



Disaster Response Guide 2016

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A Message from Commissioner Mike Rothman

As the state's consumer protection agency, the Minnesota Department of Commerce is committed to helping Minnesotans recover and rebuild after a disaster strikes. Natural disasters can happen anytime, anywhere. Whether it's a tornado, flood or fire,



it is hard enough to cope with the physical damage and emotional trauma. Dealing with insurance claims should not add to your burden.

The Commerce Department regulates insurance companies that do business in the state, and we expect all insurers to be ready to respond promptly and effectively to the needs of their Minnesota policyholders at a time when they are most vulnerable.

In the aftermath of a severe storm or other disaster, you are likely to have questions about your insurance coverage, including how to file a claim and make repairs. Our Disaster Response Guide is designed to answer common questions and provide a guide to navigating the disaster recovery process.

Our Consumer Services Center is also available to provide direct assistance with your insurance needs at this vulnerable time. Our professional staff can help you understand your rights, clarify your coverage, explain the claims process and work with your insurer to secure a fair and prompt decision. We can also help you protect yourself against fraud and avoid scam artists who may try to take advantage of your misfortune.

Commerce is here to help, and I encourage you to contact us whenever you have questions or concerns about your insurance coverage.

A handwritten signature in black ink that reads "Mike Rothman".

Are You Prepared?

Insurance: Manage your risks

Meet with your insurance agent annually or as needed to ensure your insurance coverage is adequate to protect you and your family against loss. Take into account any recent changes or additions to your property or surrounding area.

Read and understand your insurance policies

Many people wait until after they experience a loss to understand their coverage. Unfortunately, these decisions cannot be undone and they will directly affect your ability to recover from a loss. Review your existing insurance coverage and figure out where your “gaps” are.

Make sure you are aware of your policy limits, deductibles, and exclusions. Most homeowners policies have limits for jewelry, electronics, and other valuables.

Actual cash value vs. replacement cost coverage

Imagine your roof is damaged in a storm and all the shingles need to be replaced. The cost to replace them is \$10,000. The shingles are 10 years old, but they should have lasted for 20 years under normal conditions. Therefore, they have depreciated by one-half of their full value.

Under an actual cash value policy, you would only be paid \$5,000 for a loss, minus any deductible. Under a replacement cost policy, you would initially receive \$5,000 for the loss of the roof. Then, after having it repaired or replaced, you would submit the bill to the insurance company for the balance, not to exceed the amount determined by the insurance company to return your roof to its original condition.

Plan for a future claim

No one ever knows when a natural disaster will strike. There are several steps you can take to make the claim filing process easier and faster and ensure you are fully compensated for your loss. For example, establish an on-going system to document information about major household items. Written documentation may include: Manufacturer, model, serial numbers, age, value when new. Documentation may assist in any future claims for property loss and income tax deductions.

Home inventory

One of the best ways to make sure your possessions are fully protected is to document them with a home inventory. Creating a home inventory is easier than ever thanks to myHOME Scr.APP.book, an iPhone and Android application from the National Association of Insurance Commissioners (NAIC). The free myHOME Scr.APP.book app lets you quickly photograph and capture images, descriptions, bar codes and serial numbers, and stores them electronically for safekeeping. The app organizes information room by room, and even creates a back-up file for e-mail sharing.

If you prefer the low-tech way, go to the Minnesota Commerce Department website at mn.gov/commerce and download our Home Inventory Checklist. It provides a room-by-room guide for your home inventory. You can fill it out, update it, and keep it as an on-going record of your possessions. Make sure you keep this information in a safe place.

Reviewing different types of property coverage

Homeowners insurance coverage

Homeowners insurance will provide protection for your property in the event of loss or damage due to natural disaster (fire, severe weather), burglary, or other perils.

Policies typically consist of two parts: “property coverage” and “other structures.” Property coverage includes your dwelling (i.e., the home itself) and personal property. Other structures include garages, tool sheds, or similar types of buildings.

Renters insurance

If you rent, don’t assume that the property owner’s insurance policy will cover damage or loss to your personal belongings. Your landlord has insurance for structural damage to the building and this coverage does not extend to your personal property.

