



Picking up the Pieces In the Aftermath of Hurricane Harvey

by Mary Margolis

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First and foremost, we at **MBR Financial** hope you and your family are safe from the flooding caused by Hurricane Harvey. As conditions begin to improve and attention turns to the clean-up, we wanted to share some *important information on filing flood insurance claims for property damage*. Feel free to pass this information on to anyone who could benefit from it. Needless to say, if we can be of any assistance, please do not hesitate to call.

The Texas legislature recently passed House Bill 1774, which some sources say could (1) adversely impact property damage claims made by homeowners and (2) create a need to file loss claims before this Friday, Sept. 1, when HB 1774 goes into effect. This law will impact policyholders who file a lawsuit against their insurance company for failing to pay enough in claims or repay claims too slowly (longer than 60 days). It requires the policyholder's attorney to offer more detail when giving notice of intent to file a lawsuit and if the insurance companies must pay damages, the law reduces the amount of penalty interest they owe from 18% to 10%. However, the law does NOT affect your ability to collect your claim and does NOT apply to Federal insurance such as the National Flood Insurance Program (NFIP) or FEMA. This being the case, for flood insurance claims with NFIP or FEMA you have 60 days from the flood damage to properly document and file your claim and you are unaffected by the new law. If you have additional insurance beyond the basic NFIP coverage, you may want to submit a claim in writing to your insurance carrier (by letter or email) by Thursday, August 31 for your claim to be under the old law, if it is possible.

- A. If your home or contents has been damaged by Harvey:
 1. Contact a restoration and remediation company and get on their list. Ask the restoration company how quickly they'll be able to get to you and seek advice on whether you should take steps towards limiting additional damage or mold. You can Google search companies, but here are a few to get started:
 - a. <http://www.servproriveroaks.com/> 713-666-9222;
 - b. <https://www.blackmonmooring.com/disaster-recovery/> 877-730-1948;
 - c. <http://www.nrtechnologies.com/> 281-378-5237.
 2. Contact your realtor to find temporary housing, if necessary. Rental properties in the area will be at a premium.
 3. Contact your Property & Casualty agent or flood insurance provider, and file your claim as soon as possible.
 - a. Basic information needed to file:
 - i. Name of your insurance company.
 - ii. Your policy number.
 - iii. Telephone and/or email address where you can be reached.
 - b. Document the damage
 - i. Take photographs of all damaged property, including structural damage and standing floodwater levels (or the evidence of those levels).
 - ii. Create an itemized list of ALL damaged or lost items and include to the best of your ability their date of purchase, value and receipts.
 - iii. The adjuster will need evidence of the damage to your home and possessions. Do not put your contents in a pile so they cannot be individually viewed. Do not discard any item until the adjuster has viewed, documented and verified the flood damage

unless officials require disposal of the damaged items; in that case, notify the adjuster and document with photos.

- c. Complete a Proof of Loss WITHIN 60 DAYS of the flood. The Proof of Loss is your sworn statement of the amount you are claiming and should include necessary supporting documentation. Your adjuster can help you prepare this document.
 4. Begin your search for a general contractor and check references and reliability. Use local companies/contractors when at all possible. Beware of anybody who pressures you to sign an agreement or contract.
 5. FEMA: If you are a renter or homeowner, you may qualify for assistance through FEMA. By law, FEMA assistance will not duplicate the assistance you receive from your insurance company, but you may receive assistance for items not covered by such insurance. If your home was impacted by a major disaster, FEMA recommends you apply for assistance. Certain counties in Texas were declared a Major Disaster Area on August 25th: Aransas, Bee, Brazoria, Calhoun, Chambers, Fort Bend, Galveston, Goliad, Harris, Jackson, Kleberg, Liberty, Matagorda, Nueces, Refugio, San Patricio, Victoria, Wharton. More could be declared, so it's always good to check.
 - a. To apply for assistance, visit: <https://www.disasterassistance.gov/>. When you register for disaster assistance either online or by phone, you will need the following to complete your application.
 - i. Social Security number
 - ii. Insurance information: Describe the type(s) of insurance coverage you have (homeowners, flood, auto, etc.)
 - iii. Damage Information: Describe the damage caused by the disaster and the type of disaster (flood) and the type of dwelling (single family home, townhouse, high rise, etc.) or vehicle
 - iv. Contact Information: Address of the location where the damage occurred, current mailing address, current telephone number
 - v. Financial Information: Total household annual income, before taxes, at the time of the loss.
 - vi. Direct Deposit Information: Routing and account number for your checking or savings account. This is an option but allows FEMA to directly transfer disaster assistance funds into your bank account.
 - b. Business: FEMA does not offer assistance for small businesses but they do partner with the Small Business Administration, which offers low interest loans for business damages.
 - c. Secondary Home: FEMA does not offer assistance for your secondary home.
 - d. Other Needs Assistance: FEMA offers disaster assistance for some of your other disaster-caused expenses, including: medical and dental, child care, funeral and burial, essential household items, moving and storage, vehicle, and some clean-up items.
 - e. Additional information: <https://www.fema.gov/individual-disaster-assistance>
- B. Claims for automobile damage from flood waters fall under your auto insurance policy, if you carry comprehensive coverage on your policy, and are filed separately from your flood insurance/homeowners insurance.
 - a. Call in the claim in as soon as possible. Call your agent's office; if they are not available, contact the insurance company directly. In catastrophic claim situations, you want to be the first in line to get your claim processed.
 - b. Get your vehicle dried out as soon as possible, the better to avoid a total loss. Be sure to contact a qualified professional to see that this is done properly.
 - c. Be sure the repair shop guarantees their work. Usually, guarantees are provided if you use your insurance carrier's preferred provider.

At **MBR Financial**, we pray that you and your family are safe. We are here to help you to put the pieces back together and to help re-evaluate your financial situation in the aftermath of this unprecedented natural disaster. Please call us to discuss your particular situation. We want to hear from you.