



DEPARTMENT OF INSURANCE, FINANCIAL
INSTITUTIONS AND PROFESSIONAL REGISTRATION

P.O. Box 690, Jefferson City, Mo. 65102-0690

INSURANCE BULLETIN 11-04

Preservation of property

Issued July 1, 2011

To: All property and casualty insurers

From: John M. Huff, Director

Re: Preservation of property

Missouri has experienced a number of devastating natural disasters this year including widespread flooding, severe storms and tornadoes. These natural disasters have left many Missourians coping with death, injuries and property damage.

With regard to property coverage, (homeowners, renters, condo, mobile home, etc.), there are limitations of coverage for personal property (contents) removed from the insured premises. These same policies also exclude coverage for neglect of property and may additionally have provisions that require the preservation of property.

To avoid penalizing policyholders facing the threat of predicted flooding and in disaster areas who take measures to protect and secure their property, the director strongly encourages insurance companies to extend the full limit of personal property (contents) coverage to property stored off premises. This is similar to actions taken in Iowa, Nebraska and North and South Dakota.

If an insurer extends coverage in this manner, such extension of coverage may be in accordance with all other applicable policy provisions. For instance, there would be no expectation of coverage for perils not otherwise covered by the policy or an expectation of modifications to deductibles that may otherwise apply to the property loss. It is the policyholder's responsibility to store the property in a safe

and secure location. It is also the policyholder's responsibility to comply with their other obligations under the policy.

The director also strongly supports insurers giving policyholders impacted by a disaster a reasonable amount of time to complete repairs necessary to make the insured premises habitable and secure in order to return the property to its usual location. If, for reasons such as administrative efficiency, an insurer extends coverage on a wider basis throughout the state, the director would likewise be supportive of such measures.

To enable the Department to effectively address consumer inquiries and concerns regarding their property and insurance coverage, the director requests any insurer **not** extending additional coverage to promptly notify the Division of Consumer Affairs at consumeraffairs@insurance.mo.gov.

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