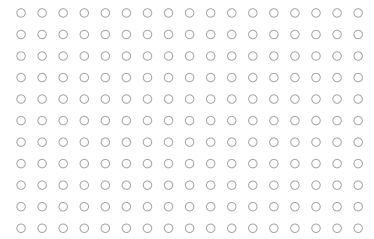


Understanding Additional Living Expenses in Insurance: What You Need to Know



When it comes to insurance, it's essential to have a clear understanding of the coverage provided in your policy. One crucial aspect that often goes overlooked is Additional Living Expenses (ALE). In this article, we will explain what ALE means within most insurance policies and provide important insights on submitting a claim. Whether you're a policyholder or someone who wants to understand insurance better, read on to learn more about ALE and its significance.

What are Additional Living Expenses?

Additional Living Expenses (ALE) is a coverage provision found in most insurance policies, typically within homeowner's insurance and renter's insurance. It is designed to help policyholders with the costs of temporary accommodations, meals and other necessary living expenses if their home becomes uninhabitable due to a covered loss, such as a fire, disaster or extensive water damage.

Understanding ALE Coverage

- **Temporary Housing:** ALE coverage typically includes expenses for renting a temporary residence while your primary dwelling is undergoing repairs or is deemed uninhabitable. This can include costs for renting an apartment, hotel room or even a short-term rental property.
- **Meals and Food Costs:** ALE coverage often includes additional expenses incurred for meals beyond what you would typically spend when living in your own home. These can include restaurant bills, grocery bills or even the cost of ordering takeout.
- **Transportation:** If your temporary residence is located farther from your usual workplace, ALE may cover additional transportation costs. This can include gas expenses or public transportation fares.
- **Storage:** In cases where your damaged property requires extensive repairs, ALE may cover the cost of storing your belongings until your home is restored to a livable condition.

Categories of ALE Claims

- **Prohibited access because a civil authority has ordered a mass evacuation:** This coverage starts on the date of evacuation and typically expires after 14 days. Policyholders should check their own policies for limits.
- **Prohibited access as a direct result of damage to neighboring premises:** This covers a policyholder whose home may not have been damaged but who cannot return because of damage to homes nearby. Policyholders should check their policies or ask their insurance representative to confirm their limit. Insurers will review the duration of coverage on a case-by-case basis.
- **Damage to your home by an insured peril, for example fire, flood or related damage:** This covers a policyholder whose home is unlivable because of damage by an insured peril. Typically covers additional living expenses for a reasonable amount of time needed to repair or rebuild the home or until the policy limit is reached.

In a flood situation, policyholders who have purchased optional sewer backup coverage or optional overland flood insurance would have this coverage. Always check with your insurance representative to understand the limits of your coverage.

Important Considerations when Submitting an ALE Claim

- **Notify Your Insurance Company:** As soon as your home becomes uninhabitable, inform your insurance company to initiate the claim process. Most policies require prompt notification and delays could affect your eligibility for ALE coverage.
- **Keep Detailed Records:** Maintain meticulous records of all expenses related to your temporary living arrangements. This includes receipts for accommodations, meals, transportation and storage. These records will be crucial when filing your claim.
- **Understand Policy Limits:** Familiarize yourself with the ALE coverage limits specified in your policy. Insurance companies typically set a maximum dollar amount or a time limit for ALE benefits. Being aware of these limits will help you manage your expenses effectively.
- **Mitigate Expenses Reasonably:** While it's important to maintain your standard of living, insurers expect policyholders to act prudently when incurring additional living expenses. Ensure that your expenses are reasonable and necessary, considering the circumstances.
- **Communicate with Your Adjuster:** Stay in close contact with your insurance adjuster throughout the claim process. They can provide guidance, answer your questions and clarify any uncertainties regarding your ALE coverage.

FAQ

My insurer says I can go home, but I don't think it's safe. Can I still get ALE?

When an evacuation order is lifted, prohibited access coverage ends. If your home is not damaged and the governing authority has given an all clear to return but you choose not to, you will not be eligible for ALE. If there are extenuating circumstances, you should contact your insurer.

What is a reasonable length of time to wait for insurance companies to reimburse us for living expenses?

Reimbursement periods vary from insurer to insurer; however, insurance companies understand that homeowners need to pay their expenses. Keep all your receipts and speak with your adjuster about what to expect regarding the timing and frequency of reimbursement.

Are there any limits on ALE coverage?

Yes, most insurance policies impose limits on ALE benefits. These limits can be in the form of a maximum dollar amount or a time period, such as 20% of your dwelling coverage or 12 months of coverage. Review your policy to understand the specific limits and durations applicable to your coverage.

Additional Living Expenses (ALE) coverage is a vital aspect of insurance policies that provides financial support to policyholders when their homes become uninhabitable due to covered losses. By understanding the scope of ALE coverage, knowing how to submit a claim effectively and staying informed about policy limits, you can ensure a smoother experience during a challenging time. If you have any questions or concerns, consult your insurance agent or adjuster for personalized guidance tailored to your specific policy.

Consult the HUB [Crisis Resource Center](#) for current information on significant disaster events.