



Illinois Department of Insurance

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Illinois Department of Insurance Reminds Homeowners of Their Options Following Summer Storms

SPRINGFIELD – Following severe summer storms, the Illinois Department of Insurance (DOI) wants Illinois families to know the range of options they have when it comes to their homeowners insurance.

How can I make sure I have the correct homeowners insurance?

Consumers should re-evaluate their risk profile at least once a year to ensure their homeowners policy provides the protection they need. Questions to consider include:

- Am I now at risk?
- Are tornadoes now a threat?
- Do I need a flood insurance policy or sewer backup coverage?
- What has changed in my home?
- Did the number of people (and belongings) increase or decrease?
- Have I made any major purchases?
- Have I updated my home with a kitchen renovation, new security system or other improvements?
- Should I be looking at different coverage?
- Can I save money by bundling my home and auto insurance?

I thought I was covered but I've learned that I'm not.

Coverages: Most homeowners insurance policies provide a package of coverages. The main types of coverage are described below. Keep in mind that you're covered only if the loss is caused by a peril your policy covers. For example, if your home becomes unlivable due to an earthquake and your homeowners policy doesn't cover earthquakes, your policy won't pay for loss of use of your home. Review your policy for the limits of your coverage.

- **Dwelling.** Pays for damage to your house and to structures attached to your house. This includes damage to fixtures, such as plumbing, electrical wiring, heating and permanently installed air-conditioning systems.
- **Other Structures.** Pays for damage to fences, tool sheds, freestanding garages, guest cottages and other structures not attached to your house.
- **Personal Property.** Reimburses you for the value of your possessions, including furniture, electronics, appliances and clothing, damaged even when they aren't on your property, such as those at an off-site storage locker or with your child at college.
- **Loss of Use.** Pays some of your additional living expenses while your home is being repaired.

- **Personal Liability.** Covers your financial loss if you are sued and found legally responsible for injuries or damages to someone else.
- **Medical Payments.** Pays medical bills for people hurt on your property or hurt by your pets.
- **Peril** is an insurance term for a specific risk or reason for a loss. Some policies cover all perils except ones specifically excluded. At the other extreme are policies that cover only the perils named in the policy.

Endorsements/Additional Coverages:

Flood

Standard homeowners policies do not cover flood damage. However, if you have a flood insurance policy, your company or the National Flood Insurance Program (NFIP) will assign an adjustor to handle your claim. To contact NFIP call 800-638-6620.

If your home is not covered for flood damage, you should ask the representatives at the local disaster application center or the toll-free disaster tele-registration hotline (800-621-3362) if you are eligible for financial assistance.

Mine Subsidence

Standard homeowners policies do not cover damage due to mine subsidence unless you paid an additional premium for a mine subsidence endorsement.

Earthquake

Standard homeowners policies do not cover damage due to earthquakes unless you paid an additional premium for an earthquake endorsement. If you do not have earthquake insurance, any damage that can be directly attributed to the quake would not be covered.

If you purchased an earthquake coverage endorsement, your company will assign a representative to evaluate your damage. If you did not purchase earthquake coverage, you should ask the representatives at the local disaster application center or the toll-free disaster tele-registration hotline if you are eligible for financial assistance.

Homeowners insurance contracts generally have a stated deductible (e.g. \$250) for claims such as fire and theft. The deductible for earthquake coverage is a stated percentage (e.g. 5%) of the amount of insurance you carry for each coverage under the policy.

If, for example, a homeowners policy provides \$100,000 of coverage on the dwelling, \$50,000 on the contents, and \$10,000 on an unattached garage and the earthquake deductible is 5%, there would be an earthquake deductible of \$5,000 on the dwelling, \$2,500 on the contents and \$500 on the unattached garage.

Since all insurance contracts are not the same, you should ask your insurance agent to review your policy and earthquake deductible.

If people still have questions about their coverage, DOI has developed a useful resource center at <http://insurance.illinois.gov/HomeInsurance/consumerHomeowners.html>. Should someone want to speak with DOI staff members, they can call 866-445-5346.