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Maine Superintendent of Insurance: How Mainers Can Best Protect Against Storm Damage, Flooding

Our homes are often our single largest investment. Let's be sure to take care of them.

Maine has been hard hit by storms and flooding over the past year, with five disaster declarations in 2023 and two more so far this year. And hurricane season has just begun.

Extreme weather events here and across the country have fueled rising property insurance rates. In addition to natural disasters, rates are affected by higher costs for labor and materials, and rising real estate values, all of which affect the cost of replacing damaged property. Despite recent rate increases, Maine continues to have lower property insurance premiums than most other areas of the country, but that may be cold comfort for homeowners hit with double-digit rate increases.

Here are a few things homeowners can do to reduce insurance premiums and protect their property.

First, talk to your insurance broker or agent to see if there are more affordable options. Shopping around can save you money. Your agent can also check for discounts, such as “bundling” opportunities (using the same insurer to cover your home and auto) and discounts for certain upgrades to your home. You may also consider increasing your deductible to lower your premium.

Check to see if your homeowner’s policy contains a water damage exclusion, as this standard provision exempts the insurer from covering flood-related damage. When a storm surge destroyed a deck and shed belonging to a homeowner on the coast, their claim was denied due to their policy’s exclusion for flood, surface water, waves, and tidal water.

Consider buying flood insurance. Last year, homeowners along the Kennebec and Androscoggin rivers suffered severe property damage from flash flooding. Much of this damage was not covered by their homeowner’s insurance.

Good property maintenance is always advised. This year, a homeowner in Mid Coast was denied coverage for storm damage because their insurer and an independent adjuster determined that their home flooded due to improper window installation and pre-existing rot and mold.

You may also want to talk to your neighbors about their property. Recently, a property owner on the coast had her claim denied after an adjoining property’s dock snapped off during a storm and smashed into her

wharf. The property insurance policy did not cover damage from “waterborne material carried or otherwise moved by water.”

If you are concerned about premiums for homeowners’ insurance or other types of coverage or would like to learn more about your insurance options, contact your broker or agent. You can always check with the Maine Bureau of Insurance (<https://www.maine.gov/pfr/insurance/home>), a reliable and unbiased source of information on insurance and insurance companies in Maine.

Shop around for coverage, review your insurance policy’s coverage and exclusions, and maintain your property. These steps can save you money and help protect your home, which is often our largest single investment. Natural disasters are occurring with increasing frequency and severity. Be sure to protect yourself, your family, and your home.

Bob Carey is the Superintendent of Insurance of the Maine Bureau of Insurance, an agency within the Maine Department of Professional and Financial Regulation.