

**WEATHERING THE STORM – NAVIGATING INSURANCE
Terms and Conditions, Exclusions and Exceptions ... Are You Covered?**

As the ocean returns to its usual tides and the winds blow at a normal rate, people search for answers on how to rebuild after the mass destruction caused by Sandy. As homeowners tear down their walls and watch their belongings moved to the curb, the uncertainty of insurance coverage weighs heavy in everyone's thoughts. Many people will, for the first time, review their homeowners policy to realize that they have inadequate or no insurance coverage for the damage resulting from Sandy. For those who have separate flood insurance, the question centers on the limits and whether it will be enough to replace or rebuild.

Standard homeowners insurance generally excludes coverage for damages caused by flooding, although some offer coverage for damage caused by hurricane or high winds.

Flood insurance generally covers flooding, which involves damage related to high water, but it often limits the coverage to a discounted percentage of the value of the house or sets a limit of coverage that is below the damage estimate, and substantially lower than the insured's homeowners coverage. The immediate question, therefore, is what caused the damage ... wind or water? And what information is necessary to establish the source of damage?

In order to evaluate the coverage, one must take a careful read of his or her policy. Understanding which acts are covered and which are excluded will assist an insured in determining whether he or she has coverage for the damage. Another issue is whether the homeowner needs to hire outside counsel or construction experts to assist in the negotiations with the carrier and establish the source of the damages.

Most significant is that the insured must know and understand the intricacies of the policy before serving the formal notice, and certainly before providing any written or oral statements to the carrier or its representatives.

Norris, McLaughlin and Marcus has a core team of attorneys and outside consultants who will assist individuals in evaluating their coverage, provide the information sought by the carrier, and negotiate with the carrier for damages.

This *Insurance Law Alert* was written by Margaret Raymond-Flood, Esq., a Member of Norris McLaughlin & Marcus, P.A. If you have any questions about the information contained in this alert or any other questions related to insurance law, please do not hesitate to contact Margaret by phone at (908) 252-4228 or by email at mrfflood@nmmlaw.com.

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