



# POST-DISASTER INSURANCE GUIDE

OKLAHOMA  
INSURANCE  
DEPARTMENT

# WHAT'S INSIDE

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NOTES:

The Oklahoma Insurance Department is responsible for enforcing the insurance-related laws of the state. We protect consumers by providing accurate, timely and informative insurance information. We promote a competitive marketplace and ensure solvency of the entities we regulate. We also license and educate insurance producers and adjusters, funeral home directors, bail bondsmen and real estate appraisers.

More than \$13 billion of premiums are written in Oklahoma annually. OID collects more than \$150 million in premium taxes, which provides funding to the Firefighters Retirement System, the Police Retirement System, the Law Enforcement Retirement Fund as well as the State's General Revenue Fund.

## MISSION STATEMENT:

To protect and enhance the financial security of Oklahoma and Oklahomans.

## VISION:

Our authoritative, efficient and professional staff will be the best at delivering responsive and innovative services to the public.

John Doak was sworn in as the 12th Insurance Commissioner of Oklahoma on Jan. 10, 2011. To learn more, please visit John Doak's bio page on <http://oid.ok.gov>.

## PROTECTING OKLAHOMANS

**The Consumer Assistance and Claims Division** receives more than 39,000 consumer inquiries annually. 405.521.2991

**The Anti-Fraud Unit** employs experienced CLEET certified law enforcement officers that conduct investigations of various white-collar crimes related to insurance fraud. The Unit works closely with a number of local, state and federal law enforcement agencies and prosecutors. 405.521.6614

**The Licensing and Education Division** oversees the issuance of more than 106,000 licenses to agents, adjusters and agencies and oversees continuing education requirements. 405.521.3916

**The Medicare Assistance Program** provides free counseling to Oklahomans on Medicare and teaches them how to prevent fraud, abuse and waste. 800.763.2828

**The Legal Division** administers the E.A.G.L.E. (Ending Arguments Gently, Legally and Economically) Mediation Program. 405.521.2746

**The Rate and Form Compliance Division** approves life, accident and health, property, marine, vehicle, and casualty insurance products. The division's responsibility is the review of policy forms and rates to ensure compliance with Oklahoma statutes and regulations. Property & Casualty 405.521.3681 | Life, Accident & Health 405.521.3541

**The Financial and Examinations Division** regulates 90 domestic and more than 1,500 foreign companies operating in Oklahoma. Through licensing and financial oversight, the division works to ensure the solvency of insurers and other regulated entities operating in the state. 405.521.3966

**The Bail Bond Division** is responsible for all aspects of licensure, supervision and regulation of bail bondsmen in Oklahoma. 405.521.6610

**The Real Estate Appraiser Division** provides administrative support to the Oklahoma Real Estate Appraiser Board – the licensing and enforcement agency for real estate appraisers. 405.521.6636

**Oklahoma City Location:**

Five Corporate Plaza  
3625 NW 56th, Suite 100  
Oklahoma City, OK 73112  
Main: 405.521.2828

**Tulsa Location:**

7645 E. 63rd St., Suite 102  
Tulsa, OK 74133  
Main: 918.295.3700

**Twitter:** [twitter.com/oid411](https://twitter.com/oid411)

**Web:** [www.oid.ok.gov](http://www.oid.ok.gov)

**Hotline:** 800.522.0071



## TYPES OF INSURANCE

### HOMEOWNER'S INSURANCE

Homeowners insurance is a combination of coverages that address the risks of owning a home. The homeowner has several options, but the insurance will generally include coverage for losses due to fire, severe weather damage, burglary, vandalism and other perils.

**Homeowners insurance is an important purchase for two major reasons:**

1. To protect your property – Homeowners insurance covers both your property and you for personal liability you might incur for injuries to others or their property while they are on your property.
2. To satisfy your mortgage lender – Most mortgage lenders require you to have insurance as long as you have a mortgage. Even after you pay off your mortgage, reason number 1 is still enough to justify keeping your property insured.

