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James V Sadrianna PA October 22 Newsletter



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Windstorms, Hurricanes, and Tornadoes--Are You Covered?

Tornadoes, hurricanes, and other windstorms can cause lots of damage to your home and its contents. But will insurance cover your losses if one of these storms strikes your home? The answer is that it depends.

It's probably standard coverage

There are several standard homeowners insurance policies or packages of coverage. Some of these packages provide broader coverage than others, but they all protect your home and its contents against certain perils (i.e., specific events that can damage your home and property). Fortunately, windstorms are one of the basic perils that all of the standard homeowners policies cover. This means you'll generally be compensated for your losses if a tornado, hurricane, or other windstorm causes damage to your home or the personal belongings inside it.

However, keep in mind that you'll be covered only up to the coverage limits you selected for your policy. You can often raise your coverage limits, though doing so will increase your premium. Any losses that exceed these limits will have to be paid out of your own funds. Also, before your insurer will begin to cover your losses, you'll have to pay whatever amount you chose for an out-of-pocket deductible. In some states, a separate deductible applies to wind and hail damage.

But there are always exceptions

Though you're probably covered for windstorm damage, it's possible that you may not be. One way this could happen is if your insurer decides that your home doesn't qualify for one of the standard homeowners packages. In this case, the company might only be able to offer you limited coverage for damage to your home due to a handful of very specific perils or losses. Windstorm damage may or may not be one of the covered perils. Even if it is, the coverage may extend only to your home itself and not to any of the personal property inside it.

It's also possible that windstorm damage may be excluded from standard homeowners insurance coverage in your area. Insurance companies may exclude this peril in certain states (or parts of certain states) that are especially prone to windstorms. If you live in a coastal region of Florida, for example, windstorm damage may be excluded from your homeowners coverage because of the high risk of hurricanes. Similarly, if you live in a part of the Midwest where tornadoes are common, don't be surprised if windstorm damage isn't covered under your policy.

The best way to find out if you're covered for windstorm damage is to read your policy and ask your insurance company or agent.

And there are always solutions

What if you want this protection, but it's not available under the policy you currently have? There are several options you can explore with the help of your agent. Ask your insurance company if you can add windstorm coverage to your existing policy by purchasing an endorsement (an optional coverage that gets attached to your policy). If so, weigh the cost of the endorsement against your need for it. Another option is to shop around--see if another company will sell you a homeowners policy that includes windstorm coverage and at what price.

The problem is that if you live in a high-risk area, you might not have much luck with any insurer. However, a number of states along the Atlantic and Gulf coasts currently administer windstorm insurance plans to pick up where regular homeowners policies leave off. If you live in one of these states, you may be able to buy a separate windstorm policy. Again, balance the price of this coverage against the possible benefit.

Windstorm coverage doesn't cover flood damage

Hurricanes and other windstorms are often accompanied by flooding. In many cases, flooding can cause far more damage to a home and other property than high winds. That's why it's important to realize that neither homeowners insurance nor a separate windstorm policy will cover flood damage. If you want this type of protection, you'll need to buy separate flood insurance. The National Flood Insurance Program offers flood insurance through the federal government and some private insurers.



Flood Insurance

That last thunderstorm left you worried. For a moment there, it seemed as if your basement, like the hull of an old sailing vessel, might take on water. But before you break out the sandbags or put the kids' old toys up on pilings, call your insurance agent and find out about flood insurance.

A bridge over troubled waters

Because your homeowners policy doesn't cover damage from flooding, you'll need to purchase a separate flood insurance policy to obtain coverage for your home and its contents. Fortunately, flood insurance is widely available from insurance companies that participate in the National Flood Insurance Program (NFIP), a partnership between the Federal Emergency Management Agency (FEMA) and the private insurance industry. A handful of insurance companies also offer excess flood insurance policies that can supplement NFIP coverage.

You're eligible to purchase national flood insurance if your community is one of the approximately 19,000 nationwide that participate in the NFIP. Participating communities must adopt certain floodplain management practices in exchange for the availability of flood insurance for their residents.

