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Considerations for Insurance Providers Handling Homeowners Claims from Winter Storm Uri

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As Winter Storm Uri swept across Texas over President's Day weekend, the temperature hit record lows and dumped snow in areas that have rarely seen snow before. Millions of people experienced several days of power outages and water shortages. After what the Insurance Council of Texas described as an "unprecedented" storm for the industry, experts estimate a record number of claims, in the hundreds of thousands, will be filed for damages associated with the storm.

The following highlights some of the matters insurance providers should consider in evaluating residential insurance claims resulting from the winter storm.

1. **Scope of coverage under the policy at issue.** While most policies cover damage to a home due to fire, burst pipes, fallen trees, or the weight of snow, many policies do not cover damage to other parts of the property including fences, patios, porches, lawn ornaments, or sheds. Moreover, some damages are limited. For example, many policies limit claims for spoilage due to power outages to \$500. Also, a resident who makes a claim for reimbursement for hotel expenses may only be successful under some policies if they left the home due to a covered event like flooding of the home due to burst pipes or fire damage. A power outage, without more, may not be a covered event for reimbursement under many insurance policies.
2. **Documentation and mitigation by the insured.** It is important to obtain thorough documentation to assist in determining what losses resulted from the winter storm and not from some other cause, such as wear and tear or lack of maintenance. In addition, particularly with burst pipes, losses may be reduced under some policies if the resident did not take proper measures to prevent or mitigate the damages. For example, if the resident failed to drain water from the pipes or keep them warm when they could have, the resulting damage may not be covered by some policies. However, the sudden and lengthy power outages may have inhibited residents' ability to take preventative measures; therefore, this also could be an area of potential dispute.
3. **Reasonable steps to prevent further damage.** Finally, after the damage is done, most policies require the resident take reasonable steps to ensure that further damage does not occur, and the extent to which this was accomplished may be a source of potential dispute. For example, if there is a hole in the roof, many policies require the insured to take reasonable steps to temporarily cover or otherwise insulate the interior of the home from further damage. Similarly, if the resident's pipes are frozen, many policies may require the insured to have mitigated the potential loss by turning off the water at the water main and drain the pipes before the water thaws to prevent additional flooding and water damage. Failure to mitigate against potential damage may result in lack of coverage or reduced payment and could lead to a source of contention between the insurer and insured.

Baker Donelson will continue to monitor the legal implications resulting from Winter Storm Uri. For more information, please contact [Matt Woolf](#), [Valerie Henderson](#), [Kirsten Vesel](#) or your Baker Donelson attorney.