**A homeowners policy typically covers:**

- Your house and other buildings on your property
- Your personal property in your home or on your property
- Your personal liability to others, such as legal costs if you are taken to court because someone was injured at your home.
- Medical payments for others accidentally hurt on your property
- Additional living expenses if you must rent a place to live while your home is being repaired

### RENTERS INSURANCE

Renters insurance includes three important types of financial protection: coverage for personal possessions, liability protection and additional living expenses for those who rent an apartment or home. Loss of personal possessions can range from damage caused by fire or smoke, lightning, vandalism, theft, explosion and water damage (not including floods). If your home or apartment is damaged by a covered event and you have to live somewhere else, most policies will reimburse you the difference between your additional living expenses and normal living expenses. Plus, renters insurance helps cover legal costs if you're taken to court because someone is injured at your residence.

You can get either a replacement-cost policy, which will pay to replace your possessions up to the policy's dollar limit, or a cash-value policy, which will pay only what the items are worth when stolen or damaged. Commonly offered discounts include if you have a security system, smoke detectors and deadbolt locks. Multi-policy discounts, good credit and senior citizen discounts are also often available to renters.

## AUTO INSURANCE

Automobile insurance purchased by vehicle owners or operators covers the perils associated with driving a car. There are a number of coverages available, more fully discussed below.

### **Premiums vary depending on:**

- age,
- gender,
- years of driving experience,
- accident and moving violation history,
- type of vehicle (including model, year and value),
- territory (where you garage and drive the vehicle),
- credit scores.

### **LIABILITY**

In Oklahoma, in order to legally drive a vehicle, the owner must have liability insurance, to cover the risk of injuring someone else. The minimum coverage required by law is \$25,000 bodily injury per person, \$50,000 total bodily injured per accident, and \$25,000 property damage. If the costs incurred exceed these amounts, it is the responsibility of the party at fault to pay.

### **COLLISION**

Coverage pays for damage to your vehicle for a collision accident no matter who is at fault.

### **COMPREHENSIVE**

Coverage pays for damage to your vehicle caused by something other than collision.

### **OPTIONAL COVERAGES**

Uninsured Motorist coverage compensates you and your passengers for injuries sustained in an accident caused by a driver who has no insurance or by a hit-and-run driver.

Rental Reimbursement coverage pays expenses incurred for a rental car while your auto is being repaired due to an auto accident.

Towing and Labor coverage pays toward the cost of towing or repairing your vehicle if you are stranded and your vehicle is not running. Some policies provide coverage for flat tire change, locksmith service and battery jumpstart.

Medical Payments coverage pays for reasonable medical expenses if you or your passengers are injured in an automobile accident.

Guaranteed Asset Protection coverage pays the difference between the actual cash value of the car and the amount of the loan. This coverage is generally provided by a separate policy.

Excess Electronic Equipment coverage pays toward the cost to replace your electronic equipment or media when coverage is not provided for excess electronic equipment, tapes, records, discs and other media. It is offered for an additional charge.

## HEALTH INSURANCE

Health insurance is an important coverage that helps protect you and your family from the devastating financial effects of unexpected health problems or catastrophic illness and can be an important policy in the event of a disaster.

You may receive health coverage through an individual insurance policy, through a policy issued to you as a member of an association group or through employer sponsored health plan.

**Although there are many forms of health insurance, most comprehensive coverage includes some form of managed care services:**

- Policies that provide managed care services;
- Policies that provide limited benefits.

## TYPES OF MANAGED CARE

Preferred Provider Organizations (PPOs) - PPOs offer a provider network to meet the health care needs of their insureds. The PPO contracts with a group of health care providers, or with a PPO network, to control the cost of providing health care. The insured chooses who will provide their health care; but if the insured chooses a provider in the network, the insured will usually pay less in deductibles and coinsurance.

Health Maintenance Organization (HMO) - HMO members pay a monthly fixed dollar amount (similar to an insurance premium), which gives them access to a wide range of health care services. In many cases, members also pay a predetermined amount, or copayment, for each doctor or emergency room visit and for prescription drugs, rather than paying the provider in full and obtaining a portion of the reimbursement later. Members must use the HMO's network of providers, which are the doctors, pharmacies and hospitals under contract with that particular HMO.