Renters insurance can fill this gap, protecting your personal property against damage or loss, insuring you in case someone is injured while on your property, and can reimburse you for temporary living expenses if your home is damaged and you have to live elsewhere.

The premiums for renters insurance average between \$15 and \$30 per month, depending on the location and size of the rental unit and the policyholder’s possessions. If you live with roommates, each tenant will need their own policy to cover their belongings.

Renter’s policies come in the form of actual cash value or replacement cost coverage. The type of policy you purchase can make a big difference in the amount you receive for your claim.

Actual cash value coverage will reimburse you for the current value of the property at the

time of the claim. It's important to account for depreciation (caused by age and wear and tear) when considering this coverage option. On the other hand, replacement cost coverage will reimburse the full value of the item.

Auto Insurance

Auto insurance can protect you from the financial costs of repairing your damaged vehicle, if you have the proper coverage. It is also required by Minnesota law. Policies will vary beyond what is required by law and every policy will have limitations on what it covers and how much.

Storms can cause damage in a number of ways:

- Hail damage to the exterior and glass
- Flood damage to the engine and interior areas
- Wind-driven debris damage
- Damage from fallen trees
- Tornado damage

Coverage for these types of losses is provided by your policy under the "Comprehensive" portion of the auto policy. Some policies call this coverage "Other than Collision."

Other types of insurance coverage

Flood insurance

A standard homeowners' policy does not provide flood coverage.

You can purchase coverage through the National Flood Insurance Program (NFIP). To be eligible, your community must participate in NFIP (most Minnesota communities do). Check with your city administrator or visit: <http://www.floodsmart.gov/>.

You can buy flood insurance from any licensed property insurance agent. Agents selling insurance in Minnesota must be licensed by the Department of Commerce. Use the License Lookup tool at mn.gov/commerce to verify the agent is licensed.

Keep in mind that there is a 30-day waiting period after you've applied and paid the premium before the policy is effective (with some exceptions).

If your home is damaged by a flood, file a claim with your insurance company immediately. Your adjuster will provide you with a proof-of-loss form you can use to file your claim. This document substantiates your claim and is required to receive the insurance payment.

Scheduled personal property coverage

Scheduled Personal Property coverage offers optional protection you can add to your homeowner's policy to cover high-value items such as art, jewelry, electronics, memorabilia or collections. Also referred to as a "personal articles policy."

Sewer Backup Coverage

Ask your insurance agent or carrier if an endorsement for sewer backup coverage was added to your homeowner's policy. If so, your losses may be covered if water damage was caused by sewer lines backing up through your home's drain pipes.

Tree damage

Most policies do not cover damage to trees or landscaping, but many policies have debris clean-up allowances. Check your policy and talk with your agent to see if you have this coverage.

Filing a Claim

Immediately after the storm

In the immediate aftermath of the storm, there are basic steps you can take to get on the road to recovery. First, you should call your insurance company for the relevant property (homeowners, renters, or auto).

- Make sure the structure is safe to enter and shut off electricity.
- Before you start to clean up, take pictures or video to document the extent of the damage.
- Avoid throwing anything out (with the exception of perishable food) until you meet with the insurance adjuster. They will help determine what can be discarded.
- Make temporary, inexpensive repairs to prevent further damage to your property. For example, board up broken windows or throw a tarp over a leaky roof. Otherwise, additional damage may not be covered by your policy. Keep receipts for materials you buy, so you can be reimbursed.

Filing a claim

- **Contact your insurance company immediately** to report the loss and follow the instructions given to you by claims personnel.
- **Keep your insurance policy and claim number handy.** This will help the claims process go faster.
- **Take notes.** Keep a log of who you spoke to and when: include a summary of the conversation and ask questions if you don't understand the instructions.
- **Make a home inventory.** If you don't already have a home inventory, make a list of as many items as you can remember.
- **Wait for the company's adjuster to arrive.** Do not call anyone to repair or replace your loss without first getting instructions from your company's adjuster. Your insurer may need visually inspect your loss before repairs can be made. Do not throw away damaged property until your company's adjuster tells you it is okay to do so. If your home is damaged, make only temporary repairs to prevent further damage until a claims adjuster arrives for the inspection.

