Jim's Perspective…

It's All About Perspective

Last Sunday I did a little yard work in the back yard during the afternoon. It was very pleasant, with a clear blue sky, no wind, and a high temperature of about 71 degrees. Without the wind, I can more easily hear and better appreciate all the outdoor activity going on in the neighborhood. As things have warmed up, and as spring is approaching, the birds are back, singing and chirping. The dogs are outside barking. I can hear kids playing outside; laughing and giggling, shouting, talking and making other strange noises. I hear the mournful hooting of an owl and the tapping of a woodpecker beak on tree bark, and the mysterious cooing sound of the turtle dove. All the sounds just made it seem like everyone and everything associated with mother nature had come out of their winter doldrums and were now embracing spring!

So I was thinking about how nice all of this was. I stood in the back yard and smiled, took a deep breath, and just thought what a great day it was, and how it had been a long winter. I was glad we were moving into a new season! But wait a minute! I suddenly thought about the nice day from the perspective of a property and casualty insurance executive, and all of a sudden, the nice day didn't seem so nice. The nice day triggered foreboding from an insurance perspective. The experience of this nice day means that "storm season" is just around the corner, which is not good. I started thinking about wind and hail, tornadoes, derecho straight wind storms. It's funny how your perspective can influence your attitude about something.

Often this stormy weather will damage trees, and sometime the entire tree will fall over or collapse. Damage caused to trees, or by trees, can involve a number of coverage issues. Of course, too, all storm damage can raise coverage questions. I remember many years ago, a 1997 fall storm involving 13 inches of wet snow in southeast Nebraska. Obviously, it did not occur during the traditional "storm season" but it was a very unusual storm event. City officials in Lincoln estimated that half of Lincoln's trees were damaged from this snowstorm. There were tree limbs down in both my front and back yard. I kept a file about all of this. Included within the file are a list of questions and answers about various loss scenarios involving trees and how homeowners insurance coverage might apply. It was a claims project developed through the local P & C insurance industry to give some consistency for dealing with all the tree claims. I thought I would share the questions and answers with you, to give you a sense of how storm losses can generate many new and unusual claims issues for insurers to resolve.

1. Is there coverage for damage to the tree itself?

No

2. My tree fell in the yard with no contact to the house. Is there coverage to clean up the tree?

The tree would have to damage a structure covered under the homeowners policy in order to get coverage to clean up the tree.

3. What if my tree fell on my garage and caused damage? What kind of coverage do I have?

Coverage applies for the damage to the garage. Also, there would be an additional $500, in the aggregate, to remove the tree from the insured premises.

4. Do I have coverage for tree debris removal if there is a limb laying on the roof?

The $500 aggregate tree removal coverage would pay to remove the limb from the roof, if the roof was, in some way, damaged by the limb when it fell onto the roof.

5. What if my tree fell on the neighbor's car or fence?

The homeowners policy would pay for this damage only if the insured was found legally liable for the damage to the car or fence. In other words, the damage you describe involves the homeowners policy liability coverage, not the property coverage. It is doubtful that there would be any legal liability on the part of the owner of the tree if the tree fell during the storm.

6. A tree limb fell on my picnic table. Is there coverage?

Yes, the damage to the picnic table would be covered under the personal property coverage.

7. What if a tree limb fell on my roof and caused damage and I, as the insured, elect to clean up the limb myself. Can I get paid for this?

Yes, the insured should keep track of any time and expenses incurred. The insured will be reimbursed for those amounts that are reasonable.

8. A tree limb fell on my power line and made my home uninhabitable due to the lack of heat and lights. Is there coverage for me to stay in a motel? Is there coverage to pay for meals?

If the damaged power line is "covered property" under the homeowners policy, and the insured dwelling is uninhabitable, the policy would pay the insured's reasonable "increase" in living expenses to maintain their normal standard of living. The motel stay would be covered, as would the difference in cost of meals compared to what it would cost to fix the meals at the insured's home.

9. The power is out in my neighborhood and I have no heat. Do I have coverage to go to a motel for the night?

No. There is no coverage for additional living expense unless property insured under the homeowners policy has sustained damage that makes the insured dwelling uninhabitable.

10. Do I have coverage for any food that spoils because I have no electricity?

Yes. The homeowners policy has an additional coverage called "refrigerated products" coverage. Under this coverage, the policy will pay up to $500 for loss to contents of freezers or refrigerated units. However, the insured must use all reasonable means to protect the property from further damage after the power outage.

As you can see, and as I know you already appreciate, large storms can produce many coverage questions from the insured. Many of these questions involve issues that the adjuster has encountered before, so often the question can be answered rather quickly. Still, from the insured's perspective, the storm damage and possible benefits payable under a homeowners policy can make the insured very nervous! It is all a very personal and sensitive process. Also, having an agent to consult with can make the process much more calm and manageable!

Finally, all of the above questions and answers were provided a long time ago. So, of course, as I know you can appreciate, homeowners coverage today may not totally coincide with coverage provided back in 1997.

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