

NATURAL DISASTERS



ARE YOU PREPARED?

Your guide to insurance and financial preparation in the event of a natural disaster.





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ARE YOU PREPARED?

Hurricanes aren't the only disasters that Floridians need to be prepared for each year. Wildfires, floods, tornadoes and sinkholes are other reasons to make sure your homeowners insurance coverage is adequate and up-to-date, and that your financial interests are protected.

This guide contains information that can be extremely valuable in the event of a natural disaster.

PLANNING AHEAD

Do you need flood coverage?

Most homeowners' insurance policies exclude flood damage. Floods may result from rain, coastal storms, storm surges, overflows of dams and other water systems, such as the drainage systems. Depending on your home's location you may qualify for flood insurance through the National Flood Insurance Program (NFIP). You also may qualify for a discount if you include a flood elevation certificate with your application and in some cases an elevation certificate

is required to obtain coverage. In some instances, you may be able to purchase flood insurance through the same insurance company that provides your homeowners coverage. Flood insurance is available from several private market insurers operating in Florida. Flood insurance policies issued by the private market must include, at a minimum, the same coverage provided by policies issued by the NFIP. For more information, contact the National Flood Insurance Program at 1-888-FLOOD29 (1-888-356-6329) or your insurance agent. Keep in mind that unless you are purchasing a home, there is a 30-day waiting period before the policy provides coverage.

Note: Purchasing and maintaining flood insurance is a requirement for certain applicants to qualify for homeowners' insurance coverage through Citizens Property Insurance Corporation. For more information, visit www.citizensfla.com or call Citizens toll-free at 1-866-411-2742. Citizens is the state-run insurance company that provides coverage to consumers who are unable to find it in the private market.

Do you need windstorm coverage?

Florida law requires that a residential property insurance policy provide windstorm coverage, except for those covering homes in limited coastal areas of the state. If you reside in one of those areas and have trouble obtaining a policy that provides windstorm coverage, you can check with Citizens Property Insurance Corporation by going to www.citizensfla.com or calling Citizens toll-free at 1-866-411-2742. Remember that insurance companies do not accept new applications or requests to increase coverage once a tropical storm or hurricane watch or warning has been issued for any area within the state of Florida.

Do you need more coverage?

The value of your home and possessions may have increased during the past several years or you may have made improvements or purchased expensive items such as computers, furniture, or major appliances. Review your insurance policy and check your coverage limits. Consider increasing your coverage if your policy does not cover the replacement cost of your home and its contents. If you want to make policy changes concerning wind and water damage, it's best to contact your agent before the start of hurricane season on June 1 or prior to the renewal of the policy. Please keep in mind that many homeowners' policies only permit certain changes at renewal.

What does your policy cover and exclude?

Homeowners' insurance policies usually limit coverage on valuables such as jewelry, silverware, guns, antiques or collections. Check your policy and contact your insurance agent or company with questions or to request additional coverage.

If you live in a condominium, your condominium association's insurance policy only provides coverage for the exterior of the building and the common elements. You need your own policy for the interior of your unit and its contents. You should also check the deductible amounts contained in your policy. All policies include deductibles for perils or causes of loss, such as fire, hurricane, hail, etc. In Florida, most homeowners' insurance policies include a larger deductible for hurricane damage. Hurricane deductibles are typically 2, 5 or 10 percent of the amount of insurance covering the dwelling at the time of loss. In Florida, you only pay the



hurricane deductible once within the calendar year, provided you are insured with the same insurance company or group of companies for the second or subsequent hurricanes during the same calendar year. When a hurricane deductible is applied, no other deductible under the policy may be applied.

“Replacement Cost” vs. “Actual Cash Value”

Replacement Cost is the amount needed to replace or repair damaged property with a new item of similar kind and quality, without deducting for depreciation (the decrease in value of your home or personal property due to normal wear and tear). Actual Cash Value (ACV) is the amount needed to repair or replace an item, less depreciation.

For example, if you bought a television for \$1,000 in 2015, and it gets destroyed by lightning in 2018, a policy written to cover “Actual Cash Value,” would pay an amount reflecting its value at the time of the loss—say about \$800. But if your policy includes “Replacement Cost” claim settlement, it will pay the full amount for a new television of a similar type and size.

Keep receipts when you buy high-value items such as televisions and computers. You might need this information to verify the age and value of your possessions.

Inflation, renovations and rising property values increase the replacement cost of your home and its contents. The actual cash value of most items will inevitably decrease over time.

What about additional living expenses?

Additional Living Expense (ALE) coverage pays those amounts in excess of your normal living expenses when you are displaced from your home by damage caused by a peril covered under your homeowner's policy. Such expenses could include lodging, meals and property storage costs, etc. Keep all receipts during this period, as ALE is typically paid on a reimbursement basis. This coverage is not included with a NFIP flood insurance policy.

