



Tips for Handling Insurance Claims for Historic Properties Following a Disaster

Maryland Historical Trust

The best defense in the protection of your real and personal property is an up-to-date inventory with photographs to document the condition of the property prior to the disaster. A copy of the inventory and photographs should be kept in a safety deposit box.

Once disaster strikes you should:

- **Protect your property from further damage**, e.g., cover the roof, remove trees, and secure against trespass or vandalism. Keep all receipts for any temporary or emergency repairs. These costs should be covered by your insurance.
- **File a claim with your insurance company *as soon as possible***. Call your local agent, the 1-800 number of the national or regional office, or the number shown in your policy package. In a major disaster the telephone lines may be out of order or constantly busy. Keep trying and be sure to leave a message once you do reach the insurance company. Give your name, policy number, a description of the damage (not the cost), and how you can be reached. Your claim should be recorded as soon as you make contact with the company.
- If the event is declared a federal disaster, follow the instructions which appear in the local media and **file a claim with the Federal Emergency Management Agency (FEMA), after filing with your insurance company**.

Following a disaster, all insurance companies are swamped with claims. The large companies usually have well planned and executed disaster response plans and may provide emergency offices in tractor trailers. Smaller companies often have to depend on independent adjusters from outside the area. Usually, an adjuster is available within the week; but, depending on the size of the disaster, it could take several weeks

To prepare for the arrival of the adjuster, you should:

- **Make a copy of your inventory** or develop an inventory of what was damaged or lost. This is especially important in cases of total destruction.
- **Get estimates from contractors**, if possible. Although it may be difficult to get a contractor, most adjusters like to work from estimates. If the disaster is widespread, consideration should be given to a likely increase in material and labor costs.
- **Check your insurance policy**. Does it provide for replacement of like construction or actual cash value? *Owners of older or historic properties should have policies that include replacement cost or a special endorsement to cover the cost of unique or hard-to-find materials and features. Endorsements cost extra and not all insurance companies offer them.*

If your property is considered “historic” (i.e., listed in or eligible for the National Register of Historic Places, a contributing element in a listed, eligible, or locally designated historic district, or a locally designated landmark), **obtain documentation of its historic status** from

the State Historic Preservation Office or local preservation commission. This may be important to establish the need for special materials or treatment of the property.

Following the adjuster's visit and appraisal, you may:

- Find that the repairs cost more than the adjuster's estimate due to the use of special materials for a historic property. **Insurers *may* pay the difference, if you can prove that the in-kind replacement for the historic property was more expensive than the adjuster's estimate that used standard or less expensive materials and methods.**
- **Exercise the policy's "appraisal provision"** that allows either party to request an appraisal of the damage and repair costs, and for hiring an "umpire," if there is a disagreement over the requested appraisal.
- **Request an extension of the repair period**, if you can prove that you were unable to get the necessary estimates and complete the repairs in the time allotted by your insurer.

Normally, filing a claim should not cause your homeowners insurance premium to increase or your policy to be canceled. However, following a major disaster, policyholders who have a history of frequent claims could be canceled and find obtaining new coverage more difficult.

If you have trouble with a claim or feel that your insurance company is trying to rush you into a settlement, you may file a complaint online at the Maryland Insurance Administration website.

For additional information concerning the treatment of historic properties threatened or damaged by a natural disaster, contact the Maryland Historical Trust at (410) 514-7603 or 410-514-7644.

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