



Shrinking time  
between disaster  
and recovery.

# Post-Disaster Insurance Guide

After a natural disaster, many people depend on their homeowner's insurance to help them restore homes and lives to normal. The mission of SBP is to shrink the time between disaster and recovery. We have provided some helpful tips to consider when working with your insurance company.

## TIP 1

### Contact your insurance company right away.

You want to get as much information as possible up front so you don't have any surprises later. Talk with your agent to find out:

- What losses are covered under your policy or policies (such as homeowners or renters, flood, auto) and any additional relevant coverage you have for things like debris removal.
- How long you have to file a claim and about how long it will likely take to process.
- What additional living expenses (ALE) coverage you may have. ALE helps with expenses if you need to live somewhere else temporarily while your home is being repaired.
  - Be cautious with spending as you have to comply with your insurance company's requirements on eligible expenses or you may not be reimbursed (for example, if your temporary residence has a kitchen, ALE won't cover you eating out at a restaurant).
  - Save all receipts from temporary living expenses. After an initial advance, you are usually reimbursed for incurred expenses, so you have to show receipts. Keep them organized and send in copies weekly.



There will be limits for how much coverage you have for losses and extra expenses, as well as on coverage for some types of special items (like jewelry or antiques).

Get a copy of your declarations page and ask about your policy limits so you know what they are ahead of time.

Also be aware of your deductible--the amount of loss you agreed to pay for out of pocket before your insurance kicks in.

For more disaster recovery information, including tips on working with contractors and navigating the federal disaster assistance process, visit our recovery resources page:



[SBPUSA.ORG/START-HERE](https://www.sbpusa.org/start-here)



## TIP 2

### Record what's been damaged.

- Take pictures and video of ALL damage inside and outside of your home as soon as possible and BEFORE beginning clean up.
- After you've taken photos you can move damaged items outside for cleanup, but do not throw them away (except for health hazards like spoiled food) until your claims adjuster has seen them first.
- Make a list of all damages to your home, possessions and property, and be as detailed as possible. Most insurance companies require you list each lost/damaged item, so the more complete and detailed your list is, the faster they will be able to process your claim.
  - For each damaged item, include as much information as you have or remember about brand, type or model, purchase date and purchase price (e.g. Samsung 32" Class LED HDTV – September 2014 - \$300), along with copies of any receipts you have. You may also be able to go back and obtain copies of receipts from some stores if you gave them your name and email at the time of purchase.
  - If you have a recent home inventory with photos, this will be helpful for putting together a before and after comparison.



If you don't have a recent home inventory, take a look at recent personal photos, such as visits from friends or family posted to Facebook—you may be able to see parts of rooms and belongings in the background.

## TIP 3

### Take reasonable steps to prevent further damage.

- After taking pictures of the damage, make temporary repairs and begin clean up that you can do safely (remember these are only temporary repairs—do not make any permanent or extensive repairs until after you meet and discuss with your claims adjuster).
- Your insurance company may be able to advance you funds to help with temporary repairs—be sure to report the cost of temporary repairs to them as soon as possible.
- Save all your receipts.
- Steps you might take include:
  - Putting a tarp over damaged sections of a roof or boarding up damaged windows.
  - If there is water damage, airing out your home, cleaning and drying furniture, bedding, carpet and other items as soon as possible.
  - Having your electrical system and equipment inspected by an electrician for safety.



Your insurance company will NOT pay for additional damage that you could have prevented if you had made reasonable temporary repairs, so be sure to do so.

## TIP 4

### Document everything.

- As part of the claims and repairs process, you're going to be working with a lot of different people, and there will be many different types of expenses. Take notes on every conversation you have with an insurance representative and contractor (who, when, what you talked about, any decisions that were made), keep copies of all paperwork, save all your receipts, and take pictures of all damages and any issues with the rebuilding process.
- If anything ever gets lost in the shuffle, or if you encounter any issues that you need to resolve or negotiate, you'll have documentation to help your case.

## TIP 5

### Get written repair estimates from 2-3 contractors as soon as possible.

- Estimates should include line by line details of material, labor and costs.
- Even if they ask for it, don't show prospective contractors your insurance settlement offer if you have one already—contractors should base their estimates on the cost of the work.
- Once you have estimates, you can work with your insurance company to determine if the insurance settlement offer is sufficient for proposed repair costs, if repair costs need to be negotiated, or if the settlement should be increased.

## TIP 6

### Work closely with your claims adjuster.

- Your insurance company should give you a timeframe for when they will come to your home. It's always a good idea to verify identification when they arrive (call your insurance company if you have any questions).
- Show your claims adjuster ALL of the damaged items and structural damages to your home and property, along with your list of damages and your repair estimates. You may also want to share a copy of all your damage photos with the adjuster, such as copying to a flash drive or uploading to a cloud storage service like Dropbox.
- Have your claims adjuster take the time to thoroughly walk you through what the claims process will look like so you know what to expect.

## TIP 7

### If you have a mortgage, reach out to your mortgage company right away.

- An insurance policy is a contract between the insurance company and the *owner of the property*, which is technically your mortgage holder.
- Once the total cost of damage to a dwelling reaches a certain limit (limits vary by policy), the insurance company is legally required to put the mortgage company's name on the settlement check instead of yours, so you'll need to know what the mortgage company's process is for getting access to your settlement funds.

## TIP 8

### Don't feel rushed to select a contractor or agree to a settlement amount.

- Take the time to make sure you have all of the information you need to make good decisions.
- If you need more time to complete your list of lost and damaged items (especially if you have to do it from memory), or to thoroughly check prospective contractors, take it.
- If there are discrepancies between the bids you receive from the contractors you are interviewing and the estimate provided by your adjuster, contact your adjuster to discuss the differences and work on a resolution.
- If you and the adjuster can't agree on an amount, you can contact their supervisor or the insurance company's claims department. If you still can't reach an agreement, are having trouble working with your insurance company, or they are unresponsive, you can contact your state's Department of Insurance.



The initial settlement is not always the final claim settlement.

If you later discover additional damage that you and the adjuster didn't find on the first inspection, you can file a supplemental claim, even after you've received money for your initial claim.

You generally have up to a year after the initial claim is filed to file a supplemental claim.

## TIP 9

### Spend settlement money only on repairs and replacing damaged items.

- It may seem like a good idea to use some of your settlement money for other purchases or activities, but if you do that, you may not have enough funds to properly fix your home. Focus on getting you and your family back into a safe, functional and furnished home.
- Also be aware that if you have replacement cost value coverage (RCV), you will first receive a check for actual cash value (ACV). Once repairs are completed/damaged items replaced and you have submitted receipts for eligible expenses, you will receive a check for the difference up to the total cost of the repairs/replacements (but not to exceed your policy limits).

## TIP 10

### Be prepared to be—and stay—very involved in the process.

- If your home is only partially damaged and you are able to secure a good contractor quickly, this may only take a few weeks.
- If you've had significant damage that will require rebuilding some or all of your home, this process could take many months, and you need to stay actively involved.
- As much as you are able to, make arrangements with your employers so that a member of your family can be physically present and regularly check on the repair progress of your home.
- Being very organized, keeping good records, being proactive about checking up on your insurance claim and all of the work that your contractors are doing, asking questions, and, if you have concerns, pushing back until you're satisfied with the response are all things that will help get you and your family back home as quickly, efficiently, and safely as possible.

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