



Know Your Policy!

*Ron Camarota,
Office of Consumer Advocacy*



DISCLAIMER

The information in this presentation is intended to provide a general overview of the issues contained herein and is not intended, nor should it be construed, to provide specific legal or regulatory guidance or advice. If you have any questions or issues of a specific nature, you should consult with appropriate legal or regulatory counsel to review the specific circumstances involved.



James J. Donelon

Commissioner of Insurance



The Department
of Insurance
is located in
the Poydras Building
at 1702 N. Third Street
in Baton Rouge
just north
of the State Capitol
on Capitol Lake.

Understand the Contract

- **Read it, ask questions!**
 - * *Make sure the information is accurate!*
- **A policy is a legal contract!**
 - * *it defines the duties and obligations for both parties*
- **Be familiar with coverages, limits, terms and conditions**



Declaration Page vs Policy

- Policy summary
- Lists premium, discounts, mortgage info
- **NOT** your complete insurance policy



- Will include your declaration page
- Detailed description of
 - Coverages
 - Exclusions
 - Terms & conditions



P.O. BOX 12345 CHESTERWO, MA 01234-0000 MORTGAGEE BILL Declaration Effective: 12/05/2020

Policy Number	From	To	Agent Code
123456	12/05/2020	12/05/2021	123456

NAMED INSURED AND ADDRESS: AGENT:

JOHN DOE
JANE DOE
123 SUGARLAND RD
LAPLACE, LA 78910

INSURANCE SOLUTIONS
1234 B EAST MORRIS AVENUE
HAMMOND, LA 78910-0123
(985) 123-4567

INSURED LOCATION:
123 SUGARLAND RD
LAPALCE, LA 78910

PREMIUM SUMMARY			
BASIC COVERAGES PREMIUM	ADJUSTMENTS PREMIUM	POLICY FEES/ SURCHARGES	TOTAL POLICY PREMIUM
\$2,142	\$229	\$122	\$2,493

PRODUCT	CONST TYPE	YEAR	USE	# FAMILY	OWNER OCC	PROT CLASS	TERRITORY
HO3	MASONRY VENEER	1986	PRIMARY	ONE	YES	3	123

Coverage/Fee	Limit	Hurricane Premium	Non-Hurricane Premium	Total Premium
Coverage A - Dwelling	\$222,000	\$1,079	\$1,063	\$2,142
Coverage B - Other Structures	\$22,200			Included
Coverage C - Personal Property	\$111,000			Included
Coverage D - Loss of Use	\$44,400			Included
Coverage E - Personal Liability	\$100,000			Included
Coverage F - Medical Payments	\$1,000			Included
Loss Assessment	\$1,000			Included
Ordinance or Law	\$22,200			Included
Fixed Expense Fee				\$60
Citizens FAIR Plan Assessment				\$62
Limited Fungi Wet/Dry Rot Bacteria Property	\$10,000			Included
Limited Fungi Wet/Dry Rot Bacteria Liability	\$50,000			Included

Total Premium Adjustments	\$229
Total Policy Premium	\$2,493
CHANGE PREMIUM AMOUNT:	

All Other Perils Deductible: \$500
 Calendar Year Named Storm Deductible: 1% / \$2,220
 REASON(S) FOR CHANGE:
 MTG CHANGE 11/13/2020



Declaration Page (example)



