home's total insured value. If a home is insured for \$200,000 and has a 5% deductible, the first \$10,000 in repairs must be paid out of pocket by the policyholder.
- Cash your claim check. This does not mean that you agree with the amount of money that the insurer paid you. The initial claim payment represents what the company believes it owes you based on what its adjuster saw. Start your repairs and ask for more money if you need it.
- File a supplemental claim if the actual damage to your home is more extensive than what was documented in the original adjustment. A supplemental claim adds the newly found damage or additional cost to the original claim. The insurance company may send an adjuster to review the new damage or tell you to document it with pictures and video on your own, but you should

not repair the damage until it has been documented. This right to file supplemental claims is controlled by policy language but is generally available for up to two years.

- Keep filing supplemental claims. You can file multiple claims for supplemental damage until your home has been restored to its pre-storm condition. If your contractor discovers even more damage when they begin the job, you can go back to your insurer again. This process can repeat itself until all damage caused by the hurricane has been repaired.
- Insurers often start by paying the “actual cash value,” or depreciated value of your property. If you have a “replacement cost” policy, the insurer will pay you the remaining value of the damage or loss when you file receipts demonstrating that you have repaired the damage or replaced the items.
- When needed, the appraisal process is available to resolve disputes between you and your insurance company if you and your insurance company cannot agree on the amount of loss.
- The appraisal provision is a slow process. While it serves as an effective way to resolve a dispute, it should not be the first resort for claim resolution.
- Be wary of contractors or public adjusters who insist on using the appraisal process prior to engaging in good faith efforts to resolve your claim.

Next Steps After Flooding

If your home or business has been affected by flooding, it can be hard to know where to start. You should always contact your agent as soon as possible after a flooding event to file your claim and get guidance about what your policy covers.

- **Home:** Flood damage is not covered under homeowners policies, but rather under policies from the National Flood Insurance Protection Program (NFIP) or a separate flood policy purchased from a private insurer or surplus lines insurer. Most policies require property owners to protect their property from further damage after a storm, so you may need to make temporary repairs. Keep the receipts for any repairs. Your insurance policy may have a provision for reimbursement or counting money spent toward your deductible.
- **Auto:** If you have comprehensive coverage through your vehicle policy, you should be covered for damage. Your homeowners policy does not cover your vehicle in a flood situation. Some federal disaster assistance programs may help with vehicles that are damaged by flood.
- **Renters:** Renters can purchase flood policies from the NFIP and private insurers for the contents of their homes. Policies from the NFIP cover actual cash value for your contents, which is replacement minus depreciation. It is important to have an updated home inventory before flooding strikes to make your claim quickly.

If You Have a Flood Policy:

- **Notify your insurer to start the claims process.** Make sure you have the name of your insurance company, your policy number, and a telephone number and/or email address where you can be reached at all times. An adjuster should contact you within a few days of filing your claim, but it may be far longer if the flooding is due to a disaster or catastrophic event. If you do not hear from an adjuster, you can contact your insurance agent or company again.
- **Document the damage.** Separate damaged from undamaged property. Your adjuster will need evidence of the damage to your home and possessions to prepare your repair estimate. Take photographs of all the damaged property, including discarded objects, structural damage, and standing floodwater levels. Make a list of damaged or lost items and include their date of purchase, value, and receipts, if possible.
- **Complete a proof of loss to support your claim.** Your adjuster will assist you in preparing a Proof of Loss for your official claim for damages. A Proof of Loss can include many things but must contain the specific details set forth in the Standard Flood Insurance Policy. You will need to file your Proof of Loss with your insurance company within 60 days of the flood if you have an NFIP policy. If you have a private policy, as, your insurer when you will need to file your Proof of Loss. You will receive your claim payment after you and the insurer agree on the amount of damages and the insurer has your complete, accurate, and signed Proof of Loss.

Preventing Contractor Fraud

Insurance fraud is a problem—we are the solution. Studies show that as a policyholder, you pay about \$1,000 a year in insurance premiums for the cost of insurance fraud. The choices we make during the claim process can reduce insurance fraud and the impact it has on our insurance costs.

Be Proactive:

- **Assess Damages:** If you think you have catastrophe-related damage, reach out to your insurance company and ask for clarification on your coverage.
- **Recruit a Professional:** Seek out a licensed, insured and well-reviewed contractor before any potential fraudulent contractors come knocking on your door.

Research and Verify Before Signing:

- **Research and Verify:** Before hiring a contractor, research their credentials, reputation and track record. Check for licenses, certifications and reviews from previous clients. Verify their insurance coverage and inquire about any past complaints or legal issues.
- **Get Multiple Quotes:** Obtain bids from multiple contractors for comparison. Be wary of significantly low bids, as they may indicate substandard work or hidden costs. Aim for a balance between affordability and quality.
- **Beware of Red Flags:** Be alert to red flags such as high-pressure sales tactics, vague or evasive answers, or reluctance to provide

written estimates or contracts. Trust your instincts and proceed with caution if something seems off.

Stay Involved:

- **Written Contracts:** Always insist on a written contract detailing the scope of work, materials, timeline and a payment schedule that does not include large upfront payments. Review the contract carefully, ensuring that all terms and conditions are clearly outlined and agreed upon by both parties.
- **Stay Involved:** Stay actively involved in the project by regularly communicating with the contractor and monitoring progress while keeping records of all work communications. If you suspect contractor fraud or encounter significant problems during the project, seek legal advice promptly.