

*State of Idaho*  
**DEPARTMENT OF INSURANCE**

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**NEWS RELEASE**

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**NEARLY HALF OF AMERICANS UNPREPARED FOR DISASTERS,  
NEW SURVEY REVEALS**

*What You Need to Know About Insurance Before Disaster Strikes*

Boise ID — Idaho Department of Insurance Director, Bill Deal, urges Idahoans to prepare themselves to deal with potential losses in the event of a natural disaster. According to new research by the National Association of Insurance Commissioners (NAIC), nearly half of U.S. consumers are insufficiently prepared – in terms of their insurance coverage – for the hurricanes, wildfires, tornadoes and floods that accompany the spring and summer disaster season.

The national survey revealed a significant lack of preparedness among consumers in documenting their belongings. Nearly half – 48 percent – said they did not have an inventory of their possessions. Of those consumers who reported having a checklist, 32 percent had not taken any pictures and 58 percent had no receipts validating the cost of their possessions. In addition, 44 percent of respondents acknowledged that they had not stored their inventory in a remote location.

“A comprehensive list of your belongings and their value will help you file an insurance claim after a disaster,” said Deal. “Creating an inventory and storing it in a safe location away from home is one of the most basic — and most effective — disaster preparedness steps anyone can take to help protect themselves and their financial future.”

Consumers should understand the type of homeowners or renters policy they purchased. An *actual cash value* policy will cover the amount it would take to repair or replace damage to a home and its contents *after depreciation*. A *replacement cost* policy will cover the amount it would take to replace or rebuild a home or repair damages with materials of similar kind and quality, without deducting for depreciation.

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“Many consumers are not able to recover after a disaster because they don’t realize how depreciation can impact their assets,” said Deal. “It is important that consumers understand the implications of purchasing an actual cash value policy vs. replacement cost insurance. In the event of a disaster, the difference could mean thousands of dollars in payout.”

The NAIC survey also found that the majority of consumers do not have the coverage necessary to protect themselves from specific types of losses that are not reimbursed under standard policies:

- 69 percent do not have earthquake insurance.
- 65 percent do not have flood insurance.
- 56 percent do not have insurance for a water line break.
- 55 percent do not have insurance for a sewer line break.

Director Deal recommends that consumers review their insurance policies yearly with their agent or company to make sure they have the coverage needed to protect their family and their belongings.

Get important information about preparing for a disaster from the Idaho Department of Insurance Web site at [www.doi.idaho.gov](http://www.doi.idaho.gov). Or, call 334-4250 in the Boise area, 1-800-721-3272 statewide.

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