HMO Plan with a Point of Service option (POS) - In the HMO has a POS option; members may choose, at the point of service, whether to receive care from a physician within the plan's network or to go out of the network for services. The POS plan provides less coverage for health care expenses provided outside the network than for expenses incurred within the network. Also, the POS plan will usually require you to pay deductibles and coinsurance costs for medical care received out of network.



## EXPENSES IN ADDITION TO THE PREMIUM

**Deductibles:** This is the amount of covered health care expenses that must be paid for by the insured or member before the insurance company or HMO will begin paying.

**Co-Insurance:** This is the amount stated in the policy that is the insured's portion of the claim. For instance, the insurance company may pay 80% of the claim and the insured's share is 20% of the claim. The co-insurance amount is paid in addition to the deductible. In a PPO plan, the co-insurance for an out of network provider will generally be higher than that for an in-network provider.

**Co-Payments:** Some policies provide for a set amount paid by the insured for a particular service, usually an office visit. In that case, the insured pays their co-pay for the visit and the insurer pays the rest of the bill. Amounts you pay for co-payments may or may not go toward the deductible, depending on the policy.

**Balance Billing:** This occurs when seeing a provider outside the policy's network. When seeing an out-of-network provider, the insured is responsible not only for a higher coinsurance, but also the balance of the provider's charges above the amount allowed by the policy.

## POST-DISASTER

If you need emergency care following a disaster, seek treatment at the nearest medical facility. Even if you are in a managed care plan, those plans have to cover your emergency treatment regardless of whether or not the facility is in your plan's network. Once your emergency is treated, you will have to comply with your plan's requirements.

Determine from your insurer what coverage your plan provides when you are displaced and need medical attention outside of your area. Locate alternative care if your regular treatment settings are unavailable.

Learn about your plan's coverage for catastrophic or long-term injuries, including coverage for rehabilitation and the lifetime maximum the policy will pay.

Save any medical or prescription receipts to submit for reimbursement from Flexible Spending Accounts (FSA).

Know your rights: if you are not receiving payment for the medical treatment you need, you or your doctor should contact the insurance company for assistance.

## LIFE INSURANCE

Life insurance is a form of insurance that pays a beneficiary in the event of the death of the insured person. When a policy is purchased, a specific death benefit is chosen.

**Life insurance is a contract between the policy owner and the insurance company:**

- policy owner (or policy payer) agrees to pay a defined amount called a premium.
- insurance company agrees to pay a sum of money upon the death of the insured person.
- beneficiary – the person or persons named by the policy owner – will receive policy proceeds (benefit) upon the death of the insured person.

**The three main categories of life insurance are;**

1. term life,
2. whole life, and
3. universal life.

**POST-DISASTER**

Lack of documentation is typically a significant concern due to life insurance policies being left behind or lost. Generally, disaster victims can obtain the benefits they are entitled to even without the actual life insurance policy or death certificate in hand. Most life insurers are prepared to verify an individual policy without a policy number as long as claimants can provide basic information on the policyholder.

**DO:**

Whole life and universal life insurance policies build up cash value. Check to see if your policy has cash value. A loan against your policy's cash value can help you recover and rebuild.

**DO:**

Look into any group life policies you may have through your employer. Group life policies can provide some financial relief, but are easily overlooked during a crisis because the policyholder is often unsure of which company provides the policy. Seek help from your employer(s) to determine if help may be afforded.

**DON'T:**

Try to cheat the system. It is never a good idea to try to take advantage of the company's leniency in paying out claims without strict documentation. Most companies will follow up on claims that are paid out and will take action if there is any evidence of fraud.

**DO:**

Make plans for the future by keeping copies of important life insurance documents with trusted family members or in a safety deposit box, in case of an emergency.

