

**THE INSURANCE COMPANIES  
AREN'T ON YOUR SIDE.  
WE ARE.**



# **SAFEGUARD YOUR ASSETS.**

## **HOW PROACTIVE PROPERTY OWNERS PREVENT FINANCIAL STRESS**

Reduce the chances that you ever have to deal  
with a denied or underpaid insurance claim.



**Avoid Costly Surprises**



**Stop Losing Money**



**Stay One Step Ahead**

# UNDERSTANDING YOUR POLICY

Use this [attorney-approved checklist](#) to evaluate whether your current property insurance policy provides sufficient coverage for your needs in case of damage to your home or building.

Here are three questions you NEED to know and understand first:

Am I the policyholder? (In order for me to file a claim and manage the recovery.)

Do I have a copy of the full policy document and do I understand what coverage I am insured for?

Have I reviewed the exclusions, waivers, and limits in my policy to ensure they are satisfactory for my financial security?



**TIP FROM MARCO FLORES,  
YOUR GO-TO ATTORNEY FOR ALL  
THINGS INSURANCE RELATED:**

**You don't want your mortgage company or other contact to have control of your insurance policy. That leaves the decision-making about your repairs, recovery, and claim up to them instead of YOU.**



# COVERAGE DETAILS

**Let's get into the details to better understand your coverage:**

## **Dwelling Coverage**

Does my dwelling coverage include the full replacement cost of rebuilding my property in today's market?

Have I considered the cost of construction materials, labor, and code upgrades in the replacement cost estimate?

## **Personal Property**

Are my personal belongings adequately covered under my policy?

Have I accounted for high-value items (jewelry, art, electronics) that might require additional endorsements or riders?

## **Other Structures**

Does my policy cover other structures on my property (detached garages, fences, sheds)?

Is the coverage amount sufficient to rebuild or replace these structures?

## **Liability Coverage**

Does my liability coverage protect me if someone is injured on my property or if I accidentally cause property damage to others?

Is the liability limit high enough to protect my personal assets in the event of a lawsuit?

## **Loss of Use Coverage**

Does my policy include "loss of use" or "business interruption" coverage to pay for temporary housing, lost rental income, or lost business income if my property becomes uninhabitable?

Is the coverage amount adequate for my potential living expenses or lost income?

## **RCV Coverage vs. ACV Coverage**

RCV (Replacement Cost Value) is the coverage you NEED in your policy. If you choose ACV (Actual Cash Value), you are basically self-insuring your roof because you won't get back the depreciation on your roof's value.

# COVERAGE DETAILS

## Coverage for Specific Risks

Are common risks in my area covered (e.g., fire, hail, wind, theft)?

Does my policy include flood insurance if I live in a flood-prone area?

Do I have wildfire, earthquake or other disaster-specific coverage if relevant?

## Coverage Limits & Deductibles

Are my coverage limits sufficient for my property and personal needs?

Is my deductible affordable, and does it align with what I could pay out-of-pocket in an emergency?

## Exclusions

Have I reviewed the exclusions section of my policy to understand what is not covered?

Do I need endorsements or additional policies to cover excluded risks (e.g., mold, foundation damage, wear and tear)?

## Endorsements and Riders

Have I added endorsements for specific needs (e.g., water backup, high-value items, ordinance or law coverage)?

Are these endorsements sufficient to fill gaps in my standard coverage?

## Claims Process & Documentation

Do I understand how to file a claim with my insurer?

Do I have an updated inventory of personal property with receipts, photos, or appraisals stored safely?

Have I confirmed the time limits for reporting claims in my policy?

## Regular Policy Updates

Have I reviewed my policy within the past year to ensure it reflects any property improvements or changes?

Am I aware of any changes in coverage or exclusions made by my insurance provider?



