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## Hurricane Season 2012

### The Rules Have Changed

**A**s we approach the heart of the 2012 hurricane season, with a wake-up call from "Difficult Debby" a tropical storm that did not seem to want to leave, I thought it might be useful to remind our readers of a few issues we feel are important and stand out based on our firm's long history of hurricane loss adjusting for policyholders.

1. Find your insurance policy (the current one for 2012 hurricane season coverage) and look over the policy limits for each item of coverage. Are the coverage values adequate? Are you covered for a hurricane loss and if so what is your deductible? It could be 2% or greater.

2. Are you in a flood zone and if so, do you have flood insurance? Remember hurricanes produce lots of water, which cause run-off as well as rising tidal surge. A flood loss and a water loss are not necessarily the same thing. A water loss from above through an opening in a roof may well be covered under your standard property policy. But water flowing horizontally into your property may be classified as a flood loss. A flood policy should be considered along with your wind coverage even if you are not in a flood zone as we have seen time and again the losses that have occurred with

hurricanes that caused flood damage which were not covered. It is very common along beachfront property to have roofs blown off as well as flood damage so folks along the coast should be very careful understanding these perils and how the adjustment process will unfold.

3. Now is the time to have a personal meeting with your agent broker to go over all your policy information. While time consuming, a good agent will agree to meet you at the property to explain your current coverage and make suggestions on changes that may be required. Call them and ask for an update.

4. Understand post-loss adjustment issues. A lot has changed with passage of FL Senate Bill 408. As an example, you will no longer be paid the replacement cost of your loss. Instead you will be paid a lesser amount until you do the repair work which may require out-of-pocket costs. Replacement cost coverage comes with some small print conditions, so understand them. There is also a new endorsement that will give you replacement cost at the time of the loss adjustment but you will pay extra for this. Sound confusing? It is, but you still have time to educate yourself on these changes pushed through by the insurance companies' lobbyists in this anti-consumer legislation called Senate Bill 408.

5. Law and ordinance coverage is the 500-pound elephant in the room as it almost makes replacement cost coverage version 1 or 2 moot. Without this coverage, you will not be able to replace your property to current building code standards unless your repair/replacements conform to current codes. Even if you have this coverage (and I highly suggest you do), you will not be paid this until you do the work. Translated, more money out of your pocket along with the deductible, depreciation/holdback and perhaps other things excluded in your policy. Finally you should be aware of the debate currently going on

about how to determine how much law and ordinance coverage one should buy. This is too big an issue to cover this in this article (I will write more on this later) but I suggest you speak with your agent and consider more rather than less of this extremely important coverage.

6. For those of you insured with Citizens, be aware that Senate Bill 408 took away your right to retain a licensed public adjuster at the critical stage of your claim process. You must now wait until Citizens' adjusters make an offer and only then, (if you are not satisfied) can you retain an adjuster to assist you. But remember, as a policyholder, you have your duties after a loss. So be familiar with them as you are on your own if insured by Citizens.

7. On a good note--our Florida Supreme Court recently ruled in your favor, giving back the right for you to speak with a public adjuster in the critical 48 hours following a loss. So give us a call even with Citizens claims and we will be glad to talk with you as we have for thousands of our clients over the past 29 years.

8. It goes without saying that you really need to pay attention to the political process, and particularly to what your elected officials are saying and doing in Tallahassee. It's here where big insurance has the power and influence to make laws that affect your coverage and price of your insurance. As outlined in our lead article, the lines are being drawn and the outcome will have an effect on all of us.

Finally, I will say that with all the dialogue this year on property insurance, there is really no excuse not to be aware of the various positions being taken. This is healthy and part of the freedom we enjoy in America. I would encourage everyone to get involved, learn as much as you

can, and call your agents, broker and legislators. Ask the hard questions now. Finding answers after the big one hits will not be easy.... trust me on that. I have been there, seen that, and while I have not purchased all those roadside tee shirts that say "I survived Hurricane...", I have handled claims in all of them for the last 29 years.

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