

## Is Your Home Covered for a Natural Disaster?

Home ownership comes with many responsibilities, the most important of which is protecting your financial investment.

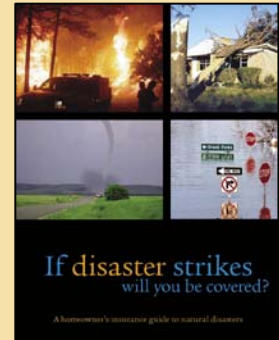
*If disaster strikes, will you be covered?*, a free guide from The Actuarial Foundation and the Federal Alliance for Safe Homes, will help you learn about:

- **Lines of insurance available** to homeowners, condominium owners, renters and farm owners.
- What it means to buy insurance in the **voluntary** and **shared markets**.
- Knowing which **perils are covered by your policy**: earthquakes, floods, hail, hurricanes, tornadoes, lightning and wildfires.
- The differences between **insurance-to-value-ratio** and **replacement cost coverage** for your dwelling.
- **Ways to affect your premium** through deductible adjustment, discounts and caring for your property.
- **Availability of insurance** and how it is impacted by your home's location and features.
- How you can **reduce potential damages and premiums** through home improvements.
- Filing an **insurance claim**, including tips for record keeping.

Your home provides you and your family shelter from the outside world. Our goal is to help you ensure that this shelter is as safe as it can be and that your insurance coverage is sufficient to protect your assets.

### Subscribe to *Financial Smarts!*

[www.actuarialfoundation.org/  
FinancialSmarts](http://www.actuarialfoundation.org/FinancialSmarts)



Access the booklet *If disaster strikes will you be covered? A homeowner's insurance guide to natural disasters* and other free resources at [www.actuarialfoundation.org/programs/insurance.shtml](http://www.actuarialfoundation.org/programs/insurance.shtml).

*Also available in Spanish.*

### Reducing Your Premium Can Put Money in Your Pocket

There are several ways to reduce your insurance premium, including:

**Adjusting the deductible:** the larger the deductible, the lower the premium.

**Qualifying for discounts:** combine home and auto insurance, install sprinkler systems or insure through an alumni or business group.

**Caring for your home:** treat prior losses and repair existing conditions.

# Know Your Insurance Options

There are many perils that can threaten your property, so it is important to gain a better understanding of available insurance products and forms.



## *Will you be covered?*

- Most property insurance policies exclude coverage for losses resulting from **earthquakes** and **floods**.
- **Hail** is a named peril, meaning for coverage to apply under a “Named Perils” policy, hail must be defined as a covered peril.
- Most property insurance policies provide coverage for losses resulting from **hurricanes**, except for flood loss associated with the hurricane.
- **Tornado** losses are one event covered under the broader term windstorm.
- Package policies usually provide coverage for **lightning**.
- All property insurance policies provide coverage for losses resulting from **wildfires**.

It is important to learn more about insurance options for each of these natural disasters, as well as how much insurance is needed.

# Make Home Improvements

Preparing your home for a natural disaster can improve your safety and reduce property damage.



## *Some tips for preparing your home for a natural disaster:*

- **Earthquakes:** Brace cripple walls, secure water heaters and anchor your foundation.
- **Floods:** Raise the location of your main electrical switchbox and install a backflow valve.
- **Hail:** Improve roof covering and decking.
- **Hurricanes and Tornadoes:** Check for loose shingles, support garage doors and install impact-resistant windows and doors.
- **Lightning:** Utilize surge protection devices and install lightning and whole-house protection systems.
- **Wildfires:** Ensure landscaping is free of brush and use shingles with a good fire rating.

Learn how these, and other, home improvements can help you mitigate loss and lower your insurance premiums.

# Final Thoughts

Good record keeping goes a long way when filing a claim.

## *Some record keeping suggestions:*

- Keep the name and number of your insurance agent in a safe place.
- Perform a detailed inventory of household items, including valuables.
- Take photos of particularly valuable items for pre-loss value verification.
- Keep a copy of your insurance policy in a safe place.
- Read your insurance policy carefully, and understand what is and what isn't covered (deductibles, general and specific limits, flood coverage, etc.).
- Put vital records in a fireproof safe or safety deposit box, and/or send copies of vital records to a trusted relative or friend.

Finally, if you must evacuate the area, notify your insurance company and verify your insurance policy for coverage for temporary lodging.

## Other Related Resources

### **The Actuarial Foundation**

[www.actuarialfoundation.org/  
programs/consumer\\_education.shtml](http://www.actuarialfoundation.org/programs/consumer_education.shtml)

### **Federal Alliance for Safe Homes**

[www.flash.org](http://www.flash.org)

### **Federal Emergency Management Agency**

[www.fema.gov](http://www.fema.gov)

### **Floodsmart**

[www.floodsmart.gov](http://www.floodsmart.gov)

### **Insurance Information Institute**

[www.iii.org](http://www.iii.org)



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475 N. Martingale Rd., Ste. 600, Schaumburg, IL 60173 [www.ActuarialFoundation.org](http://www.ActuarialFoundation.org)

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