



***“Love is the only force capable of transforming an enemy into a friend.”***

- Martin Luther King, Jr.

## ***We Need You!!***

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***“Alone we can do so little; together we can do so much.”***

Helen Keller

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Issue

**11**

FEBRUARY  
2015

# **Legal Times**

A bi-monthly journal from Warren & Simpson, P.C.



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## ***Dear Clients,***

*I can't believe the first month of 2015 has already come and gone! Where has the time gone? Yet another reminder that we are not in control. Control. What an elusive word. Elusive because by definition it states "to direct the behavior, actions or function of something or someone; to have power over something." Well, I don't know about you, but I'm reminded on a daily basis that I control very little in my life. For those of you who have children, you know what I mean. Ask any parent of a new born if they have control. Or any parent of a teenager, for that matter. Everyone is trying to take control. But the more I ponder the word, I'm not sure I want it. Control, that is. Sometimes things happen in life that we can't fix (or control), and we have to stand back and let God fix it. And you know what? I'm okay with that. His track record is better than mine. My good intentions don't always turn out like I planned. However, His do. Because if you read Isaiah 55:8-11, He explains it. Proverbs 16:9 says, "The heart of man plans his way, but the Lord establishes his steps." Control. The more I think about it, I'm glad I'm not in control. But what a wonderful feeling to know the One who is!*

*- Derek*

## FAQ

### ***What is the tax credit I can get under the new health insurance law?***

Generally, the tax credit will be available to individuals and families with income between 100 percent and 400 percent of the federal poverty level (\$22,350 to \$89,400 for a family of four in 2011). To be eligible for the tax credit, you must be enrolled in a "qualified" health insurance plan through one of the insurance marketplaces known formally as "exchanges." Furthermore, anyone covered through an insurance marketplace can't be eligible for Medicare, Medicaid or an "affordable" employer-sponsored health plan.

For moderate-income families who don't have enough cash to pay a full health insurance premium upfront, an advance payment of the tax credit will be made by the Treasury Department to the health insurance company. Later, the advance payment will be reconciled against the actual tax credit, as calculated on the family's federal income tax return.

## SURPRISE!

### ***Little-known facts about your Homeowner's insurance***

Homeowners insurance can make you financially whole after a natural disaster or other loss that occurs on your property. It covers losses to your own home, as well as your liability for any injuries or property damage you cause to others. But there are a few things about this coverage that may surprise you -- and knowing this information can benefit you in many different ways.

Below are a few facts you should know about your homeowner's policy.

#### **Surprise! You can reopen a claim after you receive a check from an insurance company.**

If your home is damaged by a fire or natural disaster, the homeowner's insurance company will send an adjuster to assess the loss.

Eventually, you will receive a check to cover the cost of your claim. But what happens if you later discover damage that you missed initially?

"You may be able to reopen the claim and file for an additional amount," says Loretta Worters, a vice president at the nonprofit Insurance Information Institute.

Typically, claims for damage must be filed within one year of the date of the loss. However, rules differ by state. Worters suggests contacting your state department of insurance for more information.

#### **Surprise! Homes near fire departments and fire hydrants cost less to insure.**

To save money, find a home located in a community with a fire department that is deemed "highly rated." You may pay lower insurance premiums if you live in such a community. ISO -- a company that provides advisory services and information to many property/casualty insurers -- rates fire departments on a scale from 1 to 10, with 1 being the best rating. Some insurance companies use these rankings when setting insurance rates. Worters says many factors determine a fire department's rating. "(The rating is) determined by such factors as whether it's a volunteer or professional fire department, and the type and extent of training provided to fire company personnel," she says.

Other factors include:

- How effectively the department receives and dispatches fire alarms.
- The sufficiency of the community's water supply.

You also may pay less if there is a fire hydrant near the home -- typically within 1,000 feet, Worters says.

#### **Surprise! An insurer cannot cancel your homeowner's policy without good reason.**

Homeowner's insurance companies cannot cancel a policy that has been active for more than 60 days except in very specific circumstances, including when the insured party:

- Fails to pay the premium.
- Commits fraud.
- Lies or makes other misrepresentations on the original insurance application.
- Abandons the property or allows it to fall into disrepair.