Civil authorities, such as law enforcement agencies and emergency management services, sometimes issue mandatory evacuation orders that affect thousands of residents. Find out whether lodging and meals are covered if you must evacuate but no damage occurs to your property. Does a deductible or coverage limit apply?

Most policies will provide ALE coverage when a civil authority prohibits the use of a residence due to direct damage to neighboring homes by a covered peril, however hurricane evacuation costs are typically not covered unless the insured property suffers damage. Policies generally offer this coverage without any deductible and for losses of up to two weeks. You must review your policy to determine the scope of coverage and contact your agent with any questions.

Notes



Paying bills

If you pay bills by phone or online, try to pay them before a disaster hits, even if they are not yet due. Hurricanes and wildfires could interrupt phone service, causing you to miss payments and incur late charges. If you pay by mail, send payments as soon as possible. Mail delivery and pickup by the U.S. Postal Service may be delayed due to conditions immediately following a disaster or storm. Keep copies of all payments mailed within three days of a natural disaster, if possible.

How can you safeguard your records?

Keep insurance and financial papers in a secure and accessible place like a safe deposit box or with a relative or friend. Include your insurance policy, inventory records, agent or company telephone numbers for reporting claims, mortgage and other loan contracts and payment records. You may need quick access to this information. If you need to evacuate, take the records with you.

How can you get more information?

Visit the Florida Department of Financial Services, Division of Consumer Services' website at myfloridacfo.com/division/consumers for consumer guides and other publications. You may also call the Department's toll-free Insurance Consumer Helpline at 1-877-MY-FL-CFO (1-877-693-5236) for additional assistance.

Report property damage to your insurance agent & company

Once you contact your insurance agent or company, you should receive a claim number. Be sure to write it down and keep it handy. Most likely, a licensed insurance adjuster, known as a field adjuster, will visit your property to assess the damage. The field adjuster's job is to document the full scope of the damage that the insured structure has incurred through measurements, photographs, videos, and in some cases, interviews of people present at the time of the loss. The field adjuster compiles the information he/she obtains into a comprehensive report, which is then typically provided to a desk (or inside) adjuster for review. The desk adjuster uses the information contained in the field adjusters report as input for computer applications that are designed to calculate and quantify the cost of materials and labor required to bring the structure back to its pre-loss condition. In addition, it is the desk adjuster (or their manager) who will determine whether the policy provides coverage, and if so, what parts of the damage are covered.





All adjusters must be licensed by the Department of Financial Services to work in Florida.

There are three kinds of adjusters:

- Company adjusters, who are employed by an insurance company.
- Independent adjusters, who either work as independent contractors or as employees of an independent adjusting firm that contracts with an insurance company to adjust its claims. These adjusters are typically hired by the company; and
- Public adjusters, who contract with policyholders to help settle their claims with insurance companies for a fee.

All adjusters are required to act in compliance with the Florida Insurance Code. All adjusters must comply with the “Adjusters’ Code of Ethics” contained in the Department’s rules. Please review the [Company Adjusters Code of Ethics](#) and the [Public Adjusters Code of Ethics](#).

No matter the type of adjuster, be sure he or she is properly licensed. You can check the status of an insurance agent or adjuster license at: licenseesearch.fldfs.com/. If you have any questions about the license status of an adjuster or the way your claim was handled, please [contact the Division of Consumer Services](#).

Flood or damage assistance

If your property has been damaged by flooding or rising water, contact your insurance agent to find out if you have flood insurance. If you have flood insurance and need to file a claim, you must:

- Notify your insurance agent. If your home has been destroyed or heavily damaged, tell the agent you need priority help.
- Make temporary repairs to prevent the property from further damage. Document all repairs with “before” and “after” photographs and keep receipts of all repair expenses for reimbursement purposes.
- Maintain copies of your household inventory, cancelled checks, invoices and other documentation. This will help the adjuster assess the value of the destroyed property.
- Be careful not to dispose of any destroyed property until it can be inspected by the field adjuster.
- Never give original documents or photos to anyone.



WHAT TO DO AFTER A DISASTER

Flood insurance (issued by the NFIP) will not cover:

- Your personal automobile. To repair or replace your vehicle following flood damage, file a claim with your auto insurance company.
- Currency, precious metals and valuable documents such as stock certificates.
- Property and belongings outside of the insured building.
- Additional living expenses such as temporary housing.
- Financial losses caused by business interruption or loss of use of insured property.

Note: If you do not have flood insurance, you may contact the Federal Emergency Management Agency (FEMA) to find out what assistance is available. If your county is declared a Major Disaster Area, FEMA may help cover some of the necessary costs to make your home safe and livable.