# CANCELLATION TIME FRAMES



BEFORE CANCELLING FOR:	YOUR COMPANY MUST GIVE YOU:
<b>Personal Auto</b>	
Nonpayment of premium	10 days notice
All other personal auto cancellation	10 days notice
<b>Homeowners</b>	
Homeowners nonpayment of premium	10 days notice
Homeowners, all other cancellations	10 days notice
<b>Commercial</b>	
Commercial nonpayment of premium	10 days notice
All Commercial in effect more than 45 days	10 days notice
<b>Nonrenewal</b>	
Personal Auto nonrenewal	20 days notice
Homeowners nonrenewal	30 days notice (Effective July 2013)
Commercial nonrenewal	45 days notice
Commercial excess and umbrella nonrenewal	45 days notice

\*Please note, when Emergency Declarations are in place, timeframes may be altered or cancellations prohibited during the designated time.



# AFTER THE STORM

## GETTING STARTED

For all types of disasters – tornadoes and severe weather, earthquakes, wildfires, floods and windstorms – there are basic steps to get you started down the path to recovery. Each of the steps listed below will be applicable for all types of disaster-related loss.

### FIRST THINGS FIRST:

Call your insurance provider for the property that has been damaged: homeowners, renters and/or auto.

- Do not enter your home before making sure the structure is safe to enter
- If electricity is being supplied, turn off all electricity at the main switch. Secure an electrician to check your system as soon as possible.
- For water damaged property, open windows and doors to aid in the drying process and circulate air to remove foul odors and help protect you from any leaking gas. When doing so, do not light any type of open flame to avoid causing an explosion.
- Take pictures and/or video of all damage inside and outside your home BEFORE beginning clean up.
- Be cautious and protect yourself against bodily injury inside your home, taking extra caution against debris and slippery surfaces in addition to broken glass.
- Avoid throwing anything away initially; the adjuster will help determine what should and should not be thrown away. Perishable food should be thrown away quickly to avoid contamination, but keep an itemized list if your homeowners policy covers perishable foods.

### ALWAYS:

- Make temporary repairs to your property to prevent further losses from the elements and to secure your property. Examples of this would be boarding up windows, placing plastic over holes in the roof and drying out wet carpets and furniture.
- Make a list of all personal property destroyed or damaged. Note the approximate date, price, and place of purchase and attach any sales receipts you may have. Drawing from a home inventory that you have previously prepared will be a significant asset for speedy recovery. The adjuster will ask you for this information.

## TORNADOES

Tornado activity averages 20 occurrences per year with approximately three-fourths of tornado activity each year occurring from April to June. The Oklahoma Department of Emergency Management has ranked tornadoes as Oklahoma's number one Critical Priority Risk due to their high probability, severity and short

warning time. The United States has the highest incidence of tornadoes worldwide, with more than 1,000 every year, due to its continental geography. Oklahoma is in the nation's "Tornado Alley" and experiences more tornadoes per square mile than any other state in the plains. These tornadoes primarily occur between the hours of 3PM and 9PM, but can happen any time of the day or night.

**PROTECT** yourself with insurance on your residence. A homeowners or renters policy is your protection against a devastating loss. We encourage you to talk with an insurance agent of your choice about the options you have in selecting a policy.

**REVIEW** your insurance coverage each year to ensure that you have adequate coverage.

**PREPARE** a detailed inventory of your household furnishings with a photograph of each room in your home. Include other valuables and equipment you own.

**HAVE a plan of action:**

- Select a shelter/location, and have a plan for family members who may be away from home at the time of the storm.
- Make a list of important telephone numbers and remember to include your agent.
- Prepare an emergency supply kit.

**COLLECT** emergency supplies to include non-electric can opener, bottled water (3 gallons per family member), flashlight, portable radio, extra batteries, fire extinguisher, essential medication, first aid kit, blankets and canned foods.

## EARTHQUAKES

According to the National Association of Insurance Commissioners, about 90 percent of Americans live in areas that experience at least occasional tremors. Some of the most violent earthquakes in U.S. history have been recorded in the central states. Parts of Oklahoma are at moderate risk for earthquakes. Earthquake insurance must be purchased either separately and independent of your homeowners insurance or acquired as an "endorsement" of additional coverage under your existing homeowners policy.

