



REVIEWING YOUR INSURANCE COVERAGE

The most important thing homeowners can do before a catastrophic event like a hurricane is to make sure their insurance fits their needs. Shop the market and visit with your agent to ensure that you and your family are protected should a catastrophic event ever devastate your home. Here are a few steps to take now so that you will be prepared:

Inventory Your Home. Homeowners should take a comprehensive household inventory so that they have a record of their personal belongings. Homeowners should at least have a paper inventory stored in a safe place, preferably away from home. Texas Watch recommends also making a photographic or video record. We have created a comprehensive homeowners' insurance inventory list (available at www.texaswatch.org/homeowners-inventory) that will help you take a detailed inventory of your home in case of a future insurance claim.

Check Your Policy. Periodically, homeowners should review their insurance policy to be sure that they have adequate coverage to protect them in the event of a catastrophic claim. Pay particular attention to the exclusions and policy limits written into the policy. Every policyholder has a different set of needs; therefore, homeowners need to ensure that their policy is adequate for their particular situation. The department of insurance has created a useful handout comparing homeowners, wind and flood insurance policies (<http://www.tdi.state.tx.us/pubs/consumer/cb093.pdf>).

Talk With Your Agent. Homeowners should visit with their insurance agent or customer service representative to ensure that their policy is designed to fit their coverage and financial requirements. Homeowners should be sure that their deductible is appropriate and their coverage is sufficient so that they are not bankrupted in the event of a major catastrophe. In terms of replacement costs, policyholders should also be aware of the difference between "Actual Cash Value" and "replacement cost." Texas Watch recommends replacement cost to ensure that you are fully covered for your losses.

Check into Flood and Windstorm Insurance. No homeowners insurance policy covers losses related to flood, and extremely few policies cover for windstorm/hurricane loss. As such, homeowners in flood prone areas should purchase federal flood insurance protection through the National Flood Insurance Program (www.floodsmart.gov; 1-800-427-4661). Coastal residents who are susceptible to serious windstorms should visit with their agent about windstorm protection either through their insurer or the Texas Windstorm Insurance Association (www.twia.org).

Helpful Links:

- Texas Department of Insurance: www.tdi.state.tx.us
- Texas Office of Public Insurance Counsel: www.opic.state.tx.us
- National Flood Insurance Program: www.floodsmart.gov
- Texas Windstorm Insurance Association: www.twia.org