



# AFTER <sup>THE</sup> DISASTER



*plan.  
prepare.  
prevent.*



## OKLAHOMA INSURANCE DEPARTMENT

**PROTECTING  
OKLAHOMA**

**JOHN D. DOAK**  
INSURANCE COMMISSIONER

OKLAHOMA  
INSURANCE  
DEPARTMENT

**WWW.OID.OK.GOV**

 **facebook.com/oid411**

 **Twitter: oid411**

**OKLAHOMA CITY**

3625 NW 56<sup>th</sup>, Suite 100  
Oklahoma City, OK 73112

**Local:** 405.521.2828

**In State Toll Free Number:** 800.522.0071

**Fax:** 405.521.6635

**TULSA**

7645 E. 63<sup>rd</sup> St., Suite 102  
Tulsa, OK 74133

**Local:** 918.295.3700

**Fax:** 918.994.7916

# YOUR STEP-BY-STEP DISASTER RECOVERY GUIDE

The hours and days following a natural disaster are stressful and sometimes heartbreaking. If you lose your home or suffer damages, you will want to file a claim against your insurance policy but may have questions about how the insurance settlement process works. The Oklahoma Insurance Department (OID) offers this overview of what you might expect and how to deal with your insurance claim to make the process easier.

Keep in mind that it is a process that needs to be worked through step-by-step. Your insurance policy is a contract between you and your insurer. That contract contains the terms and conditions of coverage and both you and your company have legal rights and commitments to fulfill it. Knowledge about the process and basic information about insurance laws that deal with the handling of claims will empower you in your recovery.

## STEP 1

### ASSESS DAMAGE & CONTACT INSURANCE COMPANY

After a disaster, survey the property for damage and take pictures, if possible. Be aware of potential hazards such as broken glass, downed power lines and ruptured gas lines. Try not to leave your property unattended, unless it is not safe for you to stay. Contact your insurer or agent as soon as possible to begin the claims process. During this first step in the claims process, your company will assign a claims adjuster to work with you. You will also want to protect property from further loss or damage and make temporary repairs, as needed. Make a list of all property destroyed or damaged; also list purchases made to temporarily repair the property.

**Home Inventory** – After a loss, insurers need to know what needs to be replaced. If you do not have a home inventory, prepare one now. Go room by room and create a list of furniture, accessories, items in drawers, kitchen housewares, clothing, electronics, jewelry, linens and toiletries. Download the home inventory app at [homeinventory.oid.ok.gov](https://homeinventory.oid.ok.gov) and quickly capture images, descriptions and serial numbers of your possessions, then organize the information by room or by category.

You can also use the QR codes below to download a home inventory.

**iPhone® users**



**Android® users**



## STEP 2

### IS YOUR HOME A TOTAL OR PARTIAL LOSS?

**Total Loss** – A total loss occurs when your home is destroyed to the point that it is not repairable. Usually, you will receive the maximum settlement possible according to the terms of the policy.

**Partial Loss** – A partial loss is one that does not destroy your property. In the case of a partial loss, make temporary repairs to prevent further damage, such as covering roofs or broken windows. Make sure to keep all receipts for reimbursement and, as with all disasters, immediately report the damage to your insurer. Do not throw away damaged furniture or items unless directed to do so by a public authority or your insurer. Document any damage to your home by taking photos or videos and include any receipts, bills or your home inventory to help expedite the claims process.

## STEP 3

### WORKING WITH AN ADJUSTER

After a loss, your insurer will assign an adjuster to walk you through the claims process, answer questions, and estimate the damage to your property in order to fairly and promptly settle your claim. When first meeting the adjuster, make sure the adjuster has identification and remember that the insurance companies pay the adjusters, therefore the adjuster should not ask you for payment nor do you need to offer payment. Communicate regularly with your adjuster to ensure that claims are settled as efficiently and smoothly as possible. Your insurer may assign more than one adjuster in order to review different parts of your claim. For example, some insurers have different adjusters for structural claims and for personal property claims.

Public adjusters are independent of your insurer and are business individuals who often solicit business after a major catastrophe like a tornado. A public adjuster will help a homeowner document the loss, schedule inspections and negotiate settlement amount(s) for a fee that comes out of the settlement with the insurer. If you choose to use a public adjuster, make sure the adjuster is licensed and provides a written contract for services. Review that contract carefully before signing.

## DEBRIS REMOVAL

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Coverage for removal of debris is automatically provided in a standard homeowners insurance policy. Compensation for debris removal is included in the cost of rebuilding the structure of a home and covers reasonable expenses for removal of debris following a covered event. Structural rebuilding and debris removal is covered up to the amount the home is insured for. If costs exceed policy limits, some policies will pay an additional amount to cover debris removal. Homeowners are not compensated if debris removal is completed by volunteers, a charitable organization or local government.

Work with your insurance company or agent to understand debris removal coverage. Often, local governments will help homeowners find reputable and experienced vendors to clear property in a timely manner.