Do you need flood insurance if you live in a cornfield?

You should consider purchasing flood insurance even if you don't live in a high-risk area for floods. According to FEMA, approximately 25 percent of all flood insurance claims come from areas that are at low to moderate risk for floods. Even if you don't live near the ocean, a river, or other body of water, factors such as storms, melting snow, inadequate or overloaded drains, or hurricanes can cause serious flooding. If you're buying a home located in a high-risk flood zone, and are obtaining a federally backed mortgage, you'll be required to purchase flood insurance.

How do you purchase flood insurance?

If you decide you want flood insurance, start by calling your homeowners insurance representative. Although NFIP policies are backed by the federal government, they're sold through private insurers. If your current insurer can't offer you flood insurance, call the NFIP Telephone Response Center at (888) 379-9531. The response center can provide you with names of local agents or companies who can sell you flood insurance.

High tide: flood insurance limits

A flood insurance policy offers flood protection for both your home and its contents. With an NFIP policy, you can purchase up to \$250,000 of coverage for the building itself and up to \$100,000 of coverage for the contents. If you own a home whose value exceeds the amount available through the federal program, you may want to look into purchasing excess flood insurance through a private insurer. Excess flood insurance covers amounts above the \$250,000 federal limit, and unlike NFIP coverage, may cover your home for its full replacement cost. You may be able to purchase these policies even in high-risk flood zones. A few insurance companies have also begun offering flood policies designed to replace NFIP coverage, but these policies are generally available only in low-to moderate-risk flood zones.

Will the cost soak you?

According to FEMA, the average annual premium for a \$100,000 flood policy is about \$600. But because the cost of flood insurance depends on many factors, including the type of occupancy (e.g., single family, nonresidential), the amount of coverage, and the location, design, only your insurance representative can give you an accurate premium quote.

What else should you know about flood insurance?

Here are some other facts you should know about flood insurance. First, you can purchase an NFIP policy at any time if you live in a participating community, but a 30-day waiting period generally applies before the policy becomes effective. Second, you can purchase an NFIP policy even if you live in a high-risk region for floods. As long as your community participates in the NFIP, insurance companies will be able to offer you a policy. Third, NFIP policies don't cover flooding from wind-driven rain or damage from hail. Your homeowners policy will likely cover these situations.

Finally, NFIP policies offer some protection for flood-related basement damage. They ordinarily cover items like furnaces, water heaters, foundation elements, stairways, and oil or natural gas tanks, as well as appliances such as clothes washers, dryers, and freezers. They don't cover basement structures such as finished walls, floors, ceilings, or personal belongings like furniture or clothes. But even though they don't cover all types of damage, flood insurance policies still offer broader protection against basement flooding than standard homeowners insurance policies, so they're generally your best bet for dealing with basement flooding expenses.



Liability Insurance under Your Homeowners Policy

Are you covered by insurance if your dog bites a neighbor? How about if your tree falls on a neighbor's fence? And what if you're sued when someone slips and falls on your front walk? You can find the answers to these and other questions in the liability section of your homeowners policy.

The second part of your homeowners policy focuses on liability. Here, you're covered for bodily injury and property damage suffered by others in connection with your property. There are two types of liability coverage: personal liability coverage and medical payment coverage. You should understand the types of coverages, the exclusions from coverage, and the conditions that must be satisfied before liability coverage applies.

Personal liability coverage pays damages to people injured by you or your property

Most homeowners policies provide a standard amount of liability coverage (usually \$100,000) per occurrence, but you may be able to increase this amount. If you or another insured are found responsible for someone else's bodily injury or property damage, your personal liability coverage may kick in and pay the damages. If an injured or damaged person brings a lawsuit, your insurance company may also pay to defend you or any other insured named in the lawsuit. You should note, though, that you're typically covered only for negligence (carelessness); you aren't covered for intentional injuries and damage.

The liability part of your homeowners insurance covers you both at home and away. It also covers those family members who live with you. It protects you against many types of accidents and occurrences, including slip-and-fall injuries on your property, dog bites to the letter carrier, and damage done to your neighbor's siding by your son's baseball. Read your policy carefully to find out what's covered.

