

Jim Long, Insurance Commissioner



**A Message from
Insurance Commissioner
Jim Long**



We all want to remain safe and secure, but no one is ever completely safe from disasters like hurricanes, floods and fires. You need to know what to do in the event of a disaster and what steps to take before a disaster ever strikes to assure that loss will be minimized.

Your North Carolina Department of Insurance has designed this brochure to provide you with the information you need to financially protect you, your family and your property in the event of a disaster.

If you have additional questions or need clarification on this or other insurance matters, please call your insurance agent or our consumer services division for assistance at 1-800-546-5664.

Insurance Coverages

HOMEOWNERS

Property owners should consider whether to insure their property for the replacement cost or actual cash value. **Replacement cost** is the amount it would take to rebuild your home or repair damages with materials of similar kind and quality *without* deducting for *depreciation*.

Depreciation is the decrease in home or property value since the time it was built or purchased due to age or wear. **Actual cash value** is the amount it would take to repair damage to your home *after depreciation*.

Most standard homeowners policies cover the contents of your home on an actual cash value basis. Many insurers offer an option for you to insure your property at replacement cost. The premium may be slightly higher for this coverage, however, you may want to consider the option.

**WHAT TO DO
IN THE EVENT**
of a disaster, you should have appropriate insurance to cover your needs and keep your insurance policies accessible and secure. It is also a good idea to take photographs of the contents of your dwelling to have visual proof of the personal property your policy covers.

RENTERS

OF DISASTER
Renters should consider purchasing coverage for their personal property through renters' insurance. Without it, in the event of a disaster, they could have no place to turn to recoup their losses. Renters' insurance covers only the contents of the rented shelter.

COLLEGE STUDENTS

College students can often purchase dorm room insurance as well. Before sending your son or daughter to college, check your homeowners policy to determine whether or not dormitory coverage is needed, as some family homeowners' policies will cover losses from dorm rooms, but not all do.

FLOOD INSURANCE

Residents of many flood prone areas are eligible for special flood protection provided by the federal government under the **Flood Insurance Program**.

To find out if your property is eligible for this insurance, call your county government. Your agent can purchase this coverage for you if you are eligible or you may call **1-800-638-6620** (National Flood Insurance Program).

OUTER BANKS DWELLERS

Those who live or own property along the North Carolina Outer Banks are eligible to purchase protection under the **BEACH Plan**. It offers coverage for fire, lightning, theft, wind and hail.

Similar coverage can be purchased for those living anywhere but the Outer Banks under the **FAIR Plan**.

These two plans ensure that property owners can get insurance coverage. If you would like more information on these plans, call 1-800-662-7048 (The FAIR and BEACH Plans) or ask your insurance agent.

If you need additional information, please contact the Consumer Services Office:

**North Carolina Department of Insurance
430 North Salisbury Street
1201 Mail Service Center
Raleigh, NC 27699-1201**

1-800-546-5664 • 919-733-2032

Before the Storm

- Review your homeowners policy with your agent. Most standard homeowners policies do not cover flood damage and, in some coastal areas, wind-storm coverage is also excluded from the standard policy.
- Some residents may qualify for flood insurance through the National Flood Insurance Program, 1-800-638-6620.
- Outer Banks property owners are eligible to purchase protection under a program called the Beach Plan. The Plan offers coverage for fire, lightning, theft, wind and hail. For more information on the Beach Plan call 1-800-662-7048.
- Tenants should consider purchasing coverage for their personal property through renters insurance.
- Make a list of your belongings and record them on film through still photos or videotape. Include a close-up shot of the day's newspaper. Keep your inventory list along with purchase receipts, pictures and your insurance policy in a safe-deposit box or other safe place away from your home.

QUICK REFERENCE GUIDE ARE YOU COVERED?

1. Fire and Extended Coverage Policies, Homeowners Policies and Farmowners Policies cover fire and lightning, wind or hail, but NOT flood or rising water damage.
2. Flood Policies cover flood and rising water damage only. They do not cover fire, lightning, wind or hail damage.
3. Manufactured Homeowners Policies cover fire, lightning, wind, hail, flood or rising water.