Types of Homeowners Policies

- Dwelling

HO1

- Covered Named Perils
- Contents

HO2

- Open Perils
- Single Dwelling
- Liability

HO3



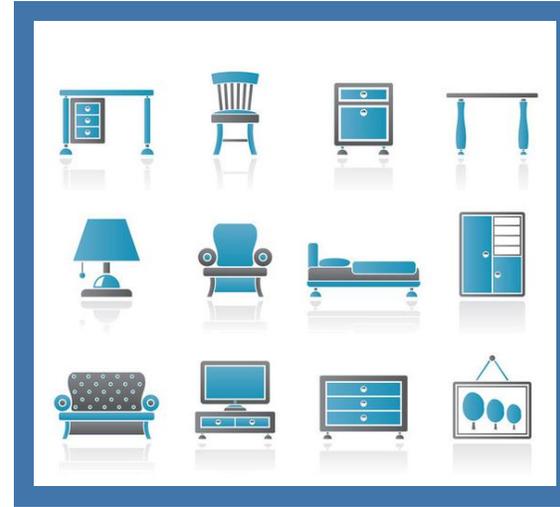
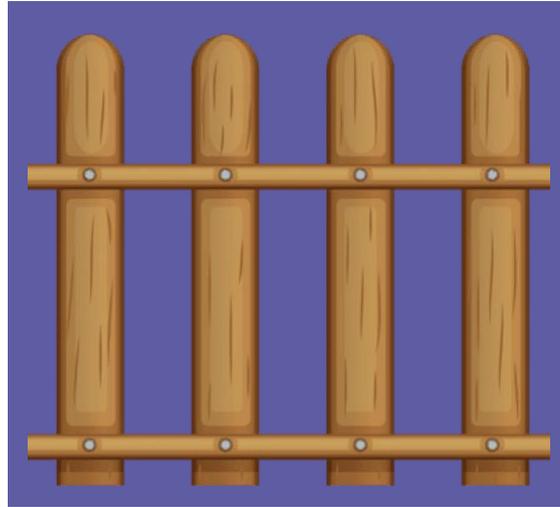
- Renters

HO4

- Condominium
- Townhome

HO6

Section I: Property Coverage



Coverage A

Dwelling

House and structures connected to house

Coverage B

Other Structures

Detached Structures such as fences and sheds

Coverage C

Personal Property

Contents

Coverage D

Loss of Use

(Additional Living Expenses)

When home is uninhabitable

Section II: Liability Coverage



Coverage E

Personal Liability

- A higher limit of coverage for incidents owners are legally responsible for connected to house



Coverage F

Medical Payments to Others

- Injury to guest regardless of who is at fault

Limits of Coverage

- Get agent's advice on coverage limits.
- Limits are based on cost to repair, replace or rebuild your property.
- Limits you choose affect the premium
- For each covered peril you will pay a **deductible**. Policy will pay up to coverage limits.



Coverages

IMPORTANT INFORMATION REQUIRED by the Louisiana Department of Insurance

Homeowners Insurance Policy Coverage Disclosure Summary

This form is promulgated pursuant to **LSA-R.S. 22:1332**

THIS IS ONLY A SUMMARY OF YOUR COVERAGE AND DOES NOT AMEND, EXTEND, OR ALTER THE COVERAGES OR ANY OTHER PROVISIONS CONTAINED IN YOUR POLICY. INSURANCE IS A CONTRACT. THE LANGUAGE IN YOUR POLICY CONTROLS YOUR LEGAL RIGHTS AND OBLIGATIONS.

****READ YOUR INSURANCE POLICY FOR COMPLETE POLICY TERMS AND CONDITIONS****

COVERAGE(S) FOR WHICH PREMIUM WAS PAID

Identity Theft Expense, Other Structure Protection, Personal Property Protection, Family Liability Protection, Guest Medical Protection, Water Back-up, Dwelling protection, Additional Living Expense

Coverages

House & Home Policy

Policy number: **831 284 580**

Policy effective date: September 28, 2021

Page 2 of 4

Insured property details

One builders grade kitchen, One builder's grade full bath, One half bath, One gas fireplace,

Exterior wall types:

20% wood siding 80% brick on frame

Interior wall partition: 100% drywall

Heating and cooling: Average cost heat & central air conditioning, 100%

Additional details: Vinyl sash with glass, 100% Two exterior wood doors, Interior wall height - 8 ft, 100%

Fire protection details: Fire department subscription - no 1 mile to fire department

Roof surface material type: Composition, 100% architectural shingles

Roof details: Predominant roof type: Composition Roof geometry – Hip, Age of roof - 1 year

House & Home Policy

Policy number: **831 284 580**

Policy effective date: September 28, 2021

Page 3 of 4

Coverage detail for the property insured

<i>Coverage</i>	<i>Limits of Liability</i>	<i>Applicable Deductible(s)</i>
Dwelling Protection	\$290,000	\$5,800 Tropical Cyclone Deductible \$1,000 All other perils
Other Structures Protection	\$29,000	\$5,800 Tropical Cyclone Deductible \$1,000 All other perils
Personal Property Protection	\$290,000	\$5,800 Tropical Cyclone Deductible \$1,000 All other perils
Additional Living Expense	Up to 24 months not to exceed \$116,000	
Family Liability Protection	\$500,000 each occurrence	
Guest Medical Protection	\$5,000 each person	
Building Codes	Not purchased*	
Building Structure		
Reimbursement Extended Limits	Not purchased*	
Roof Surfaces Extended Coverage	Included	
Water Back-up	\$5,000	
Identity Theft Expenses	\$25,000 per period	