Medical payments coverage pays an injured party's medical bills

If all conditions are met and no exclusions apply, your insurance company will pay the necessary medical expenses (for up to three years) of someone injured on or through your property. This coverage doesn't apply to your own medical expenses and the medical expenses of your household residents, except for your household employees. Injuries that take place away from your premises are also covered, as long as you, another insured, a household employee, or your pet caused the injury.

Medical expenses may include reasonable charges for medical, surgical, X-ray, dental, ambulance, hospital, and professional nursing services, as well as prosthetic devices and funeral services.

What about exclusions from coverage and conditions of coverage?

The liability insurance section of your homeowners policy also contains an exclusions section that denies or precludes coverage in specific instances. These exclusions are listed and described. For example, your homeowners policy won't cover damages caused by your car. In addition, liability coverage doesn't apply to injuries or damages arising from business or professional activities (including those related to a home office), to injuries or damages intentionally caused by you, or to injuries suffered by members of your household.

Your insurance policy will also list the conditions you must satisfy before coverage will kick in. For instance, you'll probably be required to provide written notice to your insurance company of any covered occurrences. You'll also be obligated to promptly forward any notice, demand, or summons related to a claim.

Make sure you read all exclusions and conditions carefully. If you don't understand a particular point, ask your insurance agent.

If you need more liability protection, consider a personal umbrella liability policy

If you need more liability protection than your homeowners policy offers, consider purchasing a personal umbrella liability policy. This type of policy can significantly expand your liability coverage by providing a liability limit above that contained in your homeowners policy. Without adequate liability protection, a large judgment against you could cost you your assets, as well as your potential future earnings and inheritances. Most insurers who write home insurance policies also sell personal umbrella liability policies.



My neighbor's tree fell onto my property and ruined my shrubs. Whose insurance covers the damage?

Question:

My neighbor's tree fell onto my property and ruined my shrubs. Whose insurance will cover the damage?

Answer:

It's likely that your insurance will cover the damage, and you should file a claim with your insurance company. Even though the tree was located on your neighbor's property, your property was affected, so your homeowners insurance should cover the damage.

But depending on the circumstances, that may not be the case. For instance, if the tree in your neighbor's yard has been dead for some time, and you've asked your neighbor before to cut it down, you may have some recourse against your neighbor's insurer. In this case, your neighbor knew about the problem and chose not to address it. Explain the circumstances to your insurer, and have correspondence or other records ready to back up your explanation.

Also, the outcome of a claim might depend on why the tree fell. If the tree fell during an event that is not covered by a standard homeowners policy (e.g., during a flood or an earthquake), the damage may not be covered at all.

Contact your insurance company to file a claim and to get more information.



Natural Disasters: Are You Prepared?

Earthquakes, hurricanes, tornadoes, floods, and wildfires can strike without warning. Being prepared for a natural disaster can ensure you and your family's survival.

Things to do ahead of time

The best way to deal with a natural disaster is to prepare for it ahead of time. Here are some tips to get you started:

- Post emergency phone numbers near the telephone.
- Listen to weather forecasts, especially if a storm is predicted.
- Know how to turn off utilities such as gas, electricity, and water.
- Have an emergency escape plan. Familiarize yourself with escape routes, plan a way for you and your family to communicate or meet after the disaster passes, and educate yourself on safe places to go during a disaster.
- Know the risks of a natural disaster occurring in your area. Contact your police or fire department to get information on whether you live in an area that is susceptible to earthquakes, hurricanes, tornadoes, flood, and/or wildfires.
- Ask your police or fire department if there is a warning (e.g., siren) that notifies residents that a disaster is approaching.
- Ask your police or fire department about fire laws, building codes, and suggestions for safety measures.
- Make sure your home is structured properly (e.g., secure foundation, roof, chimney). If you live in a mobile home, make sure it is properly anchored and secured to the ground.
- Bolt water heaters and heavy appliances to the floor; bolt tall, heavy furniture to floors and walls.
- Display heavy objects on low shelves.
- If you have a boat, make sure you know how to store it safely during a disaster.
- Make an inventory of your possessions (along with receipts and serial numbers) and store it somewhere other than your home (e.g., your office, friend's house, safe-deposit box).
- Store important documents somewhere other than your home (safe-deposit box).
- Review your homeowners policy periodically to make sure you have proper coverage at all times and understand what's not covered.
- Consider purchasing specific insurance coverage for earthquakes and floods.

