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What Can be Considered Additional Living Expenses Under Homeowners Policy?

This can include things like food, lodging, and transportation costs. If you have to evacuate your home due to a covered event, your policy may reimburse you for these expenses.

There are a lot of questions that come up around what kind of expenses can be claimed under an additional living expenses policy.

Our insured's home was severely damaged by a fire and she has had to relocate to a motel until her home can be restored. Her homeowner's insurance policy covers her home and contents, but she can't use her garage until repairs have been completed. Before the fire, she had stored some of her personal belongings in half of the garage. Now, she can't access these items until the space is repaired.

The insurance company is questioning two items under additional living expense—the cost to rent a storage space, and the cost to dry clean the clothing she took with her. We fought to have these included as “additional living expenses” and would therefore be covered.

United Policyholders, a non-profit information hub and advocacy group for insurance consumers nationwide, lists the following examples of what can be claimed as additional living expenses:

- Rent for temporary housing
- Insurance policy taken out on contents in temporary rental house
- Credit check fee charged by management company when renting temporary house
- Cell phone overtime charges incurred due to the loss of landline telephone
- Mileage to/from a temporary rental house to/from all locations visited for rebuild-related business, including:
Furniture Stores



There are a lot of things to think about when you're starting the process of rebuilding your home, and it can be overwhelming. Here's a list of some of the things you'll need to take care of:

- Fund control
- Flooring, granite, fixtures, and all other construction materials you need to research and choose
- Appliances
- Mileage for increased distance traveled from temporary rental home to:
- Place of employment
- Adult and children's activities (school/sports/ clubs/lessons)
- Your house of worship
- Meals eaten when out on rebuild-related business (e.g., visiting construction site, shopping for replacement personal property items, researching/purchasing rebuild items such as appliances, flooring, fixtures)
- IT fee charged to set up new computer system at temporary rental home

If you didn't have to pay a sewer fee at your previous home, you may be charged a sewer fee at your temporary rental property. Additionally, you may be faced with new account or "setup" fees for utilities at your rental home. As if that wasn't enough, you may also have to pay photocopying and mailing expenses related to your claim, as well as moving costs incurred to move from the temporary rental home back into the repaired/ rebuilt home.

The following are some examples of common expenses that are not typically covered by disaster assistance programs but may be necessary in order to begin recovering from a disaster:

- Reconnection fees for setting up services (cable/ telephone/ utility) at the rebuilt home
- Carpet cleaning when moving out of rental home (if temporary lease agreement requires this upon move out)
- Pet boarding costs

I suggest that policyholders take a look at the International Risk Management Institute (IRMI). In one of its commentaries, it noted some examples of additional living expense coverage, which is quite broad.

The policy promises to cover expenses so that the insured can maintain their standard of living - which is a broad and significant responsibility for the insurer. For example, if Tom has to drive 50 miles to work each day after a fire forces him out of his condo, the insurer would be responsible for compensating him for the extra 90 miles he's driving each day.

Jim and Karen's home and all of their belongings were destroyed in a fire. They are currently living in a furnished townhome, but they are slowly purchasing new furniture, clothing, and appliances as they can afford it. They are keeping the new items in storage until they are ready to move back into their home. The cost of the storage, as well as the cost to move the new furniture into the home, are both covered under additional living expenses.

Publications such as these are essential because they provide a voice for the many claims professionals who do not feel confident or knowledgeable enough to speak up against objections that could result in lower claims payments. Too often it seems that those in charge of such things are not properly trained and lack understanding of company policy. This lack of understanding often leads to employees feeling like they have to objection to keep payments down.

Being familiar with resources from credible sources within the insurance sector can help you with your insurance claims. They are tools of knowledge and can help prove your case against your insurer. There will be many additional living expenses associated with storm claims, so we recommend policyholders brush up on their policy language and general insurance knowledge to make sure they receive their full coverage benefits.

Call the attorneys at Hamilton Rucker, PC for a free consultation.

