

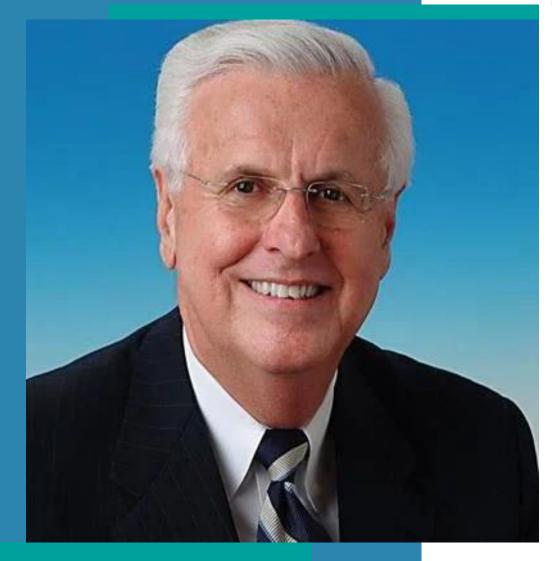
Know Your Policy!

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

NAMED INSURED AND	ADDRESS:		AGENT:		
123456	12/05/2020	12/05/2021	12:01 AM STANDARD TI	ME AT INSURED LOCATION	123456
Policy Number	From	То			Agent Code
P.O. BOX 12345 CH	ESTERWO, MA 012	234-0000 MORTGA	AGEE BILL	Declaration Effect	ive: 12/05/202
PAGE					Insured Cop
DECLARATION		Customer Service:	888-544-4885		ENDORSEMEN
SAMPLE	IN	ISURANCE SOL	UTIONS CO.	Homeowners Po	olicy Declaratio

JOHN DOE JANE DOE 123 SUGARLAND RD LAPLACE, LA 78910

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

\$229

\$2.493

INSURED LOCATION:			PREMIUM SUMMARY					
123 SUGARLAND RD LAPALCE, LA 78910		COV	BASIC /ERAGES EMIUM	ADJUSTMENTS PREMIUM	POLICY FEES/ SURCHARGES	TOTAL POLICY PREMIUM		
			5	\$2,142	\$229	\$122	\$2,493	_
PRODUCT HO3	CONST TYPE MASONRY VENEER	<u>YEAR</u> 1986	<u>USE</u> PRIMARY	<u># FAMILY</u> ONE	OWNER OCC YES	PROT CLASS 3	TERRITORY 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 Total Policy Premium 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)



Page 1 of 4

Types of Homeowners Policies

• Dwelling	 Covered Named Perils Contents 	 Open Perils Single Dwelling Liability 	• Renters	CondominiumTownhome
HO1	HO2	HO3	HO4	HO6

A Guide to Your Welcome Package

Policy Declarations

Your policy of Feeting date is September 2, 201

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				Anything 57 DODCC-DODC
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Discount name	SALKS.	P to build the me UP4E1		September 2, 30(2 at 12 Cf are.
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Location of property insured

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Legal description

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Company Nam The Company Named is the Policy Declarations A Stock Company-Home Office: Northbrook, Illinois 60062

Policy

Your policy is your insurance contract; it lists all the terms and conditions of your coverage.

Policy Endorsement

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Scheduled Personal Property

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PROVER ON ANY PROPERTY EVERY 2014/17-14

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Policy Endorsements

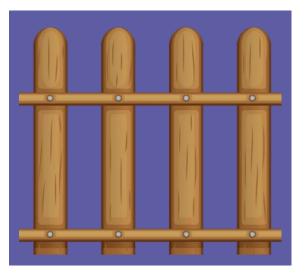
If we make any changes to your policy, these documents will include your new contract language.

Policy Declarations

The Policy Declarations lists policy details, such as your property details and coverages.

Section I: Property Coverage









Coverage A

Coverage B

Coverage C

Coverage D

Dwelling

House and structures connected to house

Other Structures

Detached Structures such as fences and sheds Personal Property

Contents

Loss of Use

(Additional Living Expenses)

When home is uninhabitable

Section II: Liability Coverage





Coverage E <u>Personal Liability</u>

• 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



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

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Page 3 of 4

Coverage detail for the property insured

Coverage	Limits of Liability	Applicable Deductible(s)
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	
Family Liability Protection	\$500,000 each occurr	ence
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	

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.

2. Construction materials and supplies at the **residence premises** for use in connection with **your dwelling**.

3. Wall-to-wall carpeting fastened to **your dwelling**.

Property We Do Not Cover Under Coverage A:

1. Any structure, including fences, or other property covered under **Other s Protection–Coverage B**.

2. Land.

3. Satellite dish antennas and their systems, whether or not attached to **your dwelling**.

Page_of _

Other Structures Protection–Coverage B

Property We Cover Under Coverage B:

Structures at the address shown on the Policy Declarations separated from your dwelling by clear space.
 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**.