Working with the insurance company adjuster

A company adjuster will inspect your home to assess the initial damage. Be sure to ask the adjuster for:

- A business card or identification

- Information about what you are required to do next
- Information about what the company will be doing next
- Instructions on getting estimates for repairs. Clarify if you are responsible or if the company will be doing that on your behalf.

- Time estimate of how long the adjuster expects the claim settlement process to last
- Additional living expenses. If you are unable to stay in your home, the adjuster may issue an advance payment for temporary living expenses. Cashing the check will not have any effect on your final insurance settlement. However, you should keep receipts for all additional expenses you incur while your home is uninhabitable.

Working with a public adjuster

One option is to pay a public adjuster for assistance documenting losses. Public adjusters can represent you in negotiations with your insurance company's adjuster and typically are paid a percentage of the final insurance settlement. You are not required to work with a public adjuster.

Before you hire an adjuster:

- Check if they are registered with the Department of Commerce or if they have any previous disciplinary action.
- Get a written contract that clearly identifies all fees.
- Decide if you think the assistance of an adjuster will help you recover enough to offset the fee.

Avoid adjusters who:

- Claim to be from a government agency.
- Insist their services are mandatory.
- Use high-pressure sales tactics.
- Refuse to provide a written contract.

Insurance Contacts for Homeowners

Minnesota Property Insurers

If your insurance company is not on this list, contact your agent or company directly to start the claims process.

AAA

1-800-222-1333

mn-ia.aaa.com

Allied Insurance

1-800-532-1436

www.alliedinsurance.com

Allstate Insurance Company

1-800-54-Storm

www.Allstate.com

American Family

1-800-MYAMFAM (1-800-692-6326)

www.amfam.com

American National General Insurance Company

1-800-333-2860

www.anpac.com

Ameriprise Auto & Home Insurance

1-800-872-5246

www14.ameriprise.com

Amica Mutual

1-800-242-6422

www.amica.com

Austin Mutual

1-800-328-4628

www.austinmutual.com

Auto-Owners Insurance

517-323-1200

www.auto-owners.com

Century Insurance Group

1-800-878-7389

www.centurysurety.com

Country Financial

1-800-846-0100

www.countryfinancial.com

Employers Mutual Casualty

1-888-362-2255

www.emcins.com

Farm Bureau Financial Services

1-800-226-6383

www.fbfs.com

Farmers Insurance Group

1-800-HelpPoint (1-800-435-7764)

www.farmers.com

Foremost Insurance Group

1-800-527-3907

www.foremost.com

GMRC

1-877-467-2252

www.grinnellmutual.com/

Harleysville

1-800-892-8877

www.harleysvillegroup.com

Hartford Steam Boiler Inspection & Insurance

1-888-HSB-LOSS (1-888-472-5677)

www.hsb.com

Horace Mann Companies

1-800-999-1030

www.horacemann.com

Integrity

1-800-348-1741

www.integrityinsurance.com

Liberty Mutual

1-800-2-CLAIMS

www.libertymutual.com

Met Life

1-800-854-6011

www.metlife.com

Minnesota FAIR Plan

612-338-7584 Twin Cities

www.mnfairplan.org

800-524-1640 Outside Twin Cities

National Farmers Union Property & Casualty Co.

1-866-NFU-LOSS (1-866-638-5677)

www.nfuic.com

Nationwide Insurance

1-800-421-3535

www.nationwide.com

North Star Mutual

1-800-622-5230

www.nstarco.com

Old United Casualty

1-800-866-6090

www.oldunited.com

Progressive

1-800-776-4737

www.progressive.com/homeowners/

RAM Mutual Insurance Company

218-879-3321

www.rammutual.com

SECURA

1-800-318-2136

www.secura.net

State Farm

1-800-SF Claim (1-800-732-5246)

www.statefarm.com

Travelers

1-800-CLAIM33

www.travelers.com

USAA

1-800-531-USAA (1-800-531-8722)

www.usaa.com

West Bend Mutual

1-877-922-5246

www.thesilverlining.com

Rebuilding

Working with your mortgage servicer

Your mortgage servicer and insurance company will be your partners in rebuilding your home. First, contact your insurance company and as soon as the insurance process is underway, immediately contact the customer service center or claims center for your mortgage servicer. Most mortgage service companies have information ready with instructions regarding your insurance settlement check and how to manage the repair and reconstruction of your home.