## STEP 4

### SCOPE OF WORK

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Your claims adjuster will work with you and your contractor to develop what is called a Scope of Work. This is a detailed building plan used to reconstruct your home based on a review of your previous floor plan, square footage and interior finish items such as flooring, counter tops, cabinetry, molding and plumbing. Homeowners insurance with replacement cost coverage will cover the cost of rebuilding your home with materials of like kind and quality, subject to the limits and terms of your insurance policy.

## STEP 5

### INSURANCE PAYMENTS & TYPES OF COVERAGE

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It is important to know what each payment you receive is for as your homeowners insurance policy will include several separate coverages, often leading to receipt of different checks for different parts of your loss. The most common coverages are discussed below.

**Additional Living Expenses or ALE:** Covers temporary living expenses of a separate residence while you rebuild and may also provide for food, clothing and toiletries. Keep all receipts for reimbursement. ALE does not cover all living expenses, but often covers the increase over normal living expenses.

**Coverage A:** Covers the cost of rebuilding your home.

**Coverage B:** Covers detached structures such as an outbuilding, and is generally a percentage of the Coverage A limit.

**Coverage C:** Covers the contents and personal possessions in your home and is generally a percentage of the Coverage A limit.

Another common, but optional, coverage is a “floater” for specific high value items, such as jewelry, computer or photography equipment, or firearms. This coverage typically broadens the policy’s coverage for those specific items beyond what is included in Coverage C discussed above.

Note that if your car is damaged while in your garage or carport, it is covered by your automobile policy, not your homeowners policy. You will have to file a claim for the car under your automobile policy.

Understand your policy. Do you have a replacement cost policy? Replacement cost policies generally provide for the repair or replacement of damaged personal property items. Or do you have an actual cash value policy? Actual cash value policies only provide reimbursement for the depreciated value of your covered personal property.

After a loss, work with your insurer or agent to determine the appropriate level of coverage to maintain during the rebuilding process. Be sure to adjust the coverage as necessary once the home is rebuilt.

Don’t be afraid to ask questions. Always ask to speak to someone at a management level if you have questions or concerns your adjuster isn’t adequately addressing. You can also contact the Oklahoma Insurance Department to answer questions or assist with your claim. Insurance companies are regulated by the Oklahoma Insurance Department. Contact Consumer Assistance at 1-800-522-0071.

## STEP 6

### DAMAGE AND YOUR MORTGAGE HOLDER

Homeowners often have questions about routine activities, such as mortgage payments, after a major loss. Homeowners should continue to pay the mortgage and property taxes. Contact your mortgage servicer and inform them of the damage as your mortgage holder has a financial interest in the home being rebuilt. Some mortgage servicers require two signatures on checks and may require insurance payments to be placed into an escrow account. The mortgage servicer may issue payments to contractors in stages, after work is completed and inspected by the servicer's inspector. This ensures the home is repaired and insurance proceeds are not fraudulently used by a vendor.

## STEP 7

### HIRING A CONTRACTOR

When choosing a contractor to make repairs, check licenses and references before hiring. Fraudsters often take advantage of the chaos following a disaster. Be suspicious of any contractor that tries to rush you, offers unsolicited repairs to your home or says he is supported by the government. The Federal Emergency Management Agency (FEMA) does not endorse individual contractors or loan companies. Call 1-800-621-FEMA for more information.

Always insist on a written estimate before repairs begin and get several estimates for the work to compare bids. Always have a written detailed contract that clearly states what the contractor will do, including prices for labor and materials, cleanup procedures and estimated start and finish dates. Never sign a contract with blank spaces which can be altered after you sign.

Do not pay a contractor the full amount up front or sign over your insurance settlement payment. Pay by a check or credit card to maintain a record of your payments to the contractor. Pay for work as it is completed in installments; a percentage when the contract is signed and the remainder when the work is completed to your satisfaction.

If you have a mortgage on the home, your mortgage servicer may require an escrow account and review work before installment payments are made to ensure the home is actually repaired to the original condition.

#### Additional Information

- Flood and earthquake damage are not covered in a typical homeowners or renter's policy. If you have a separate flood or earthquake policy, contact the company that wrote the additional policy to file your claim.
- If your insurance company delays responding to your claim, call the claims department to find out if an adjuster has been assigned. Verify your contact details, especially if you have evacuated your home. Call the Oklahoma Insurance Department if the delay is unreasonable.
- Even after settling your claim, if you think of items that were not in your initial loss list, contact your insurance company. Unless the company has paid the entire limit for the coverage of those types of items, it is possible the company will make an additional payment.
- If your damages exceed the amount of your coverage, federal agencies may be able to provide grants or low-interest loans to assist with recovery following major disasters. Check with FEMA for more information.

## BEFORE A DISASTER

**Protect yourself with some form of homeowners insurance.**

**Review your insurance coverage each year to ensure that you have adequate coverage.**

**Have a plan of action: know where you can take shelter, make a list of important telephone numbers and prepare an emergency supply kit.**

### *Your Safety Kit*

**Bottled water, flashlight, portable radio, extra batteries, fire extinguisher, essential medication, first aid kit, blankets, canned foods and non-electric can opener.**