## DISASTERS HAPPEN

**It's better to be PREPARED for a disaster than for one to occur and you lose any chance of recovery.**

**No coverage or not enough coverage can cause further financial stress to your family or business.**



# POLICYHOLDER'S INSURANCE GLOSSARY

- **Actual Cash Value (ACV):** The value of your property at the time of loss, taking depreciation into account, i.e., the replacement cost minus wear and tear.
- **Additional Living Expenses (ALE):** Reimburses the policyholder for the cost of temporary housing, food, and other essential living expenses if the home is damaged by a covered peril that makes the home temporarily uninhabitable. Policies cap the amount of ALE payable to 20 percent of the policy's dwelling coverage.
- **Adjuster:** A professional, usually employed by an insurance company, who investigates insurance claims and determines the amount the insurer should pay.
- **Agent:** A person who sells insurance policies.
- **Application:** A form you fill out with information about you that an insurance company will use to decide whether to issue you a policy and how much to charge.
- **Appraisal:** An evaluation of a home insurance property claim by an authorized person to determine property value or damaged property value. Many policies provide an "appraisal" process to resolve claim disputes. In this process, you and the insurance company hire separate damage appraisers. The two appraisers choose a third appraiser to act as an "umpire." The appraisers then review your claim, and the umpire rules on any disagreements. The umpire's decision is binding on you and the insurance company, but only for the loss amount. If there is a dispute over what is covered, you can still pursue a settlement of the coverage issue after the appraisal takes place. You are required to pay for your appraiser and half of the umpire's costs.
- **Binder:** A temporary insurance contract that provides coverage until the formal policy is issued.
- **Cancellation:** Termination of an insurance policy by the company or insured before the renewal date.
- **Claim:** A request made by the policyholder to the insurance company for payment or services covered by the insurance policy.
- **Company Profile:** A summary of information about an insurance company, including its license status, financial data, complaint history, and a history of regulatory action.

# POLICYHOLDER'S INSURANCE GLOSSARY

- **Complaint:** A written communication primarily expressing a grievance against an insurance company or agent.
- **Complaint History:** Information collected or maintained by the Texas Department of Insurance relating to the number of complaints received against a particular insurer, agent or premium finance company and the disposition of the complaints.
- **Contract:** In most cases, an insurance policy. A policy is considered to be a contract between the insurance company and the policyholder.
- **Coverage:** The protection provided by an insurance policy, detailing the types of loss or damage the insurance company will pay for.
- **Declarations Page:** The page in a policy that shows the name and address of the insurer, the period of time a policy is in force, the amount of the premium, and the amount of coverage.
- **Deductible:** The amount the policyholder must pay out of pocket before the insurance company pays a claim.
- **Depreciation:** Decrease in the value of property over time due to use or wear and tear.
- **Endorsement:** A written modification to an insurance policy, either adding or excluding certain coverage.
- **Exclusion:** Specific conditions or circumstances listed in an insurance policy that are not covered by the policy.
- **Hazard:** Any condition that increases the likelihood or severity of a loss, such as a faulty electrical system increasing the risk of fire.
- **Liability Coverage:** Part of a homeowner's insurance policy that provides protection against legal claims for bodily injury or property damage caused to others.
- **Loss of Use:** Coverage that reimburses you for living expenses if your home is damaged and you cannot live in it while repairs are made.
- **Named Perils:** Specific risks or perils listed in the insurance policy that are covered, such as fire, theft, or hail damage. If the peril is not named, it is not covered.



# POLICYHOLDER'S INSURANCE GLOSSARY

- **Opposing Appraiser (OA):** (Note: no definition was provided for this term.)
- **Peril:** A specific cause of loss, such as fire, windstorm, or theft, that may be covered by a homeowner's insurance policy.
- **Personal Property Coverage:** Insurance that covers personal belongings, such as furniture, clothing, and electronics, if they are damaged or stolen.
- **Premium:** The amount paid by the policyholder to the insurance company, typically annually or monthly, in exchange for insurance coverage.
- **Replacement Cost:** The amount it would take to replace damaged property with new property of like kind and quality without deducting for depreciation.
- **Rider:** An additional provision or amendment to an insurance policy, often providing extra coverage for certain valuable items like jewelry or electronics.
- **Subrogation:** The process by which an insurance company, after paying a claim, seeks to recover the amount from a third party who is responsible for the loss.
- **Underwriting:** The process an insurer uses to evaluate the risk of insuring a home and determine the premium and coverage levels.
- **Windstorm Coverage:** Protection against damage caused by strong winds, such as hurricanes or tornadoes, sometimes requiring a separate endorsement or policy.

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Insurance Policy Education!

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# YOU'RE NOT ALONE



## WHEN INSURANCE COMPANIES DON'T HOLD UP THEIR END OF YOUR POLICY... YOU HAVE OPTIONS.

If your property damage claim has been undervalued, delayed, or even outright denied, you need an experienced attorney who is willing to stand up to the insurance companies and negotiate a settlement that will be in your best interests. The attorneys at Stormlex Law Group have been instrumental in advocating for our clients and recovering the damages that were owed to them.

### OUR SERVICES

- Hail
- Fires
- Winds
- Storms
- Floods
- Hurricanes
- Tornadoes

#### KEEP STORMLEX IN YOUR POCKET

Scan the QR Code for quick access to the team at Stormlex Law Group and free resources in your property insurance journey!

