

# Personal Connections

## Floodwaters Could Affect Your Home

**D**amaging floodwaters occur in all 50 states and are the most commonly occurring natural disaster in the U.S. Floods damage more homes than any other type of loss except fire. Over the last 10 years, floods have caused almost \$24.5 billion in losses in the U.S.

Many people think they must live in a flood-prone zone to be seriously at risk. Statistics suggest differently though. People living in low to moderate risk flood zones file almost 25% of flood claims, and homes in high-risk flood zones have a 26% chance of being damaged by a flood during the course of a 30-year mortgage.

Floods are not confined to hurricanes. Torrential rains, breakdowns in levees and other flood control equipment, winter storms and melting snow are all common causes of damaging floodwaters. Unfortunately, most standard homeowners policies don't cover flood.

Your agent can help you learn more about flood risk in your area and can advise you on coverage options that protect against losses from flood.



## Motorcycles Have Separate Needs

**M**otorcycles are not covered by your standard auto insurance policy. The Florida Department of Financial Services and the National Association of Insurance Commissioners have provided the following information on the issue.

- You must have a separate policy that covers liability, no-fault personal injury protection (if required by your state's law) and, depending on the value of the motorcycle, comprehensive and collision coverage (collectively called "physical damage"). If your motorcycle is financed, your lender will likely require you to carry physical damage coverage.
- The premium for your policy will partially depend on the motorcycle's engine size, its age and how often you ride. Keep in mind that scooters operated by yourself or family members may also require separate insurance.
- Insurance companies have separate requirements for helmets. Be sure you understand your state law and that you have read and understood your policy's requirements regarding helmet use. If you have specific questions, contact your state insurance department and the insurance department of any state in which you ride. You can link to state insurance department websites by visiting [www.naic.org/state\\_web\\_map.htm](http://www.naic.org/state_web_map.htm).

If you carry seasonal coverage on your motorcycle, which allows you to eliminate liability and perhaps collision coverage in the winter months if you do not ride, check to make sure your policy is up to date and that you have a current insurance card before riding again when the weather starts to change.

### In This Issue:

- Market Value vs. Replacement Cost
- Does Your Dog Bite?
- Tips After a Loss to Your Home

## Market Value vs. Replacement Cost

Ever wonder why the market value and the insurance value of your home are different?

Sometimes market value exceeds insurance value because, even if your home is completely destroyed, you still own the land it's built on. The land value is included in the market value but not the insurance value since you would not be replacing the land after a covered loss. The differential could be exacerbated by your location. If you live in an area where land is very valuable (such as downtown in the business district of a city), you will likely notice that the market value of your home is much higher than the insurance value.

Conversely, if you live in an area that is experiencing a struggling housing market or where land is cheap, it may actually cost more to rebuild your home than to buy it. This is particularly true if your home includes top-of-the-line building techniques and features that add to the rebuilding cost.

When the existing-housing sales market declines, the market value of a home can dip below the replacement value. Likewise, replacement costs can skyrocket after a regional disaster, since the demand for repairs can exceed the supply of qualified contractors and materials.

While market value and insurance value are different, changes in one can directly affect the other. It is imperative that you inform the insurance company of any upgrades you make to your home that could boost the home's value. It is also important to evaluate your home's insurance value at least annually to avoid incurring out-of-pocket expenses due to underinsurance or overpaying for too much insurance.

Call our service team today for assistance on evaluating your home's insurance value.

## Does Your Dog Bite?

Remember the classic Pink Panther scene where Inspector Clouseau is walking a dog on the streets of Paris?

**Man:** Does your dog bite?

**Clouseau:** No.

The man reaches down to pet the dog, which snarls and bites his finger.

**Man:** I thought you said your dog doesn't bite!

**Clouseau:** That is not my dog.



- More than 4.7 million people are bitten each year by dogs. Approximately 800,000 of the bites require medical attention. More than half of dog bites occur on the dog owner's property.
- According to the Insurance Information Institute, one third of all homeowners' insurance liability claims arise from dog bites. The cost of dog bite claims increased 11.5% from 2006 to 2007.

The extent of the dog owner's liability is determined by state law. If the owner is liable, home insurance typically covers dog bite liability, but individual insurance companies may limit or exclude coverage depending on a dog's behavioral history or breed. Other pets, especially exotic ones, could require special coverage.

Check with our team to discover how your homeowners liability insures against pet bites or to let us know of pets that you need covered by your homeowners policy.

## Tips After a Loss to Your Home

Suffering a loss to your home is a difficult experience. If it happens, it is important that your claim be processed quickly and legitimately. Consider the following tips from the Federal Emergency Management Agency (FEMA):

- If there is property damage, call your insurance company immediately. If you suspect the damage was not accidental, call the police immediately.
- Follow the insurance company's instructions. Failure to do so could impede the claims process or in some cases disqualify you from receiving payment.
- If visited by someone claiming to be a claims adjuster or government official, ask to see credentials. If they are unable to produce them, call the police immediately.
- Before bringing in a contractor for an estimate, find out if there is a charge.
- Check with neighbors, the local Better Business Bureau, homebuilders association or trade council to see if the contracting firm has any complaints against it.
- Do not cooperate with anyone who offers to increase the amount of your disaster-damage assessment.
- Do not pay cash to anyone working for you. Use a check or credit card in order to keep a record, avoid double charges and have additional leverage in case of a dispute.

For more information on how to properly manage your claim, call our service team today.