

# Rebuilding also means navigating insurance

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Now that the threat of Hurricanes Helene and Milton has receded, millions of homeowners and business owners across Florida and the Southeastern U.S. are faced with traversing the often long and laborious process of using insurance to rebuild their lives.

“You’re just traumatized when you have these losses. At some point, you’re just glad you’re alive,” said Don Hornstein, an insurance law expert at the University of North Carolina. “And then you have to turn to the business side of this. It’s tough.”

Helene was a Category 4 storm that first struck Florida’s Gulf Coast on Sept. 26, dumped trillions of gallons of rain and left a trail of destruction for hundreds of miles across several states. At least 246 people have died in what is now the deadliest hurricane to hit the mainland U.S. since Katrina, according to statistics from the National Hurricane Center.

Two weeks later, Hurricane Milton swept across Florida, killing at least 11 people. The Category 3 storm destroyed coastal communities, tore apart homes, filled streets with mud and spawned a barrage of deadly tornadoes.

The combined private insured losses from the two hurricanes could reach \$55 billion, according to risk management firm Moody’s RMS. \*

Immediately after disasters like these, property insurance is likely not top of mind as people secure their safety and basic needs, but insurance claims are part of the process of resetting. Many buy the policies in hope they can help protect them when disaster strikes. But oftentimes insurance doesn’t cover what the policy holder thinks it does — or thinks it should. \*

Rhoda Moehring, who turns 86 this month, says she doesn’t have a lot of faith that insurance companies will help her salvage the flooded rental homes she owns in the river town of Steinhatchee in Florida’s Big Bend.

“I usually get zip with these things,” Moehring said. “‘Was I insured for that?’ ‘No, sorry, you weren’t.’ And it goes on and on. So I don’t put a whole lot of confidence in it.”

Moehring said she wasn’t sure about the details of her insurance policies and she’ll be relying on her son to help her navigate the claims process.

Here are some steps home and business owners should keep in mind when filing an insurance claim after a natural disaster. \*

## Act fast, do the math

After the immediate emergency response, the first thing a homeowner or business owner should do is call their insurance agent or broker. The deadline to file a claim is generally about 60 days from the date of loss. \*

There are different types of policies that insure against damage. In the initial call, first focus on thoroughly understanding your policy — including coverage limits, deductibles and exclusions — so that you can do a rough

calculation of what is covered and what deductibles are at play to decide if you should file a claim, experts said.

Many policies have payouts in complicated percentage formulas. For example, if your roof is damaged, your policy may spell out different deductibles depending on the roofing material, the age of the roof and even the wind speed from the damage event, and the percentage paid out may be based on the insured value versus the cost of replacement, said Amy Bach, executive director of the consumer advocacy group United Policyholders.

Homeowners should weigh their options, as a minor payout may not be worth the long-term ding on your claims history. That's especially true if you don't have flood insurance, as the average home insurance policy covers wind damage but generally doesn't cover flood damage.

While Helene was primarily a flood event, there may be disputes over what is or isn't "wind-driven rain" from Milton. Hornstein said the line between wind and water is a thin but very clear line that technical experts can determine. Should there be a proverbial tie, the law favors the insurance company.

"If the house was simultaneously destroyed by flood and, concurrently (by) wind, it's not covered by private insurance," Hornstein said.

Business owners should also check to see if they have business income or business interruption insurance, which covers the loss of income and other costs like expenses, salaries or rent when a business is forced to close.

## **All in the documents**

To file a claim, keep track of and document everything. Before and after photos and videos are ideal to jog your memory of what's been lost and for proof to help bolster settlement claims. For business owners, keeping a record of costs that are incurred after the hurricane is important too.

"You may have evacuation costs, you may have business shut down interruption costs, you may have housing costs, you may have additional expenses that are unusual to your business," said Steve Powell, executive vice president of property and catastrophe for claims management firm Sedgwick.

Once a claim is filed, the insurance company's adjuster will come to survey the damage, typically within a few days if conditions allow. Be responsive to adjusters and make sure they see (and document) the damage that you see.

While it's easy to get frustrated, adjusters are likely stressed too, said Lawrence White, an economics professor at the NYU Stern School of Business.

"To the maximum extent possible, try not come across as angry. Try to come across as reasonable," White said.

If there's disagreement or concern about the accuracy or fairness of the adjuster's report from the insurance company, property owners can consider hiring a public adjuster for a second opinion. Their own adjuster can then lead the negotiations with the insurance company. First, however, owners should be aware of the fees the public adjuster charges and check their references.

"The insurance companies have totally the upper hand and when there's a public adjuster, it does level the playing field a lot for the consumer having someone who speaks insurance and speaks damage," Bach said.

## **Repair or lawyer up**

Be aware of the deadlines for accepting a payment offer or filing an appeal with the insurance company.

Once you agree to an insurance payout, know that you can update the claim if more damage is discovered during the repairs though there may be deadlines for how long a homeowner has to reopen a claim.

If the back-and-forth with the insurance company drags on, you may consider hiring an attorney to reach a settlement as a last resort. A dispute that ends up in arbitration could stretch out for a year or more.

About 90% of all insurance claims are settled without escalating into a court fight, said Charles Nyce, a professor of risk management and insurance at Florida State University's College of Business. \*

### **Other aid sources**

For those with little or no insurance, there are government programs that can assist. The application process is similar to insurance claims: Contact the agency, determine eligibility and file an application.

The Federal Emergency Management Agency offers grants for home repair or replacement for applicants who meet certain conditions. The Department of Housing and Urban Development also offers certain grants that are available for hurricane survivors. And the Small Business Administration offers low-interest loans to renters, homeowners, business owners and nonprofits that suffered losses due to disasters. However, the government has warned that the SBA is running out of money to fund these loans unless its coffers are replenished by Congress.

For more details about these programs visit <https://www.disasterassistance.gov>.