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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 – <u>AVP265</u> 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 x .02 = \$2,000.00

COSSES:

*	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

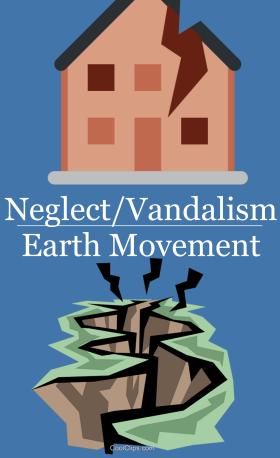
Endorsements



Scheduled Personal Property

Exclusions









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





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
- <u>60 DAYS FOR ALL OTHER COVERED PERILS</u>





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)



















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

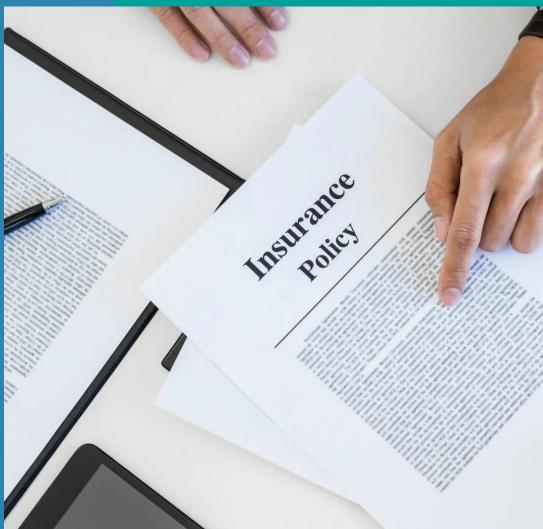
LOSS OF USE (Civil Authority)

- 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





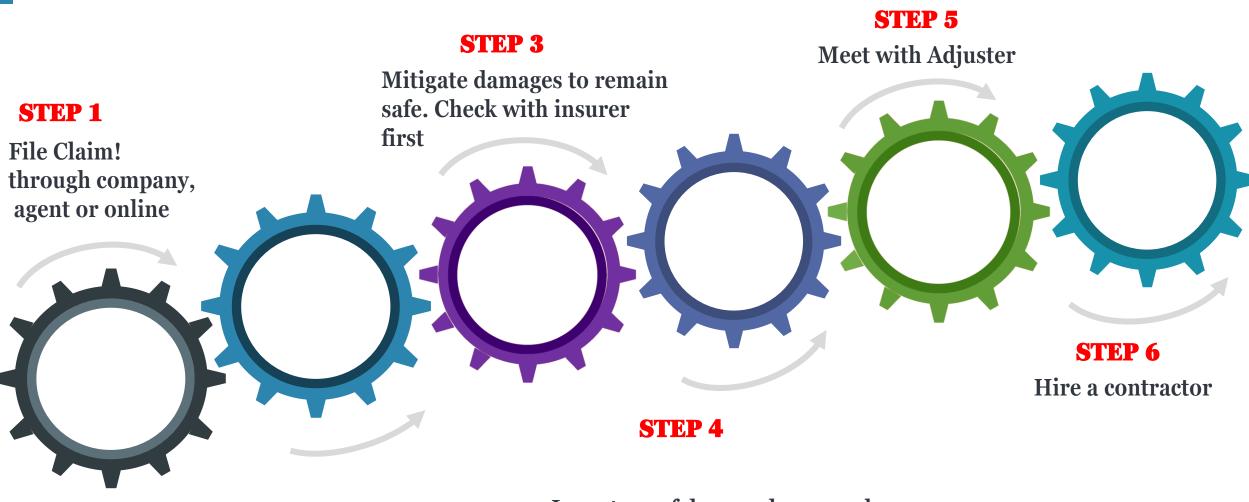




When You Have A Loss (claim filling process)

- 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



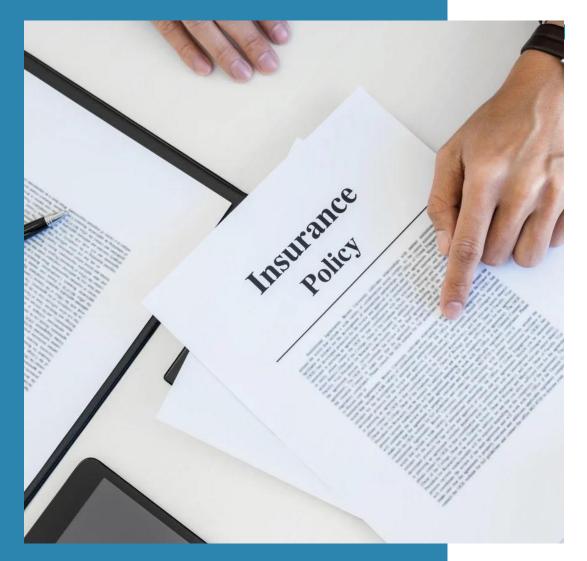
STEP 2 Take photos of damage Inventory of damaged personal property. Have receipts or some proof of purchase/value

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







UNDERSTANDING ACTUAL CASH VALUE AND REPLACEMENT COST

RCV

Actual Cash Value (ACV) Replacement cost less depreciation

A hailstorm damages your roof

Cost to repair your roof

\$8,000

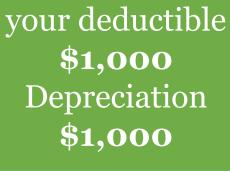
Replacement Cost Value (RCV)

A hailstorm damages your roof Cost to repair your roof **\$8,000** your deductible **\$1,000** Depreciation/Recoverable **\$1,000**

\$7,000







\$6,000

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!



Louisiana Department of Insurance Office of Consumer Advocacy

> 1-800-259-5300 www.ldi.la.gov