However, once the policy term is up -- usually, at the one-year anniversary -- the insurance company can decide not to renew the policy.

Rules vary by state, but the insurer likely will have to give you advance warning of a coming nonrenewal. Most states require at least 30 days' written notice. Many states also require an insurance company to tell you why it isn't renewing the policy.

## WATER DAMAGE: *Is your home protected?*

Depending on where you live, winter may bring you freezing temperatures, rain or snow. You may be spending time in front of a cozy fire -- or you may be on your hands and knees, mopping up water from a burst pipe, leaking roof or flood.

If the worst happens, insurance can cover your losses. But what's covered and not covered varies, depending on your policy type. Also, what you do after the damage happens can help or hurt the chances of your home insurance claim being approved.

#### **Keep in mind that insurers view water damage in two broad categories:**

1. Water from above (rainstorm, ice storm or leaking pipe).
2. Water from below (floodwater).

#### **Rainstorms and pipe leaks**

Water damage is a common reason for filing an insurance claim. Winter storms caused an average of \$1.25 billion in annual losses during the past decade, the Insurance Information Institute reports. The average homeowner's insurance claim for water damage or freezing is nearly \$5,900.

Will your water damage be covered? It depends on your policy type. Some policies cover little besides fire damage.

Others include water damage only if it's cited in the policy. Still others cover water damage as long as it is not specifically excluded in the policy. *Read your policy carefully to know what's covered.*

If you experience damage from water or frozen water, you still may not be covered if your insurance company considers you negligent. For instance, if you had a summer home and forgot to drain the pipes when you left, or your pipes are improperly insulated, you may not be covered. If you ran out of heating oil or propane, and then your pipes freeze, your insurance may deny your claim. One important thing to note if you're filing a claim for water damage: You'll need to prove the damage was not caused by a slow leak that's gone undetected for months or years.

Water damage is covered from a sudden, accidental pipe break, for instance. Mold damage is even trickier. Coverage parameters vary by state. As with water damage, the mold must have been caused by sudden water damage, not a gradual buildup.

#### **Flood insurance**

If you think your property is in danger of flooding, there's only one resource for insurance -- the federal government. Since 1968, all U.S. flood insurance has been offered through the National Flood Insurance Program. If you're in an area prone to flooding, you may be required to obtain flood insurance to secure a home mortgage.

If you're at risk, it is well worth obtaining coverage. Last year, according to the National Weather Service reports, coastal storms, flash floods and river flooding caused more than \$1 billion worth of combined property damage.

But keep in mind that federal flood insurance has its limits. You can obtain up to \$250,000 of building-damage coverage. Meanwhile, coverage for your belongings is capped at \$100,000.

Beyond that, you're out of luck unless your flood is declared a federal disaster, in which case you may be eligible for additional aid from the Federal Emergency Management Agency.

#### **An ounce of prevention**

The best way to cope with winter water hazards is to take steps to prevent damage. Here are some helpful tips:

- Check for leaks in hoses on your dishwasher, washing machine and refrigerator.
- Watch for evidence of a slow leak, such as warped, discolored or soft flooring, wet spots on the floor or water-damaged cabinets.
- Check pipes under sinks for drips.
- Check bathtubs and showers for failing grout and re-caulk as needed.
- Check for hidden leaks by stopping all water use and recording the meter reading. If the meter reading keeps going up, there may be an undetected leak.
- Make sure all family members know where the water shutoff valve is and how to use it.
- If you're going to be away from your permanent home or summer getaway, ask someone to stop by to check the property.
- Be sure to drain pipes or keep the thermostat on to avoid freezing.
- In extreme cold, keep a small trickle of water running through the faucet.
- Close exterior doors for unheated spaces.
- Install a household water-leak detection system.

## CLAIM TIPS

**For your best chance at getting your water damage claim paid by your insurance, act quickly. Call your insurance agent immediately -- many will dispatch a team right away to help minimize damage. If no help is imminent, take photos to document your damage, then take action yourself to stop the problem and begin cleaning up.**

**Keep all the evidence, even if you have to pile sopping-wet insulation in the backyard and cover it with a tarp.**

**Your home insurer will send an adjuster to estimate the damage and present you with a settlement offer. If you think your insurer's estimate is too low, you can hire your own adjuster to do another estimate**