An earthquake insurance policy covers home repairs needed due to earthquake damage. It may also cover other structures not attached to your house, like a garage, and will cover personal property from damages directly caused by an earthquake. It might cover increased costs of repair to meet current building codes, and costs to stabilize the land beneath your home. It pays extra living expenses while your home is under repair, and covers the cost of debris removal.

### EARTHQUAKE INSURANCE QUICK FACTS

- Earthquake insurance premium are determined by factors including your home's location, age and construction, the estimated cost to rebuild the house and replace its contents, and the value of the deductible you agree to pay in the event that you file a claim.
- Earthquake insurance deductibles work differently than those of standard homeowners policies. You might have separate deductibles for the home, outside structures such as a detached garage or a fence, and for personal contents.

Ask your agent to clarify all the deductibles you might face if disaster strikes.

- You cannot buy insurance to repair the home after it has already been damaged. But even if a small earthquake only shakes you into purchasing a policy to protect against a bigger one that might occur in the future, be aware that many companies will not sell new earthquake insurance policies for 30 to 60 days after a quake, due to the expectation of aftershocks.

## WILDFIRES

In the event of a wildfire, act quickly and wisely:

CALL 911 or your local fire department immediately. In certain areas of the eastern part of the state, wildfire hotlines exist and should be notified first in the event of an outdoor blaze.

After calling firefighters, SECURE your property, pets and livestock as best you can without risking the lives of you and your family.

When the fire has moved on or been extinguished, CALL your insurance agent or company claim line as soon as possible.

READ your homeowner's or renter's insurance policy carefully to fully understand your coverage and your rights. If you don't have the policy in hand, ask the agent for a copy.

Follow GETTING STARTED procedures such as documenting your losses and protecting against further property damage and bodily injury.

## TREES, FLOODS AND WINDSTORMS

The following weather-related events are usually not covered by standard homeowners insurance policies:

- Interior storm-water damage when there was no damage to the home's roof or walls,
- Flood damages,
- Removal of fallen trees from the property, unless those trees land on and damage the roof and walls of the home,
- Food spoilage due to power outages,
- Water damage from backed-up drains or sewers.

Flood damage is not covered by homeowners insurance in Oklahoma and therefore requires separate insurance. Flood insurance is available to protect homes, condominiums, apartments and non-residential buildings, including commercial structures. As in the case of earthquake insurance, do not wait until a storm is coming to purchase flood insurance as it may take 30 days after purchase for a flood insurance policy to go into effect.

Flood insurance is an exclusive policy that is federally backed by the NFIP and available for homeowners, renters and businesses. Visit their website at <http://www.floodsmart.gov/floodsmart/> or call their toll free number: 1-888-379-9531. Insurance companies work closely with Federal Emergency Management Agency (FEMA) and the NFIP to offer flood insurance to property owners and renters.

Rates do not differ from company to company, but do depend on factors such as age, type of construction and the level of flood risk in your area. FEMA estimates an average homeowner's flood insurance premium to be approximately \$500 a year, depending on your deductible and other factors.

**Flood insurance protects:**

**BUILDING:** the structure and its foundation; electrical and plumbing systems; central air-conditioning, furnaces and water heaters; most large and built-in appliances and permanently installed carpeting over unfinished flooring.

**CONTENTS:** clothing, furniture and electronic equipment; curtains; portable and window air conditioners; carpeting that is not already included in your property coverage; clothes washers and dryers.

Be sure to check other policies for all opportunities for recovery including homeowners and auto policies for damage to property and vehicles. Property damage caused by fallen trees can be the most misunderstood coverage in a homeowners insurance policy. If you carry homeowners insurance, you will be covered for damage to a structure and its contents from fallen trees and branches. The cost to remove the tree or limb is also covered by the insurer. Additionally, your homeowners policy will cover damages when the tree is on another's property and has caused damage to your structure or property. An example of this would be if a tree limb is stretching across your property and falls due to wind, lightning or hail, causing damage to a structure such as the house, garage or fence. In other words, it is the responsibility of the owner on whose property the tree limb fell to contact their homeowners insurance provider.