House & Home Policy

Policy number: **831 284 580**

Policy effective date: September 28, 2021

Page _ of _

Section I—Your Property

Dwelling Protection—Coverage A

Property We Cover Under Coverage A:

- 1. Your dwelling**, including attached structures. Structures connected to **your dwelling** by only a fence, utility line, or similar connection are not considered attached structures.
- Construction materials and supplies at the **residence premises** for use in connection with **your dwelling**.
- Wall-to-wall carpeting fastened to **your dwelling**.

Property We Do Not Cover Under Coverage A:

- Any structure, including fences, or other property covered under **Other s Protection—Coverage B**.
- Land.
- Satellite dish antennas and their systems, whether or not attached to **your dwelling**.

House & Home Policy

Policy number: **831 284 580**

Policy effective date: September 28, 2021

Page_of _

Other Structures Protection–Coverage B

Property We Cover Under Coverage B:

1. Structures at the address shown on the Policy Declarations separated from **your dwelling** by clear space.
2. Structures at the address shown on the Policy Declarations connected to **your dwelling** by only a fence, utility line, or similar connection.
3. Construction materials and supplies at the **residence premises** for use in connection with structures other than **your dwelling**.
4. Wall-to-wall carpeting fastened to **building structures**, other than **your dwelling**, at the address shown on the Policy Declarations.

Property We Do Not Cover Under Coverage B:

1. Structures used in whole or in part for **business** purposes.
2. Any structure or other property covered under **Dwelling Protection– Coverage A**.
3. Land.
4. Construction materials and supplies at the **residence premises** for use in connection with the **dwelling**.
5. Satellite dish antennas and their systems, whether or not attached to **building structures**.

House & Home Policy

Policy number: **831 284 580**

Policy effective date: September 28, 2021

Page 3 of 4

OTHER IMPORTANT SECTIONS:

Personal Property Protection—Coverage C

Section I Additional Protection

Section I Conditions

Section II—Family Liability And Guest Medical Protection

Guest Medical Protection—Coverage Y

Section II Additional Protection

Section II Conditions

Section III—Optional Protection

Policy Endorsement

Tropical Cyclone Deductible Endorsement – [AVP265](#)

Water Back-Up Endorsement - AVP267-1

Identity Theft Expenses .Coverage IT - AVP27

Roof Surfaces Extended Coverage Endorsement - AVP42

Discounts Are Available

Deductible

ALL PERILS - set amount

HURRICANE/NAMED STORM:

- 2-5 % of Home Value

Wind Hail - 2-5 % of Home Value

Applied **ONCE** per calendar year

***EXAMPLE CALCULATION ***

- Total insured value,
Coverage A = \$100,000.00
- 2% hurricane deductible,
 $\$100,000.00 \times .02 = \$2,000.00$



❖ LOSSES:	
❖ Coverage A: Dwelling	\$15,000.00
❖ Coverage B: Other Structures:	\$ 2,500.00
❖ Coverage C: Personal Property:	<u>\$ 3,000.00</u>
❖ Total Amount of Loss:	\$ 20,500.00
❖ All Perils deductible	\$ 2,000.00-
❖ Hurricane deductible:	<u>\$ 2,000.00-</u>
Net payment	\$16,500.00