If you have a mortgage on your home, the insurance settlement check will likely be written to both you and the holder of your mortgage (a bank or mortgage service company). This is because the lienholder has a right under the Uniform Commercial Code to protect its collateral (e.g. the house) and to make sure the insurance money is used to actually repair the property.

If your damage was relatively minor and your insurance settlement is less than \$10,000, the mortgage servicer will usually endorse the check and return it to you immediately.

Receiving your settlement

If you sustained major damage or a total loss, the mortgage servicer will normally release one third of your settlement check immediately so you can make a down payment with your contractor. As the construction process continues, the mortgage servicer will typically release another third of the money when the construction is 50% completed, and the final third upon completion of the entire project. Because the servicer is responsible to the mortgage holder to return your property to its original value, they may require an inspection of the construction work (which they will pay for) before releasing all of the funds.

Setting up a payment plan

If your house is completely destroyed, the mortgage still exists. Most mortgage service companies will work with you to set up a payment plan, provide a grace period for late charges, and help in any way possible.

Contact your mortgage servicer, inform them of your situation, and ask them to explain what assistance they offer. You may be eligible for a grace period if:

- Your ability to make payments has been affected because your place of employment or ability to work was affected by a disaster.
- Your spouse died, is missing, or was injured in the disaster.

- Your property has been damaged or destroyed and is within a federally declared disaster area.

During this grace period most mortgage servicers will waive late fees and stop any late payment collection activities. It's important to contact them to find out what assistance you are eligible for and the requirements for repaying any payments missed during the grace period.

Using your insurance settlement

You do not have to use your insurance settlement to pay off your mortgage and you should continue making your normal monthly payments. Your mortgage service company will keep your insurance settlement money in escrow and release it to you in installments so you can repair or rebuild your home.

Working with a contractor

Check their credentials

Check that they are licensed with the Minnesota Department of Labor and Industry or if they have a history of disciplinary actions. Ask for references, a local phone number and address (not a PO box). Research complaints online and how long they have been in business.

Avoid contractors who use high-pressure sales tactics, require upfront payment, or try to rush you into signing an "estimate" or "authorization" before you have decided to hire them. Be wary of individuals who show up unsolicited at your door, arrive in an unmarked truck or van, or don't have a Minnesota contractor license number.

The Minnesota Department of Labor and Industry licenses residential builders, remodelers, roofers and manufactured home installers. To work in Minnesota, these professionals must be licensed. If you hire an unlicensed contractor, you will not have access to the Contractor's Recovery Fund, which is available to compensate consumers who have suffered losses due to a contractor's fraudulent, deceptive or dishonest practices.

Avoiding scams and fraud

Scammers will descend upon an affected area and knock on doors offering their services. In the chaos of a disaster, victims might be eager to get back to normal and rebuild. You can protect yourself from being scammed by keeping your guard up and researching the companies you do business with:

- Check for the proper credentials
- Make sure you understand the terms of a contract before signing
- Get everything in writing
- Get multiple estimates
- Pay by credit card or check and not until the work has been completed
- Never sign blank insurance forms

Signing a contract

Before you sign a contract, make sure that you understand what you are signing and read the document carefully. Ask questions if you don't understand the terms.

Make sure the contract include a detailed summary of the work to be done, a description of the materials to be used, a total contract price or how the price will be calculated,

Resolving a problem or complaint

Contact the Minnesota Department of Labor and Industry Construction Codes and Licensing's Enforcement Services at (651) 284-5069 to discuss your situation with an investigator who may offer suggestions about how to resolve the dispute. If the dispute cannot be resolved, you may submit a written request for a formal investigation.

Contact the Construction Codes and Licensing's Enforcement Services unit at:

Phone: (651) 284-5069

Fax: (651) 284-5749

E-mail: DLI.Contractor@state.mn.us

The purpose of the Contractor's Recovery Fund is to compensate consumers who have suffered losses due to a licensed contractor's fraudulent, deceptive, or dishonest practices, conversion of funds or failure to perform. All licensed contractors are required to pay a fee to the fund.