If you are not sure if damage was caused by flood, tree-related damage or windstorm, contact your insurer to submit your claim for all damages. Your company will send an adjuster to investigate and determine the cause of loss. Generally, windstorm damage is covered under your homeowners policy with a separate deductible. If your policy excludes windstorm coverage, having a separate policy to insure your property for these kinds of losses is strongly encouraged.



## FILING A CLAIM

When you are filing a claim here are a few things to remember:

1. Contact your insurance agent or insurance company to file the claim.
2. Keep a log of claim activity (for example, for a telephone call, write down the name of the person you speak with, the date and time of the call, as well as what the call was concerning.)
3. Remember that the Consumer Assistance Division of the Oklahoma Insurance Department is here to answer any questions you have concerning the handling of your claim.

## HOME

Step 1: Call your agent or insurance company to start your claim.

Step 2: Make any temporary repairs necessary to keep your property from receiving further damage. Before moving any debris or removing damaged belongings, make sure to take photos or video of the damage. Make a list to document these losses.

Step 3: After you have filed your claim, the insurance company will arrange to send a claims adjuster to your home to assess the damage. Obtain repair estimates from trusted local contractors to help you when you're speaking with the insurance adjuster.

Step 4: When it comes to paying your claim, you may receive multiple checks. The payment for the contents or personal property will be made out to you. However, if there is a mortgage on your home, the payment for the structural damage may be payable to you and your mortgage holder.

## AUTO

Step 1: Call 911 if someone has a life-threatening injury. If there's no emergency, call the police directly. Make sure to obtain a police report. Comprehensive coverage pays for damage to your vehicle caused by something other than a collision. Follow steps 3 & 4 for these types of claims.

Step 2: Exchange license plate numbers, contact information and auto insurance information with the other parties involved. Take photos of the scene, if possible. Make sure to get phone numbers, including witnesses, if applicable. Do not admit fault at the scene, as the adjuster will determine negligence.

Step 3: Contact your insurance company as soon as possible.

(Not at fault) Advise your carrier of the accident and file a claim with the responsible party's carrier. If the driver is uninsured, file a collision claim and confirm uninsured motorists' coverage on your policy.

(At fault) File a collision claim with your carrier if you have damages. The other party will likely file a claim for their damages with your carrier.

Step 4: The adjuster will examine your vehicle and determine an estimate for repairs



or total the vehicle. You may be asked to collect estimates for repair of minor damage and submit them to the responsible party's insurance carrier. The insurance company will cut a check in the amount of the repair. For a collision claim, the amount will be minus the collision deductible.

## QUICK TIPS

### INSURANCE CHECK-UP

Includes asking three questions:

1. What type of coverage do I have?
2. How much coverage do I need?
3. What are my discounts and deductibles?

### EXCLUSIONS AND LIMITATIONS

A homeowners policy usually DOES NOT cover:

- Flood
- Earthquake, landslide, or mudslide
- Sewer backup
- Identity theft

Your homeowners or renters policy MAY NOT cover claims related to:

- Dog bites
- Swimming pools or trampolines
- Operating a business from your home

Be sure to ask your agent about the exclusions. You may be able to buy a separate policy to cover some or all of the events your homeowners policy includes these circumstances.

A homeowners policy usually LIMITS coverage for these items:

- Mold
- Jewelry, guns, electronics, collectibles, and antiques
- The costs of meeting updated electrical, fire, plumbing, and building codes

### QUESTIONS TO ASK AGENTS

1. Are the agent and the insurance company licensed by my state insurance department? For how long?
2. How can I find out the claims history of the home before I buy it?
3. If I submit a claim, how will it affect my premium when I renew the policy?
4. What discounts are available?
5. What does the policy cover? What doesn't it cover? What are the limits to the coverages?

6. How much coverage for my personal property do I need?
7. Should I buy flood insurance or earthquake coverage?
8. How will my credit history affect my premium?
9. Am I in your lowest-priced company or tier? If not, why?
10. How can I get a better rate?
11. What perils or coverage is excluded or limited in the policy?
12. May I add the peril or coverage back into the policy?

