



TOP 5 TIPS

**to Avoid a Homeowners
Insurance Nightmare**



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Imagine your home is flooded, and most of your belongings suffer irreparable damage. You've always assumed purchasing and maintaining your homeowners' insurance policy by timely paying your premiums meant you would be protected in the event of such disasters. However, after filing your claim, you discover that flood insurance is sold separately from a standard policy. You are liable for the vast majority — if not all — of the damage.

Homeownership can be very fulfilling or a complete nightmare, and your insurance policy will often be the determining factor. A delayed or denied claim can have serious financial consequences. The good news is that there are steps you can take today to substantially reduce the odds of such scenarios unfolding. We have prepared a list of the five most important tips you should consider when dealing with your homeowners' insurance policy. Let's get started.



TIP
#1

READ AND UNDERSTAND POLICY



One of the most important things you can do is to read and understand what your homeowners' insurance policy does and does not cover. It may seem simple enough, but the reality is that most homeowners never bother to learn the full extent of their coverage, or any specific exclusions to coverage.

It's crucial to keep in mind that when it comes to insurance policies, terminology matters. For example, most homeowners may assume that overflow coverage and flood coverage are synonymous, but that's not true. Sudden, accidental overflow or discharge of water coverage refers specifically to water damages to your home caused by a broken, cracked, blocked, or otherwise damaged plumbing pipe or water line. On the other hand, floods are defined as overflows that stem from a nearby body of water that surpasses its natural boundaries, including storm surge, which occurs during hurricanes and other strong storms.

According to the **Insurance Information Institute**, each year, roughly 1 in 60 insured homes will have a property damage claim for damages caused by water and/or freezing so, make sure you know what you're buying.



**TIP
#2**

CHOOSE THE RIGHT COVERAGE

After reading and understanding your policy, the next logical step is ensuring you have the right coverage for your needs. Once again, this may seem self-evident, but you'd be shocked how many homeowners unknowingly purchase a homeowners' insurance policy that does not fully protect them against such disasters or occurrences.

For example, if you live in an area prone to hurricanes, you must ensure that all potential damage to your property is accounted for in your policy. Most insurance companies have different policies for wind damage, flood-related water damage, non-flood related water damage, etc. According to the National Flood Insurance Program, it is estimated that **less than 27% of all US homeowners** have flood insurance.

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**TIP
#3**

MITIGATE DAMAGE

The purpose of homeowners insurance is to address sudden and unexpected damages. Some homeowners are under the false impression that their policy extends to all property damage, which couldn't be further from the truth in most cases. Insurance companies expect you to take every necessary and reasonable action possible to maintain the functional condition of your property.

For example, if you identify any damage in your home that is the result of material deterioration – such as a corroding pipe or cracked roof shingles – and choose to ignore it, it is nearly certain that the insurance company will deny a future claim for damage to your home in any way associated with such deterioration.






According to a 2020 study by the Insurance Information Institute, approximately **67%** of all homeowners do not have an inventory of their possessions.

TIP #4

DRAFT A FULL INVENTORY

The easiest thing you can do right now to aid you in future claims is to draft a full inventory of your belongings. According to a **2020 study by the Insurance Information Institute**, approximately 67% of all homeowners do not have an inventory of their personal property or contents within their home.

In the aftermath of a natural disaster or any sudden and unexpected damage to your home, you will likely feel overwhelmed. If you attempt to create a list of your belongings in this mindset, chances are high that you will miss many valuable items, potentially leaving thousands of dollars on the table. Having a comprehensive inventory will also allow you to claim new purchases, which may not have been initially included in the value of your belongings when you first purchased your policy.

**TIP
#5****DO NOT PURSUE CLAIM
ALONE** 

Finally, the single biggest mistake you can make is to try to challenge the insurance company alone. Unfortunately, these multi-billion dollar companies have entire teams of adjusters and attorneys whose sole purpose is to undervalue, underpay, and deny claims in order to reduce liability and protect the insurance company's bottom line.

Having an experienced attorney by your side can make a world of difference. McLaurin Law has helped countless homeowners in Houston and the surrounding areas with their claims. We are intimately familiar with bad faith insurance tactics and have a reputation for passionately defending our clients' rights.

When you need more than luck on your side, we're here to help. Call us today to schedule a consultation.



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