

BE PROACTIVE: Steps to Preserve and Enhance Your Insurance In Light of the Recent Natural Disasters

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Our hearts go out to those families and businesses who have suffered losses due to the recent fires, hurricanes, and other natural disasters. We hope everyone in Sonoma, Napa, Orange County, and nationwide affected by these tragic events are somewhere safe. As someone who lost a house in a fire growing up and now is an attorney who helps both residential and business policyholders, there are a few pieces of wisdom I'd like to pass along to help prepare for the worst:

1) MAINTAIN DUPLICATES OF CRITICAL DOCUMENTS OFFSITE OR ONLINE

After the fire, you're going to need your insurance policies and other critical documents. While it's usually possible to request copies, this can take weeks, which will hold up your claims process. We are fortunate enough to have the technology for cloud-based storage of key documents – like your insurance policy, insurance broker contact information, tax returns, life insurance policies, will, business plan, inventories, etc. – oftentimes for free. Maintaining these records onsite during your daily life and business operations is important, but so is taking the time and trouble to make sure you have back-up offsite. It's easy to do, and so much easier than trying to recreate it after the fact.

2) MAKE A RECORD OF YOUR PROPERTY AND POSSESSIONS

If you are lucky enough to still be in your home or business property, I strongly recommend that you take a video of your property and possessions to keep for your records. A digital inventory with receipts would be great – but a video log will help a lot later.

- For your home: This includes the furniture, artwork, appliances, jewelry, electronics, collectibles, landscaping and custom features of the inside and outside of your house.
- For your business: This includes your furniture and artwork, your inventory and your electronics.

Look into offsite back-ups of your important electronic data – whether documents, e-mails, insurance policies, inventory logs, accounting data, client correspondence, or pictures of your kids or grandkids.

Why A Record Is Important in the Insurance Claims Process

Though I hope no one has to deal with this, it will make it much easier in the event of a tragedy to deal with insurance claims for two reasons:

- It is evidence to submit to the insurance company to show exactly what your property was like before disaster struck
- It is evidence for your home, you likely have a homeowner's insurance policy that covers your "3 bedroom, 2 bath, 2000 square foot home built in 1982," but your insurer won't know the quality of what is actually inside. It will be up to you to prove you had a brand new Viking stovetop, rather than a 20-year old Kitchenaid; custom built-in cabinets rather than Ikea furniture. (On this note, if you ever do any remodeling, be sure to tell your broker to make sure it's covered by your policy!)
- For your business, your policy will similarly be generic, and the insurer will similarly insist on evidence of your business inventory, sales orders, equipment, artwork, etc. in the event of a loss.



- A video record will also help to jog your memory to create itemized inventories to submit to the insurance company. Creating an inventory of everything lost after a casualty can be the most difficult and emotional part of the rebuilding process. I encourage you to do anything you can do now to lessen the stress later. After a traumatic loss, it's impossible to remember everything, so most people never collect their full insurance benefits. United Policyholders, an amazing non-profit resource for policyholders, has a great app and other online tools to help create your inventory. You can find the app and other helpful information at <http://www.uphelp.org/>

3) CHECK YOUR POLICY

If you are lucky enough not to have been personally affected by the recent disasters, they are an excellent reminder to check to make sure you are fully covered.

- Make sure you understand what is covered under your policy, and get confirmation that you are covered for a total loss. Talk with your broker to make sure your policy limits make sense, including those for separate structures, personal property, and additional living expenses, which are usually a percentage of your dwelling coverage limit.
- Check to make sure your personal property limits would cover your possessions – if you have a lot of artwork, jewelry, antiques, and other valuables, the standard limits might not be enough for you.
- Consider this question: Does your additional living expense/business interruption coverage (aka the amount your insurance company will pay while your home or business property is being rebuilt) provide enough for your needs? Even if your limits/coverage made sense when you purchased the policy, things may have changed.

You can usually increase your other coverage limits with a quick email to your insurance broker, often with very little impact on your annual premium.

4) DON'T BE AFRAID TO ASK FOR HELP

As simple as it sounds, don't be afraid to ask for help. No one expects you to be an expert on this, and pretending you don't need assistance can cost you thousands of dollars in insurance benefits in the future. So be sure to take advantage of the resources out there so that you are fully prepared to handle whatever disaster nature sends your way.

For any additional questions, and for help navigating the insurance claims process after a disaster, please do not hesitate to reach out.

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