

in deep water

Water damage comes in many forms, and having the proper coverage for all of them is critical to protect yourself—and your home.

Waking up to the sound of water flowing in your home can elicit a response of panic and confusion. After your immediate actions to address the cause, one of your questions will likely be “Does my homeowner’s insurance policy cover this?”

No one wants to wade through water damage in their home, but it happens more often than many people realize. Water damage is five times more likely than theft and eleven times more likely than fire. Did you know that it takes only 14 minutes for 75 gallons of water to escape a pipe and flood your home? On average, water damage repairs can cause a homeowner to leave their home for three to six months.

In 2022, 40% of all home losses were due to non-weather-related water damage. Most often we think of water damage as storm or catastrophe related. However, there are many potential issues inside your home that can result in water damage. Some of the most common causes are water line failure, overflow from kitchen and bathroom fixtures, plumbing or appliance failures, or burst pipes.

Under most standard, unendorsed home insurance policies, if water damage occurs suddenly or accidentally from a source inside your home, such as a burst pipe, it will likely be covered. If the water comes from outside your home, it will usually not be covered.

In situations where your home owners policy will not cover water damage, perhaps you can add an endorsement or a separate policy to bridge the gap. Or, maybe it is just not able to be covered. Keep in mind that every policy is different, and coverage can never be guaranteed until the time of a loss, but let’s look at the most common situations.



WATER AND SEWER BACKUP Water or sewage backing up through your sump pump or floor drains. This is not covered unless you add an endorsement to your policy for an additional premium. The endorsement would also cover if sewage backs up through your toilets, sinks or bathtubs.

FLOODING Most often due to standing water next to your house and coming in through windows, window wells, or under doors. This is almost never covered by your home policy. However, you can get a separate flood policy through our agency. Not in a flood zone? You could still benefit from a flood policy. Do the storm drains/ditches in your area back-up or get blocked? This could cause standing water next to your house which could result in a flood claim.

SEEPAGE This is caused by water entering the house through cracks in your home’s foundation. Home insurers consider water damage due to seepage to be a maintenance issue—so it is typically not covered.

LONG-TERM Water damage to your home is only covered if it is caused by a sudden and/or accidental event. Regular wear and tear that naturally occurs is excluded as well. Home insurers expect you to handle the responsibility of ongoing home maintenance. This means that a leak, even if you cannot see it because it is inside a wall, is not covered. Water damage caused by a roof that is overdue for replacement would not be either since lack of maintenance contributed. But a pipe bursting would be covered. ▲

Call your Foreset Insurance Agent to review your coverages today at 708.383.9000.



tipping the scale

With more states experiencing extreme weather, insurance premiums are on the rise and insurance coverages are tightening.

You have probably noticed an increase in your insurance premiums recently. And if you haven't, you will at your next renewal. Higher premiums are hitting while we are already burdened with higher prices of everything all around us. And unfortunately, there is little chance the insurance renewal increase pain will ease any time soon.

Many customers are aware of the higher-cost, lower-coverage trend in states prone to hurricanes, floods or wildfires. But no state is safe right now. Since the start of 2022, double digit rate increases have been approved in 31 states ranging from 20-30% and Illinois is among the highest of those increases.

Many companies are tightening coverages to limit their expenses such as limiting coverage for older roofs to their depreciated cash value, rather than their replacement cost. Others are being forced to put into place tougher underwriting guidelines, forcing higher deductibles and in some cases, halting sales of new policies altogether.

Weather damage is also getting worse. Claim damage in the U.S. from severe storms, wildfires, floods and other natural disasters has topped \$90 billion in each of the past three years. That is higher than the average of the previous four decades even with inflation. Insurers also expect catastrophe losses to remain elevated and even increase.

The escalating cost of these catastrophes is reflected in a steep increase in premiums. Not only for consumers but for the reinsurance coverage that insurance companies buy to cushion their financial loss during catastrophic losses. Reinsurance premiums were up 50% for renewals at the start of the year and as of June 1st increased, on average, another 33%. The question of whether reinsurance prices will keep pressure on home-insurance premiums, depends on what happens in the second half of the year. If we have more major catastrophes, reinsurance prices will go up again.

Home insurance companies are desperately trying to get back to profitability after losing money in five of the past six years. According to the Insurance Information Institute, "We are seeing the industry having an underwriting loss continuing out to 2025," meaning that for consumers "the cycle of continuing to take rate upward is going to continue for the next two years." The cost of claims has risen exponentially in the past years resulting in the carriers having to raise premiums, make drastic changes by reducing coverages or pull out of the market completely.

The Quarterly Charity

The Rotary Club of Oak Park & River Forest



For every referral you send to us for a quote from October through the end of December, we'll donate \$20 to Rotary. Rotary Club of OPRF is a member of Rotary International, one of the first humanitarian organizations. They transform lives and communities by identifying underserved needs and taking action to empower people with the building blocks for a happy, fulfilling, and productive life of their choosing. They direct their efforts to enhance our local and global impact.

