



Illinois Department of Insurance

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Be Prepared if Disaster Strikes

Illinois Department of Insurance reminds homeowners to re-evaluate insurance risks

SPRINGFIELD – The Illinois Department of Insurance (DOI) today joined the National Association of Insurance Commissioners (NAIC) to urge consumers to consider their insurance risks and understand what is covered in their current policies. With the threat of natural disasters on the rise it is important for homeowners to be prepared; however fewer than 22% of homeowners view changing weather patterns or natural disasters as an important factor when updating their homeowners insurance policy, according to a survey from the NAIC.

More than 800 emergency or disaster declarations were made in the United States from 2005-2015, resulting in an average of \$24 billion in annual insured losses due to natural catastrophes. However, the NAIC survey revealed 56% of homeowners have not reviewed their insurance policies in more than a year and 14 % are unsure when, if ever, they last reviewed their policies. Research also indicates nearly half of homeowners (44%) have a home inventory. But of those who have an inventory, more than 40% have not updated it in more than a year.

“As Illinois residents, we’ve experienced significant losses from severe weather over the years,” said Illinois Department of Insurance Director Jennifer Hammer. “Consumers need to consider the risks disasters pose within our region and how disasters can impact their home insurance needs.”

Generational Differences

NAIC’s survey also shed light on generational differences to approaching home insurance. According to the survey, Millennials (19%) are significantly more likely than Gen Xers (10%) and Baby Boomers (8%) to consider changing weather patterns when reviewing their homeowners insurance. Compared to Gen Xers and Baby Boomers, Millennials are more likely to have reviewed or updated their insurance policy within the last five years. Millennials are also more likely to have a home inventory and to have reviewed or revised it within the last five years.

Before the Storm

Consumers should re-evaluate their risk profile at least once a year to ensure their homeowners policy provides the protection they need. Questions to consider include:

- Am I now at risk?
- Are tornadoes now a threat?
- Do I need a flood insurance policy or sewer backup coverage?
- What has changed in my home?
- Did the number of people (and belongings) increase or decrease?

- Have I made any major purchases?
- Have I updated my home with a kitchen renovation, new security system or other improvements?
- Should I be looking at different coverage?
- Can I save money by bundling my home and auto insurance?

New Disaster Prep Guides from NAIC's Insure U can help consumers determine the best course of action before, during and after a disaster strikes. The free guides include information and tips for tornadoes, hurricanes, floods, earthquakes and wildfires.

Disaster Prep Guides are available at insureuonline.org. Consumers interested in insurance information specific to Illinois can contact the Illinois Department of Insurance at <http://insurance.illinois.gov/> or 866-445-5364.

Sources:

- 1 - <https://www.unisdr.org/we/inform/publications/46796>
- 2 - <https://www.fema.gov/disasters/grid/year>
- 3 - <http://www.iii.org/fact-statistic/catastrophes-us>

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