## WAYS TO SAVE



### CLUE REPORTS

LexisNexus Risk Solutions, Inc. offers Comprehensive Loss Underwriting Exchange (CLUE) Reports by calling 1-888-497-0011 or by submitting an online request at <https://personalreports.lexisnexis.com/>. CLUE Property and Auto are consumer reporting agency products developed from loss information submitted monthly by participating insurers. Data provided in CLUE reports includes claim information, such as date of loss, type of loss and amounts paid, for up to seven years of personal property and automobile claims.

The Fair and Accurate Credit Transactions Act of 2003 enables consumers to receive one free disclosure per 12-month period. Receiving CLUE reports help consumers monitor the accuracy of claims and dispute loss history information. Additionally, requesting a CLUE Property report before purchasing a home is a good way to make certain that the insurance loss history of the property will not impact the availability or pricing of Homeowners insurance if there are no losses reported.

Other ways to save:

- Ask for discounts
- Increase your policy deductible
- Good student grades
- Continued policy renewals
- Claims - Free Discount
- Raise your credit score
- Placing another type of policy with the same insurer

NOTES:



## INSURANCE FRAUD

### WHAT IS INSURANCE FRAUD?

- Occurs when someone is intentionally deceived by another to receive insurance benefits.
- Can be committed by either the consumer or an insurance provider.
- Increases the cost of your premiums by nearly 30 percent.

### DON'T BE A VICTIM OF FRAUD

You can protect yourself against insurance scams if you stay alert, ask questions and report any suspicious insurance transactions. Never sign blank insurance claim forms. Ensure that businesses and individuals are legitimate by asking for and verifying references. Search business names online for evidence of scams and check with the Better Business Bureau to see if any complaints have been filed against them. Get multiple estimates and get all work in writing before making any payments. Don't sign incomplete contracts. Don't finish paying for work or sign a completion certificate until the work is done and approved by you.

If you suspect insurance fraud, contact the Insurance Department's Anti-Fraud Unit at 405.521.6614.

## INSURANCE ADJUSTERS

An adjuster is a licensed representative of the insurance company. They are responsible for handling claims made against the insurance policy, or against a policyholder. An adjuster investigates, evaluates, negotiates, and finalizes claims brought against an insurance policy or policyholder. They can be actual employees of the insurance company, or independent adjusters hired to handle insurance claims on behalf of the company.

### FACTS ABOUT ADJUSTERS

- Insurance company adjusters do not work on commission, nor do they otherwise benefit by paying you less for a loss.
- Their objective is to pay exactly what a claim is worth – no more, no less.
- Just as it is wrong to underpay a claim, it is wrong to overpay one; in the end, everyone suffers through higher premiums.
- Their work hours extend beyond 8 to 5. Adjusters are on call 24 hours a day when an emergency strikes.

### WHAT SHOULD YOU EXPECT FROM AN ADJUSTER

At a minimum, you should expect to be restored to the conditions that existed prior to the loss. You should also expect prompt, fair, and courteous service. You should not expect your adjuster to help you recover benefits you do not have under your insurance policy.

## HIRING A CONTRACTOR

Finding and hiring a contractor can lead to a whole new set of issues unless you are careful and aware of the scams that dishonest people have tried in the past. A few quick tips include:

- Be wary of those who claim the insurance company sent them, as insurance companies usually do not recommend contractors.
- Always ask to see something in writing.
- Get bids from at least three different sources.
- Do not do business with a contractor who cannot show proof of insurance.
- With all contractors, request the names and phone numbers of at least two references who have had similar work done by them in the last year.
- Only do business with a contractor who is bonded, which will offer you some protection if the job is not satisfactorily completed or supplies purchased to make your repairs are unpaid.
- Check the licensing of the contractor with the State Licensing Board for Contractors.
- Watch out for out-of-state con artists coming by to take advantage of the local situation.
- Also be wary of contractors who demand payment in full before work is completed.
- Record the contractor's license plate number and driver's license number, if possible.
- Check to see if your contractor is licensed in Oklahoma on the Oklahoma Construction Industries Board website at <http://cibverify.ok.gov/> or call 405-521-6550.
- Before any work is started, request a clearly worded, itemized contract. Review it with the contractor and make sure you understand and agree with its content before the contract is signed.

