CRITICAL QUESTIONS TO ASK YOUR INSURANCE AGENT AFTER A WEATHER EVENT
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Questions for Your Insurance Agent:

1. **What is my deductible?**
   a. With the way insurance companies have been going, the cost of monthly payments has been increasing. Therefore, owners have elected for higher deductibles to offset this increase in monthly cost.
   
   b. Insurance is one of those things you don't need until you do. Be aware of the cost of replacing things like roofs.

2. **What type of insurance policy do I have?**
   a. **Full Coverage (replacement)** covers the full replacement cost minus your deductible. This insurance is best, but the premiums are a lot higher. For example, the cost of a new roof replacement 10 years ago was $25,000. Now, it is $50,000. With a full coverage policy, insurance will pay $50,000 minus the deductible.
      
      i. Your deductible can vary from a set dollar amount like $1,000 or $5,000, or it could be a percentage of the replacement cost of the claim. If the deductible is 20% of the claim, your deductible would be $10,000 in the example above.

   b. **Pro-Rated** is where the property is pro-rated over a period of several years, usually 20-25 years. So, if a new roof cost $50,000 now, and you replaced your roof 10 years ago. Using 20 years as the period, your roof would be 50% prorated. Therefore, the insurance company would pay 50% ($25,000) minus your deductible. If you had a $5,000 deductible, your check from the insurance company would only be $20,000 to pay for a $50,000 roof.
3. **Are there any exclusions?**
   
a. Read the fine print. Most insurance policies have exclusions which might keep you from having claims for things like floods.

   b. One of the most common exclusions is focused on hail damage. Say you submitted a claim for hail damage on your roof. However, you did not replace your roof because the damage didn’t cause your roof to leak. Yet, the insurance company paid out the claim for you to fix your roof. Now, if you have another hail event and your roof starts to leak, the insurance company will not pay out again because you did not fix your roof the first time.

4. **Does your insurance policy have a maximum payout amount?**
   
a. Again, to drive down monthly payments, insurance companies have gone to maximum payout amounts. Know the cost of a new roof so you don’t get caught not having enough coverage.

5. **Is your policy market value or replacement cost?**
   
a. Market value is the price paid for your roof back when.

   b. Replacement cost is the cost to replace your roof with the same material.

      i. This is better but for obvious reasons more expensive.

Your insurance will only pay for the cost of putting your roof back to the way it was before the weather event. For example, if you had a tar roof (BUR), the insurance company owes you another, similar roof. The insurance company won’t pay for a new roof of any kind, but rather only a roof of the same kind. However, you can use the money from your insurance company towards a roof upgrade.