Visit their website at <https://oprfrotary.org/> or email them at outreachoprfrotary@gmail.com

Some content sourced from *The Wall Street Journal*.

CLAIMS

Taking the right steps

What do you do if you have an accident or a potential claim occurs at your home?

First and foremost, move everyone to somewhere safe. It may be the side of the road away from traffic or outside of your home. Call 911 so the authorities can get to you for assistance. Try to remain calm and don't panic as a calm demeanor will make it easier to think straight and may help with documenting and remembering details while working with your insurance company to get your claim settled as smoothly and quickly as possible. Then call Forest Insurance for help and we will advise you on the next steps.

But what happens when tragedy strikes on a weekend, night or holiday and our office is closed? Do not wait until we are open and are able to assist you. Take reasonable steps to do what is needed to reduce a larger loss and protect covered property from further damage. Remember that we are your primary advisor, but you can still place a call directly to your carrier.

If rain is coming into your home, you may need to call a roofer, water restoration service, board up company, etc. to come out right away. If feasible, set damaged property aside and in the best possible order for examination. Take photos and/or videos for your documentation. Be proactive by having a list of referrals for trusted companies so you have the information on hand in case of an emergency.

If your car is disabled on the road, contact a towing company to move your vehicle to a safe area. Secure a rental car if needed. If your vehicle is drivable, feel free to get estimates so you have an understanding of the extent of the damages before deciding if you want to file a claim.

Use the phone number located on your policy documents to notify your insurance company of any incident. Remember claims do need to be filed within a timely manner or could be denied.

Be sure to document everything through the whole process and keep all receipts. Make notes of important facts and information. When you meet with an adjuster, you will be asked to provide receipts and invoices. Make copies for your records. It is better to have more documentation than needed. A claim can be denied if you are missing documents.

After a weather event there will often be signs up, people knocking on doors, or someone handing you a business card. A word of caution—be careful when you choose someone to work with and be sure you know what is represented in any documents that you sign. If a “contractor” knocks on your door and says you have damage, we recommend calling a trusted professional for assistance instead. If you sign a form from a “public adjuster” with the promise that they will take care of everything for you, we, as your agent, can no longer help you. All dealings must be directly between the “public adjuster” and your insurance company as you have signed away your rights.

We are always here at Forest Insurance to advise you with any questions you may have. But remember you can—and should—keep yourself safe, mitigate a larger loss, and file a claim if needed when we are not available. Then, call us at 708.383.9000 on the next business day for further guidance. ▲



Agent Profile
Silvia Cabanas

Silvia resides in the Island neighborhood of Chicago with her husband and two daughters. Her oldest daughter graduated from University of Iowa and her younger daughter is currently a sophomore there. Go Hawks! She enjoys gardening at home and hiking—especially in national parks. She loves using her Instant Pot to cook delicious Mexican recipes that used to take forever on the stove! Silvia started with Forest Insurance in October 2022 working in Personal Lines and utilizes her extensive customer service background to better serve the needs of the community.

FI Birthdays

Victoria Vega, November 7
Jessica Cusack, November 12

FI Anniversaries

Cristine Saucedo (10 years)
Diane Villagomez (20 years)
Silvia Cabanas (1 Year)

Thank you to our clients who referred a friend or family member this summer.

Anthony & Patricia DeSalvo
Brett & Kathleen Gargano
Gladys Moran and The Dream Catcher Home Daycare Inc.
Christopher Jackson & Angela Schell
Dale Jones & Mary Ann Cooper
John Hagerty
Kara Holder
Linda & David Jancik
Mark & Pamela Kaiser
Mark & Suzanne Magro
Walt & Nancy Malinowski
Corynne Romine & Michelle Mascaro
Marisela & Arturo Melecio & Glenda Lopez
Jane Monaco
Michele & Noel Moore
Mark & Anne Nystrom
Robin & Frank O'Brien
Pequenos Giants Daycare Center LLC
Peques Wiggles & Giggles Learning Center Inc. #2
Michael Loizzi & Robert Porazinski
Bill & Peggy Ramette
Joe & Vicki Ream
Jeff & Renee Rehkemper
Judy Sepsey & Kathy Zupko
Solis-Vanegas LLC
Together for Childhood Network(2)
Don & Mary Vogel
Stacey & Scott White

When you refer someone to Forest Insurance, we'll send you a \$10 gift card and enter you in our quarterly raffle. In addition, we'll also make a \$20 donation to our Charity of the Quarter.

Leadership



Dan Browne



Cathy Hall

Contact us for more information
about our services and products.

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Our Team



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Maria Lopez



Maureen Monaghan



Cristine Saucedo



Judy Shelstad



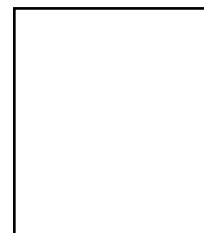
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