### THE CONTRACT SHOULD INCLUDE THE FOLLOWING:

- A separate breakout of labor and cost of materials.
- The contractor's responsibility to get all required permits.
- The date the project is to begin and the date it is to be completed.
- Proof of insurance coverage from the job's start date until work is to be completed.
- The amount of payment required along the way, with the final payment due AFTER the work has been completed to your satisfaction.
- A statement guaranteeing that the work area will be left in its original condition when the job is done.

## FILING A COMPLAINT

If you are concerned that the insurance company is treating you unfairly, your first step would be to contact the insurance company and try to resolve the issue. However, if you are unable to find a resolution to the issue you are having, you have the option of filing a complaint with the OID.

To file a complaint, we will need your complaint to be in writing. Request for Assistance Forms are located online at [www.oid.ok.gov](http://www.oid.ok.gov) to assist you in filing your complaint. Please complete the form in its entirety.

### Remember to:

- Fill out the form completely,
- Sign the form,
- Give our office as much information as possible, and
- Provide copies of all policies, riders, letters, phone logs, etc.

Here are a few ways to go about filing a complaint:

- On our website at <http://www.oid.ok.gov>
- By fax at (405) 521-6652
- In person, we are located at the address listed below:
- By mail at:

Oklahoma Insurance Department  
Five Corporate Plaza  
3625 NW 56th, Suite 100  
Oklahoma City, OK 73112

Scan to file a complaint:



### Please note that once received:

- Your complaint will be assigned to the appropriate Consumer Assistance/Claims Analyst, who will send you an acknowledgement letter.
- We will then contact the company for a detailed explanation of its position. By law the company has thirty (30) days from the date on the letter to respond.
- There may be unforeseen delays if the company needs additional time to gather information to fully address your concerns. If there are delays, the Consumer Assistance/Claims Analyst will advise you of the status of your file by mail.
- Once a final response is received from the insurance company and is reviewed by the Consumer Assistance/Claims Analyst, a letter of explanation will be forwarded to you by mail.

NOTES:



The Oklahoma Insurance Department has gathered a few helpful insurance-related resources for you to use.

- The Oklahoma Insurance Department is proud to work with the National Association of Insurance Commissioners to bring you this informative and helpful guide to buying insurance.

Insure U's Guide to Insurance: [www.insureuonline.org](http://www.insureuonline.org)

- Because Oklahoma is a frequent target for severe weather, a Home Inventory is critical to all Oklahoma families. There are many ways to create a Home Inventory. One easy way is to use an app created by the National Association of Insurance Commissioners. Scan one of these QR codes to download the app:

iPhone App:



Android App:



- Learn more about flood insurance and how you can get covered: [www.floodsmart.gov](http://www.floodsmart.gov)

## CONTACT NUMBERS

### OKLAHOMA INSURANCE DEPARTMENT

Phone: 800-522-0071

[www.ok.gov/oid](http://www.ok.gov/oid)

### OKLAHOMA DEPARTMENT OF EMERGENCY MANAGEMENT

Phone: (405) 521-2481

<http://www.ok.gov/OEM/>

### OKLAHOMA DEPARTMENT OF PUBLIC SAFETY

Phone: (405) 425-2424

[www.dps.state.ok.us](http://www.dps.state.ok.us)

### FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)

Phone: (800) 621-FEMA (3362)

TTY: (800) 462-7585

[www.fema.gov](http://www.fema.gov)

### AMERICAN RED CROSS

Phone: 1-800-REDCROSS (1-800-733-2767)

[www.redcross.org](http://www.redcross.org)



NOTES:

# OKLAHOMA INSURANCE

DEPARTMENT



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[youtube.com/okinsurance411](https://youtube.com/okinsurance411)

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