The total amount that can be paid out against any one licensed contractor is \$75,000. If multiple claims are filed against the same contractor they are divided among the claimants. In that case, you may not be able to recover your entire loss. To better protect yourself, request that your contractor obtain a performance bond for your specific project. A performance bond would provide a specific level of protection for your project.

Replacing home equipment

Furnaces, water heater, air conditioner and other mechanical equipment may need to be replaced as you repair and rebuild.

Most mechanical equipment and associated supply and vent lines damaged by water will need to be replaced, including furnaces and boilers, water heaters, energy recovery ventilation, and air conditioners. If there is any question whether water has reached a gas or electric appliance, the unit should be checked by a professional. Opinions vary regarding

replacement or repair of water-soaked heating systems, but most experts recommend replacement.

Furnace ducts may appear undamaged, but moisture may have collected in low spots, leading to potential problems with mold. Horizontal sections should be opened and thoroughly dried. Proper sealing at all joints should be part of reassembly.

Improving the efficiency of your home

Efficiency should be one of the top factors to consider when replacing energy-related equipment. Always look for the ENERGY STAR® label (the government-backed symbol for energy efficiency) and check out the ENERGY STAR website (www.energystar.gov) for comparisons between different models. Investing in efficiency will result in lower utility bills and operating costs over the long term.

Minimum efficiency suggestions include:

- **Furnace:** Annual fuel utilization efficiency (AFUE) rating of at least 90 percent; additional savings with variable speed fan motors.
- **Boiler:** AFUE of at least 85 percent.
- **Air conditioner:** Seasonal energy efficiency ratio (SEER) of at least 14.
- **Water heater:** Energy factor (EF) of at least 0.67.
- **Other:** Many appliances and mechanical equipment commonly found in basements—including heat recovery ventilators, dehumidifiers, clothes washers, and chest freezers—have energy-related ratings that should be carefully compared before making purchases.

Incentives for replacement equipment

Many utility companies offer rebates when purchasing high-efficiency equipment. Tax credits and other incentives may exist for energy-saving products and renewable energy systems. For instance, The Minnesota Commerce Department administers the Made in Minnesota Solar Incentive Program for new solar electric and solar thermal systems. Go to the Database of State Incentives for Renewables & Efficiency at www.dsireusa.org for the latest listing of rebates and incentives in Minnesota.

The U.S. Department of Energy also offers a list of resources for residents and businesses that are looking to rebuild after a disaster—[“From Tragedy to Triumph: Resources for Rebuilding Green after Disaster”](#) (pdf).

Resolving a Dispute with Your Insurance Company

First, review the terms of your insurance coverage. Policies are very specific and should indicate the specific perils covered. Be aware that even if fully insured for all perils, some losses will not be covered, such as:

- Cost of tree and debris removal when insured structures are unharmed
- Undamaged property, siding or shingles
- Damage to property not involving insured structures

Contact the company or agent directly

If there is a disagreement about the claim settlement, ask the company for the specific language in the policy that is in question.

Do you and the insurance company interpret your policy differently? Ask for a written explanation detailing the reason for the denial and the specific policy language under which the claim is being denied.

Don't Rush into a Settlement. If the first offer made by an insurance company does not meet your expectations, be prepared to negotiate to get a fair settlement.

Ask for an appraisal. Most policies have a clause that allows you to ask for an appraisal of the loss. You will be able to select one appraiser, the insurance company will select a second, and together you and the company will select a mutual third. Together the three appraisers will collectively appraise the loss and decide on a value. Check your policy for details on this procedure.

How the Minnesota Department of Commerce can help

If you cannot resolve the dispute to your satisfaction, you can contact the Minnesota Department of Commerce's Consumer Services Center to ask questions or file a complaint.

Center staff work to resolve disputes between consumers and the insurance industry informally. Contact the Consumer Services Center by email at consumer.protection@state.mn.us or by phone (651) 539-1600 or 800-657-3602 (Greater Minnesota only).

Handling Your Finances

As you start the recovery phase, your focus may shift towards new financial realities. At this point, it can be beneficial to organize your finances and explore assistance opportunities.