Endorsements



Jewelry
Artillery



Camera
Antiques



Silverware
Fine Art



Money
Computer



Scheduled Personal Property

Exclusions



Dog Breeds
Home Business



Infestations
Building Code



Neglect/Vandalism
Earth Movement





**Increased
Deductible**

Shop Around

Mitigate Risk

Fortify Home

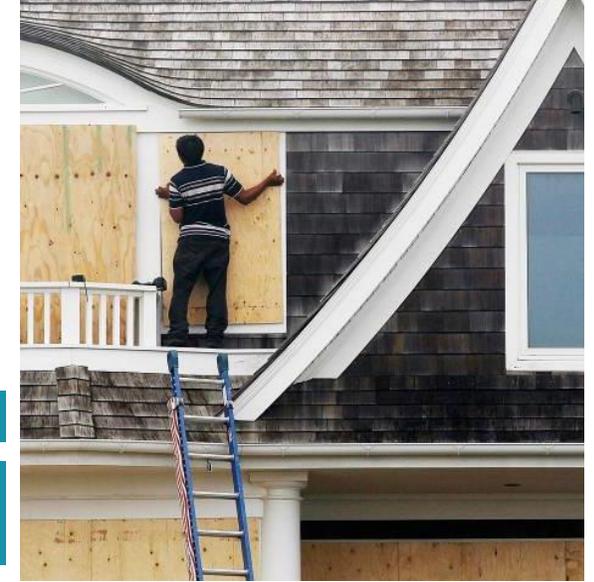
**Bundle
Coverages**

Safety Features

Ways to Reduce Premium

Your Responsibilities Before a Loss

- **Know what's covered and excluded!**
- Become an educated consumer
- Know the market value
- Notify insurer of improvements
- Review policy for adequate coverage
- Take a home inventory
- Maintain your property



SCAN ME

<https://content.naic.org/consumer/home-inventory>

[NAIC Home Inventory App](#)

After a Loss, Your Responsibilities

- **Contact your agent/insurance company - file a claim asap!**
- **Mitigate Damage**
 - make reasonable repairs to protect from further damage
 - keep accurate record of expenses, receipts, and invoices
 - cover broken windows
 - remove fallen trees and branches
 - Remove standing water
- **Home Inventory – identify damaged property**
- **Receipts for ALE and records that support fair rental value**
- **SEND PROOF OF LOSS :**
- **180 DAYS FOR A CATASTROPHIC EVENT**
- **60 DAYS FOR ALL OTHER COVERED PERILS**



Flood

- 30-day waiting period (except new const)
- NFIP
- \$250,000 building
- \$100,000 Contents
- May be required by mortgage lender
- New rating
 - Based on individual characteristics of the home
 - Existing policies can be reassigned
 - Replacement Cost used for claims
- Contact National Flood Insurance Program (NFIP)



<https://www.floodsmart.gov/flood-insurance-provider>

Mandatory Evacuations



LOSS OF USE

Additional Living Expenses (ALE)

- Covers additional cost for reasonable housing and living expenses
- Know your coverage limits?
- Deductibles may or may not apply

LOSS OF USE (Civil Authority)

- Cost of temporary housing, hotel, public transit, boarding a pet, food, evacuation expenses, etc.
- Will cover “additional” expenses only
- Deductibles may or may not apply
- Doesn't exceed 14 days
- Optional Coverage



Prepare Now For The Storm

Homeowners Policy

01

Read it, keep it safe, review coverages, deductibles.

Contact agent to review!

02

Home Inventory

03

Secure Property

04

Emergency Numbers

05

Emergency Supplies





Homeowners Claim Process

May take first notice of loss and should help you through the process



Be prepared, know what they need to process your claim



Resource to remove water, hazards, etc.

Can be independent, public, or be employed by the insurance company

When You Have A Loss

(claim filling process)



- Call Agent or company to report loss
 - Log all calls, keep a record of all email, mail, etc.
 - Adjuster will be assigned to estimate damage
 - Hire a contractor
 - Compare adjuster and contractor estimates, communicate to resolve differences
 - *Before any repairs are made* – contact insurance company for approval
 - Cash checks as they are issued. Supplemental claims can be filed until work is complete and the claims is closed
- * **Be aware of repair time frame (see policy language)**

