

Coverage Corner

It was pretty but at the same time it wasn't pretty! Yes, that is correct, I am talking about the Ice Storm of 2008. Ice storms can cause quite a number of interesting scenarios from an insurance perspective.

The most common question I get when something like this happens is, "all of my favorite trees fell down, is that covered?" This question can actually be taken 2 ways. First, "are the trees covered from a replacement perspective like any of my other property?" That answer is no, they are not covered for replacement on a homeowner policy. However there may be some very limited coverage on your commercial insurance. The second way that question can be taken is, "they are all over the place and clean up is going to cost a fortune, is that covered?" The simple answer to that is clean up is only covered to a limited extent if one of the fallen trees hit covered property. (see the July 08 Coverage Corner for further explanation at fraleighandrakow.com)

If you were like me you enjoyed the cold and dark because I was out of power until Tuesday evening at 5:00. This power outage scenario poses several interesting loss potentials. The first and most common time related loss is when all of the food in the refrigerator spoils. This loss is covered under the standard HO-3 form of a homeowner insurance policy, though it is subject to your deductible. This exposure can be covered on a commercial policy by adding "Spoilage Coverage". For those members that own a restaurant or other food service related business this coverage is a must.

The other common loss that can occur from a storm like this is when several of your major appliances are "fried" when the power comes back on. We very often have people that will call and say now that the power is back my TV, computer and refrigerator are no longer working. On the standard HO-3 this would be a covered event and it is subject to your deductible. In case you were wondering you only need to pay the deductible once, because the power surge is viewed as one loss no matter how many appliances may have been affected. From a commercial perspective this can be an extremely costly loss because there will be a lot more questions about the cause of the surge. They will need to determine if the surge was caused on premises, off premises, or by a falling overhead line. Many times depending on the answer to these questions there may or may not be coverage.

Here are a few helpful tips to keep you and your loved ones safe and happier during the next storm or outage.

- Never use a gas range, similar appliance to heat your home.
- Never run a generator in or “under” your home. By under a home I mean in a garage or similar crawl space. The combustion process creates carbon monoxide which is odorless, tasteless and will kill you when breathed in.
- When power goes out you should go around your house and unplug all of the major appliances including the well pump. You may need to do the well pump in your circuit breaker box.
- Your computer should have UPS (uninterruptable power supply), this is heavy duty surge protector and battery backup. This will give you time to properly shut down and hopefully avoid file damage.

Lastly, here is a quick list of emergency supplies that you might want to keep in a box where you will be able to get to them in a pinch.

- Flashlight and fresh batteries
- Battery operated/crank radio
- Phone that does not need electricity. You will find that old style corded phones work when the power is out.
- Ready to eat food and water
- Battery operated clock
- First aid kit

Thanks to Central Hudson and Barbara Schreiber (of the Rhinebeck Department Store) for providing me with this useful information so that I could share it with you in my column.

Thank you for reading and participating and remember “don’t be cornered by your coverage.”

This column is strictly for general insurance information please consult your local agent for the specifics of your insurance program.

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