Compiling financial records

Records of your finances will be necessary for short-and long-term planning. They will give an organized view of your financial picture and may also be required when you apply for assistance in the form of both grants and loans.

Replacing documents? Start here:

Your insurance company or agent

- Policies
- Contract
- Recent billing statements
- Cash value statements

Financial institutions

- Account statements
- Credit reports
- Loan application records

Internal Revenue Service and Minnesota Department of Revenue

- Tax records
- Tax filings

Credit bureaus

Visit annualcreditreport.com – the only website where you can request free credit reports.

Insurance premium payments

Some insurance companies have instituted a deferred payment plan to provide disaster victims some flexibility for their immediate financial obligations.

Check with your insurance agent or company to find out if they can offer premium payment deferrals or accelerated claims payment.

Mortgage payments

Check with your mortgage lender to see if the terms of your mortgage include what is called a “forbearance” provision that suspends or reduces payment obligations in the event of disaster.

These may include:

- Temporary suspension of payments
- Longer period of reduced payments
- Loan restructuring to create a longer payback period

Other loan payments

Some financial institutions may offer lower payment plans to customers who qualify for U.S. Small Business Administration loans, disaster housing grants, or other grant/loan programs. Contact the Federal Emergency Management Agency or the Small Business Administration about disaster loans.

Check the Minnesota Fix-Up Fund and Energy Saver Rebate Programs for low cost loans for needed improvements. To identify participating Fix-Up Fund lenders, contact the Commerce Department Energy Information Center at 651-539-1800 or 800-657-3710 (Greater Minnesota only).

Contact local financial institutions that are Minnesota Housing Finance Agency lenders for:

- Direct loans
- Modification of existing credit terms
- Assistance in accessing federal low-cost loans

Organizing your financial information

To get a full picture of your finances, you will need to find out what you owe.

1. Make a list of your creditors and lenders (think about outstanding credit card debt or loans) and contact them to explain your situation. Creditors might be aware of your situation and have a procedure in place.
2. Get the balance due for each account. Ask about flexible payment arrangements or settlement availability. Creditors and lenders will most likely be willing to work out an arrangement with you that will result in repayment that is possible within your financial picture.
3. Make a list of outstanding debts and money available from grants or low-grant loans and insurance claims to give you a clearer picture of your financial situation.
4. Settle accounts. If possible, or attempt to work out a payment plan with each creditor.

Credit counseling services

A disaster can create burdensome debt. You may be interested in working with a professional to resolve outstanding payments.

Check with the Minnesota Department of Commerce to see if a credit service organization is registered or a debt management company is licensed at mn.gov/commerce (scroll to the bottom of the page and select “License Lookup.”) Check if the counseling agency is a member of a major association, such as the National Foundation for Credit Counseling or the Association of Independent Consumer Credit Counseling Agencies.

Reputable agencies offer free face-to-face counseling sessions to discuss your spending habits, arrange a budget, and help you handle your personal finances. Avoid services offered over the phone or online.

Promises of quick debt reduction or debt settlement plans with high up-front fees (in the hundreds or thousands of dollars) should be a red flag.

Getting assistance

Other government resources

Federal Emergency Management Agency (FEMA) Disaster Assistance 1-800-621-FEMA (1-800-621-3362)

The Minnesota Energy Assistance Program, administered by the Minnesota Department of Commerce may offer energy utility bill assistance or furnace replacement or repair (800-657-3710, MN only).

Eligibility for the Minnesota Energy Assistance Program is based on income. For example, a household of four with an annual income of \$46,056 or less would be eligible.

County Emergency Managers: list of counties at <https://dps.mn.gov/divisions/hsem/contact/Pages/county-emergency-managers.aspx>

US Small Business Administration: low-interest loans to homeowners, renters, businesses & organizations in a declared disaster.

Minnesota District Office: Minnesota District Office
330 Second Avenue South Suite 430
Minneapolis, MN
Phone: 612-370-2324

In addition, you can look to these community-based resources for information:

The University of Minnesota Extension AnswerLine: for information on food safety, mold clean-up, and guidance on post-disaster financial decisions.