When You Have A Loss

STEP 1

File Claim!
through company,
agent or online

STEP 2

Take photos of damage

STEP 3

Mitigate damages to remain
safe. Check with insurer
first

STEP 4

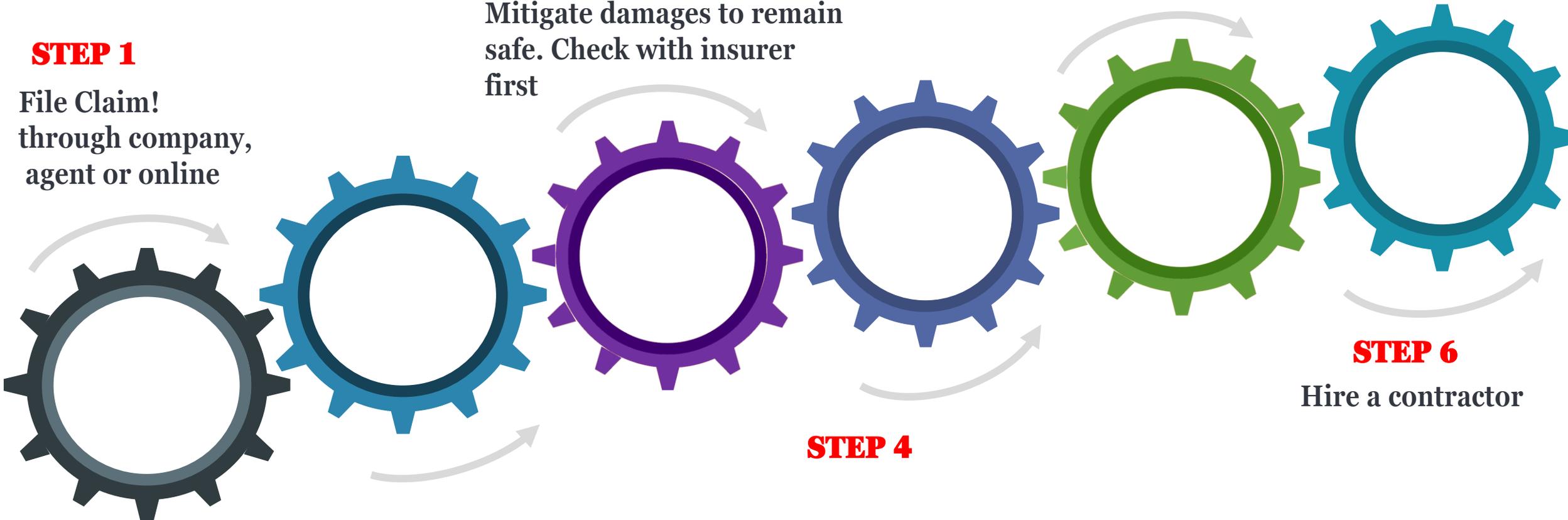
Inventory of damaged personal
property. Have receipts or some
proof of purchase/value

STEP 5

Meet with Adjuster

STEP 6

Hire a contractor



Responsibilities Following A Loss, Insurance Company

INSPECTIONS

- Initial adjustment must begin within **14 days from notice of loss**
- Claim may require multiple adjusters
- Estimate based on cost of materials, labor, etc. at the time of loss
- Demand a copy of adjuster's report (**you're entitled to it**)