FEMA may provide assistance through the following options:

- Low-interest loans – Most, but not all, assistance is in the form of low-interest loans to help cover expenses not covered by state or local programs or private insurance.
- Disaster grants – If you do not qualify for any loans, you may be able to apply for a disaster grant. Disaster grants are available to meet disaster-related needs and expenses not covered by insurance or other aid programs.
- Housing assistance – FEMA’s Disaster Housing Program makes funds and services available to individuals whose homes are uninhabitable due to a disaster. Individuals, families and businesses may be eligible for federal assistance if they live in, own a business or work in a county declared a Major Disaster Area.

You should also:

- Contact those you have sent payments to and confirm that they received them.
- Your policy probably requires, to the extent reasonably possible, that you make emergency repairs to prevent further damage to your home or its contents. For example, you may need to use plywood, tarp and duct tape to keep rain from entering a hole caused by a tree limb hitting your home.
- Keep all receipts and take photographs of the damage, before and after repairs, including emergency repairs, to submit with your claim.
- Take precautions if the damage requires you to leave your home.
- When evacuating, secure your property and remove any valuables. Lock all windows and doors. Let your agent or company know your temporary forwarding address and phone number (i.e., place where you will stay). Take these same precautions if you receive notice to evacuate before a storm, wildfire, etc.
- If the damage does not allow you to occupy your home, keep all receipts for temporary living facilities and notify your agent, company or adjuster.

Be wary of fly-by-night repair businesses

Hire licensed and reputable service people, preferably from your community. ***This cannot be stressed enough.*** Also, do not sign any document that you have not read in its entirety and fully understand.

Sometimes the repair contracts may contain “Assignment of Benefits” (AOB) clauses. An “assignment” is a transfer of your rights under your insurance policy to another individual or entity. You would be the assignor and the third-party to whom you are transferring your rights to, is the assignee.

This means you will no longer be involved in the claim process. The assignee will stand in your place, and the company will no longer be able to discuss or negotiate the claim with you. This is an important document and due diligence to thoroughly review and understand it, is recommended before signing. You may find additional information concerning AOB contracts on the Division’s website. ***AOBs are prohibited for claims made on property insurance contracts issued or renewed on or after January 1, 2023.***

Beware of anyone offering to help after a storm who wants cash only. Before you use a “fast-cash” contractor, be certain you understand exactly what the service will cost. A contractor is prohibited from encouraging or inducing a person to contact a contractor or a public adjuster for the purposes of making an insurance claim for roof damage unless such solicitation provides notice that:

- The insured is responsible for the payment of any deductible.
- It is insurance fraud for a contractor to pay or waive an insurance deductible.
- It is insurance fraud to intentionally file an insurance claim containing false, fraudulent or misleading information.

Visit myfloridalicense.com/dbpr/ to find out if a contractor is licensed or to file a complaint.

Beware of fraud

If you suspect insurance fraud, call the Florida Department of Financial Services Insurance Fraud Hotline toll-free at 1-800-378-0445 or visit myfloridacfo.com/fraudfreeflorida.

Consumer assistance

If you have an insurance question or problem, call the Florida Department of Financial Services Insurance Consumer Helpline toll-free at 1-877-MY-FL-CFO (1-877-693-5236). The Florida Relay Service provides communications assistance to individuals with hearing, speech or vision disabilities and can be reached by dialing 711. You may also submit your concern by visiting our [Get Insurance Help page](#).



RESOURCES

American Red Cross | 1-800-REDCROSS (1-800-733-2767) | [redcross.org](https://www.redcross.org)

Citizens Property Insurance Corporation | 1-866-411-2742 | [citizensfla.com](https://www.citizensfla.com)

FEMA Disaster Impact Helpline | 1-800-621-FEMA (1-800-621-3362) | [fema.gov](https://www.fema.gov)

Florida Department of Business and Professional Regulation | (850) 487-1395 | [myfloridalicense.com/dbpr](https://www.myfloridalicense.com/dbpr)

Florida Department of Economic Opportunity | (850) 245-7105 | [floridajobs.org](https://www.floridajobs.org)

Florida Department of Elder Affairs | 1-800-96-ELDER (1-800-963-5337) | [elderaffairs.org](https://www.elderaffairs.org)

Florida Division of Emergency Management | (850) 815-4000 | [floridadisaster.org](https://www.floridadisaster.org)

Florida Department of Financial Services | 1-877-MY-FL-CFO (1-877-693-5236) | [myfloridacfo.com](https://www.myfloridacfo.com)

National Flood Insurance Program | 1-800-427-4661 | [fema.gov/flood-insurance](https://www.fema.gov/flood-insurance)

National Hurricane Center | [nhc.noaa.gov](https://www.nhc.noaa.gov)

National Weather Service | [weather.gov](https://www.weather.gov)

Small Business Administration | 1-800-827-5722 | [sba.gov](https://www.sba.gov)

Note: If you encounter issues viewing any of these websites, please consider using a different browser.



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