1-800-854-1678

Minnesota Farmer Assistance Network: MFAN provides business and financial guidance at no cost to Minnesota farmers and farm families facing economic hardship.

1-877-898-MFAN (6326)

651-201-6326 (local)

mfan.mda@state.mn.us

Mortgage Default Information and Counseling (888-234-4935, toll free)

National Flood Insurance Program 1-888-379-9531 or floodsmart.gov.

Disaster Distress Helpline: Substance Abuse and Mental Health Services Administration: provides information, support and counseling - 800-985-5990 or text TalkWithUs to 66746.

Ready.gov: Prepare. Plan. Stay Informed: tools to help Americans prepare and respond to emergencies.

National Disaster Legal Aid: for low/moderate income individuals at <http://www.disasterlegalaid.org/>

Lutheran Social Services Disaster Response: 1-800-582-5260 LSS services include long-term disaster case management, volunteer coordination, rebuild assistance, mental health supports, financial counseling.

Business Insurance

Are you prepared?

Is your business ready for disaster?

- Do you have an emergency response plan for employees and customers?
- Do you have copies of important papers and information stored off-site?
- Does the information include: details on business assets, receipts, photos, insurance policies, contact details for your agent or company? These documents will assist you when you file a claim later.

Minimize your risks:

- Install fire and security alarms.
- Plan and train employees for emergencies on the premises, such as fires and evacuations.
- Direct employees to keep wallets and other personal items in a secure place and put the business' cash and other valuables in a safe.
- Maintain office space in good physical condition.

Manage property and liability costs:

- Review all insurance policies annually and note any changes that may affect your coverage costs. For example your premiums could be impacted by the addition or reduction of employees, clients product offerings or inventory; alterations to your building; or changed state regulations.
- Find out how plans differ to make sure you are purchasing the best policy for your particular business at a competitive price.
- Claim a tax deduction for your premiums on fire, casualty and burglary insurance.
- Avoid purchasing overlapping policies. Reviewing your policy regularly will help ensure that you are not missing crucial coverage in other areas.

Property Insurance

Your property insurance policy covers you for damage or theft of the physical property and equipment of your small business. If you own the physical structure of your business address, your property insurance should cover both the structure and its other assets. If you lease the space you occupy, you are responsible for insuring your personal property/

contents. As a leaseholder, you need to have a contingency plan in case your landlord or your landlord's insurer is not able to promptly repair the building where your business is located.

More information about property insurance:

- There are three types of property insurance – each covering a wider range of perils. Know which form your business has – Basic, Broad or Special – and what perils are covered.
- Check to see if your property will be replaced for the actual cash value (ACV) or replacement cost. ACV reimburses the cost to replace, rebuild or repair damages, taking depreciation into consideration. Replacement cost does not factor in depreciation.
- Flood is not a covered peril in a standard business property insurance policy. You can purchase flood coverage from the National Flood Insurance Program (NFIP), administered by the Federal Emergency Management Agency (FEMA). You generally have to wait 30 days for a flood insurance policy to go into force. If you are worried about damage from flood, find out more about the NFIP at www.floodsmart.gov. If the flood insurance property limits from the NFIP are inadequate to cover your business, check with your insurance agent about coverage options.

Business interruption coverage

Business interruption/continuation insurance covers expenses associated with running your business, like your payroll and utility bills, based on your company's financial records. Business interruption/continuation may also help pay for the extra expenses to keep your business in operation until you recover. This coverage generally includes a waiting period that serves as the deductible.

Filing a claim

- **Contact your insurance company immediately** to report the loss and follow the instructions given to you by claims personnel. You may have several different policies that cover all of the damages from the storm (a flood policy, a homeowners policy, an auto policy that may cover damage to your car from flooding), and it is likely you will have to file separate claims for each loss.
- **Take photos of the damage**, when it is safe to do so.
- **Get organized.** Get a complete copy of your insurance policy or contract and find your previous business tax filings. Many commercial business filings have income loss protections and your filing may help you to identify lost property. Collect any records that can prove the value of damaged equipment. If you have business interruption insurance, you will need to prove income to determine the amount of business lost.
- **Keep a log of expenses** incurred and contacts made with the insurance company.



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