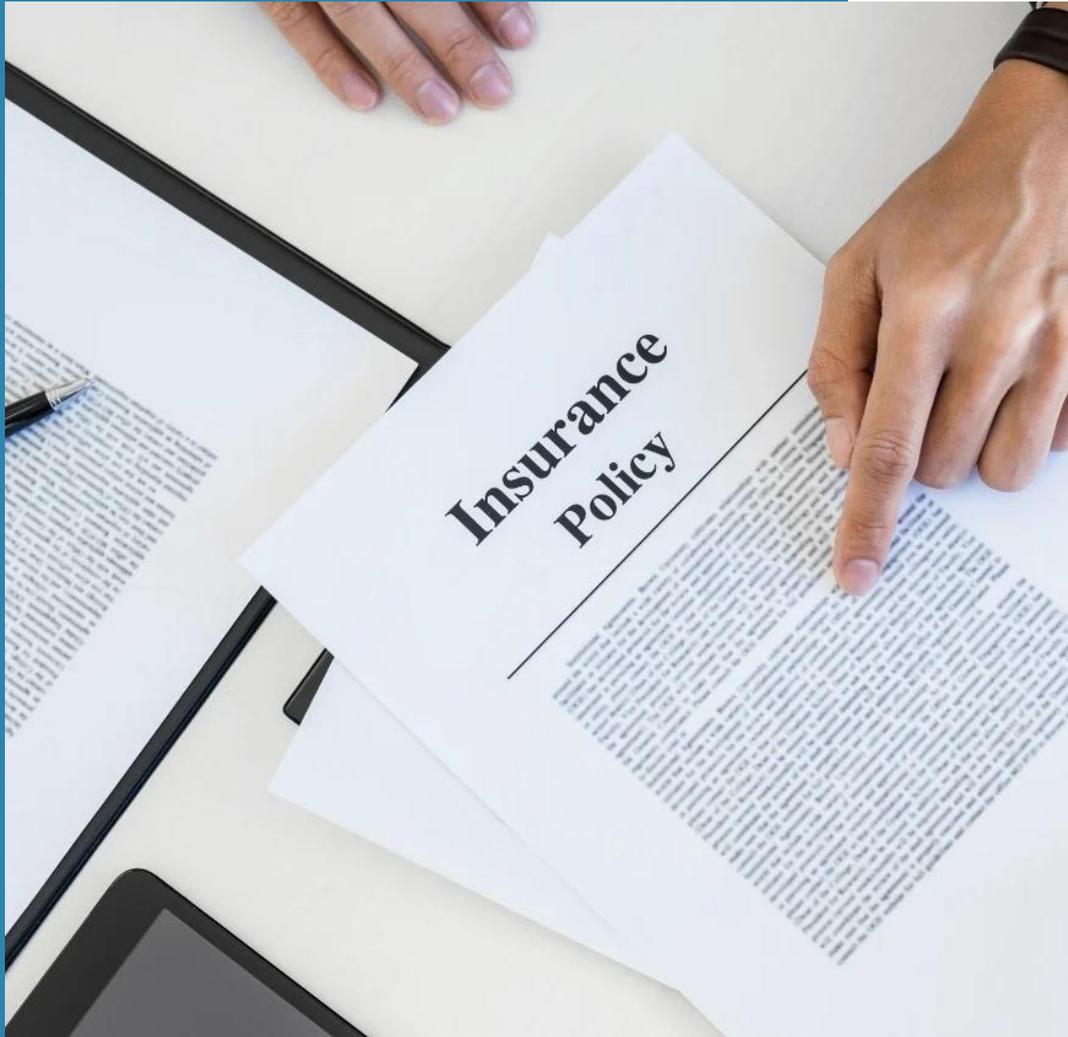


Your Rights

- Our “Policy Holder Bill of Rights” exists for your protection
 - [RS 22:31.1]

3-YEAR RULE

- Your policy can not be cancelled, based solely on claims from an “Act of God” if in-force for 3+ years.
- Filing 2+ claims *not* from an “Act of God” within a three-year period, may cause cancellation of policy



Types of Adjusters

COMPANY/CLAIMS ADJUSTERS:

- Works full-time for insurance company

INDEPENDENT ADJUSTER:

- Contracts with insurance company

LOUISIANA PUBLIC ADJUSTERS:

- Investigate
- Appraise
- Evaluate
- Report to insured
- Cannot charge a percentage, must be a reasonable fee such as an hourly rate or flat fee



ACV

VERSUS

RCV

UNDERSTANDING
ACTUAL CASH
VALUE AND
REPLACEMENT COST



Actual Cash Value (ACV)
Replacement cost less depreciation

A hailstorm damages your roof

Cost to repair your roof

\$8,000

your deductible

\$1,000

Depreciation

\$1,000

\$6,000



Replacement Cost Value (RCV)

A hailstorm damages your roof

Cost to repair your roof

\$8,000

your deductible

\$1,000

Depreciation/Recoverable

\$1,000

\$7,000

Mortgage Company



Additional insured on policy

Mortgage Co & Owner,
Both named on claims checks

Issues receiving funds from
mortgage company?
Call the Office of Financial
Institutions at **888.525.9414**

Definitions

- **Premium:** the dollar amount the insured pays the insurer
- **Endorsement:** a written change that modifies an insurance policy by changing the coverage afforded under the policy
- **Deductible:** a specified amount of money that the insured must pay before an insurance company will pay a claim
- **Perils:** named hazards that can cause losses to your property
- **Exclusion:** a provision within an insurance policy that eliminates coverage for certain acts, property, types of damage, or locations
- **Renter's Insurance:** coverage that insures a tenant's contents or personal property renters can also purchase contents coverage for flooding
- **Rental Dwelling Insurance:** covers rental property and any other structures that are connected to it. It does not, however, cover the renter's contents.

REMEMBER!

- *FOR POLICY SPECIFIC QUESTIONS
PLEASE CONTACT YOUR AGENT!*



SCAN ME

Louisiana Department
of Insurance
Office of Consumer Advocacy

1-800-259-5300

www.lidi.la.gov