Emergency supplies to keep on hand

In case of a disaster, it is important to have emergency supplies on hand. Start by putting together the following items in a portable, waterproof container:

- First-aid supplies (e.g., bandages, antiseptic)
- Canned goods, can opener
- Several gallons of water
- Battery-powered radio
- Extra batteries
- Matches
- Flashlight
- Toiletries, sanitation, and personal hygiene items
- Special items for infants (e.g., formula) and the elderly (e.g., prescription medications)
- Small amount of cash
- Cell phone

Other items that you'll want to have readily available include:

- Plywood
- Plastic sheets
- Sandbags



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- Shovels
 - Protective clothing
 - Extra bedding, sleeping bags
 - Copies of important documents (e.g., wills, birth and marriage certificates, driver's license, insurance policies)





September is National Preparedness Month. Consider these tips to help keep your family safe in an emergency and allow you to leave quickly with the items you need most.

September is National Preparedness Month, part of an effort by the Federal Emergency Management Agency (FEMA) to raise public awareness and inspire disaster readiness. Most communities could be impacted by some type of natural disaster, whether it's a wildfire, hurricane, tornado, earthquake, or flood. Here are some tips to help keep your family safe in an emergency and allow you to leave quickly with the items you need most.

Gather important documents that may be difficult or impossible to replace. These are some examples, but you may want other documents as well.

- Insurance policies, banking and financial account information, and account numbers
- Identification such as driver's licenses, passports, birth and marriage certificates, and Social Security and Medicare cards
- Contracts, wills, deeds, and recent tax returns
- An inventory of your household possessions

In case you are not home when a disaster strikes, consider storing electronic copies of critical documents on a thumb drive or encrypted in the cloud. You might also want to keep the thumb drive and/or original documents in a fireproof safe or a safe-deposit box.

Assemble a disaster kit with basic necessities for your home. Include nonperishable food, bottled water, first-aid supplies, flashlights, an emergency radio, extra batteries, a wrench or pliers to turn off utilities, and a whistle to signal for help. With ongoing concerns regarding COVID-19, make sure to add face coverings, soap, hand sanitizer, and disinfecting wipes to your emergency kit.

Have a list of items to take with you. Start with your home disaster kit and critical documents. Remember to take prescription medications; clothing and bedding for each household member; computer hard drives, laptops, tablets, mobile phones, and chargers; eyeglasses; photos; and special food or other items for children, disabled or elderly family members, and pets.

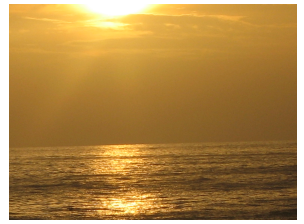
Plan where you will go if you must evacuate. Will you stay with friends or family in another town, or head to a hotel or a community shelter? Map out a route to your destination as well as an alternate route if roads are blocked or impassable. Identify a safe place to meet if family members become separated. Choose a family member who lives elsewhere to serve as an alternate point of contact. Check the settings on your mobile phones to make sure emergency alerts and warnings are enabled. Practice packing up and leaving your home in 10 minutes or less.

Be sure you have appropriate insurance. The coverage you need depends on the kinds of disasters most likely to affect your home and community. Damage from some natural disasters, such as wildfires, hurricanes, and tornadoes, is generally covered under your homeowners policy, up to policy limits. However, damage from floods and earthquakes typically requires separate policies. Contact your insurance agent to discuss appropriate coverage.

For more information from FEMA, see [ready.gov/be-informed](https://www.ready.gov/be-informed) and [ready.gov/plan](https://www.ready.gov/plan).

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