After the Storm

- Contact your insurance agent as quickly as possible and ask for instructions on what to do until your adjuster arrives. Be sure to follow the company's instructions when making your claim. Insurance companies are required to handle claims promptly and fairly.
- Begin preparing an inventory of personal property damaged or destroyed and take pictures of the damaged property.
- Protect your property from further damage. Your reasonable expenses to protect your property are part of the loss and will be reimbursed by your insurance company. **KEEP YOUR RECEIPTS!**
- **Do not** have permanent repairs made until your insurance company has inspected the property and you have reached an agreement on the cost of repairs. The company has a legal right to inspect the property in its damaged condition and may refuse to pay you for any damage repaired before it has been inspected.
- If necessary, rent temporary shelter. If your home is uninhabitable because of *physical damage*, most homeowners' policies will pay additional living expenses while your property is being repaired. Lack of power or water is not considered physical damage and, therefore, additional living expenses will not be covered. Before renting temporary shelter, check with your insurance company or agent to determine what expenses will be reimbursed. **KEEP YOUR RECEIPTS.**
- When your insurance company representative arrives, be courteous. Don't take your frustrations out on the adjuster. He or she is there to help you and more progress can be made if you start off on the right foot.
- If you think that the estimate of the insurance company is too low, you may wish to obtain an estimate from your own contractor. A contractor may charge a fee for this service; but usually if he or she does the repair work, the fee will be credited to your bill.
- If you have questions or problems concerning your insurance coverage, contact the Consumer Services Division of the NC Department of Insurance toll-free at **1-800-546-5664** or **(919) 733-2032**.

Coverage Concerns

- Damage to your home from fallen trees is covered under most homeowners' policies. Most companies will pay to have trees removed from the damaged structure, such as your home, garage or fence, but will not pay to remove the tree from your yard.
- Most homeowners' policies cover damages to appliances that result from a power surge when power is restored to your home. Some electronic components may not be covered.
- Most homeowners' policies cover food which spoils due to power loss *only if* the individual feeder line to your home is down, *not* in instances of widespread power failure. However, you can be covered in the event of widespread power failure if you purchased a "Refrigerated Property Coverage" endorsement. This endorsement allows up to \$500 in coverage, with a \$100 deductible.
- Storm-related injuries to others on your property are covered by most homeowners' policies under your medical payments coverages.
- Damage to your parked vehicle from a fallen tree is covered under your comprehensive automobile insurance.
- Most automobile insurance companies will hold drivers at fault for single car accidents that occur as a result of weather conditions. One insurance point is assigned for accidents resulting in property damage only of \$1,500 or less. Two insurance points are assigned for accidents resulting in property damage in excess of \$1,500 but less than \$2,500. Three insurance points are assigned for accidents resulting in property damage of \$2,500 or more. *Insurance points are separate and have no bearing on DMV points.*
- Call the Consumer Services Division of the Department of Insurance toll free at 1-800-546-5664 or 919-733-2032 if you have additional coverage questions or concerns.

Important Numbers

The following are phone numbers which may be useful in the event of an emergency:

STATE AGENCIES

Department of Insurance	1-800-546-5664 or 1-919-733-2032	
Beach Plan	1-800-662-7048	
Legal Services of NC	1-919-828-4647	
Human Resources Careline	1-800-662-7030 (Information and Referrals)	
Governor's Office Citizen Affairs	1-800-662-7952	
NC Revenue (Individual)	1-919-733-4684 (Corporate)	1-919-733-3166
Attorney General	1-919-716-6000 (Consumer Protection)	
NC Department of Agriculture	1-919-733-7125	
Employment Security Commission	1-919-733-3098	

FEDERAL AGENCIES

Federal Emergency Management Agency	1-800-462-9029
Speech/Hearing Impaired Line	1-800-462-7585
National Flood Insurance Program	1-800-638-6620
Internal Revenue Service	1-800-829-1040
Veteran's Administration	1-202-745-8502
Small Business Administration	1-202-606-4000
Social Security Administration	1-800-772-1213
Farmers Home Administration	1-202-626-8710

Public Adjusters

North Carolinians are also advised to be on alert for unlicensed public insurance adjusters who may try to do business illegally in our state. If you are approached by a public adjuster, ask to see a registration number and a letter from the NC Department of Insurance authorizing them to do business in North Carolina.

Do not do business with adjusters who request money from you in advance.

If you wish to report such illegal actions or want to confirm that a public adjuster is licensed, please call the Agent Services Division of the Department of Insurance at (919) 733-7487.