



200 St. Paul Place, Suite 2700 Baltimore, Maryland 21202  
Direct Dial: 410-468-2000 Fax: 410-468-2020  
1-800-492-6116 TTY: 1-800-735-2258  
[www.insurance.maryland.gov](http://www.insurance.maryland.gov)

## **CONSUMER ADVISORY**

### **What Is My Insurance Company Required to Cover if My Siding Is Damaged by Hail or Wind?**

The answer to this question depends upon the language of your policy. The first thing you must determine is whether your policy covers the "peril" (event) that caused the damage. Damage caused by wind or hail generally is covered by most "named-peril" policies or "all-risk" policies. Named peril policies may provide for payment on a replacement cost or actual cash value (depreciated) basis. All risk policies generally cover all causes of loss, unless otherwise excluded, on a replacement cost basis. Your policy will specify what perils are covered and the basis of payment, but if you have questions about the policy, you should call your insurer and ask.

Under most policies, the insurance company is required to pay for the direct physical loss caused by the covered peril. This means that if hail damages only one side of your home, then your insurance company is only responsible for the repair or replacement of siding on that damaged side. If the policy provides for replacement cost, it generally will pay the lesser of the cost to repair the damaged material or to replace it. So what happens if the siding does not match the existing siding in color due to the age of the material, or the fact that the original siding is no longer available from the manufacturer? You will need to look at your policy to see what it provides in the case of a mismatch. Many policies contain exclusions for mismatches that occur when the damaged material is replaced with new material. If the policy does not contain exclusion for "mismatches", and it provides replacement cost coverage, the insurer may have to pay additional amounts when settling the claim. For example, the insurer may be required to offer an appearance allowance if the insured can demonstrate that the mismatch will negatively impact the value of the home. For additional information regarding the insurer's obligations under replacement cost homeowners policies that do not contain exclusions, see the Maryland Insurance Administration's Bulletin [97-1](#).

If your policy does contain an exclusion for mismatches, you may contact your insurance producer (agent) or company to see if you can purchase an endorsement to provide coverage for losses resulting from mismatches for an additional premium.

If you have questions, contact the Maryland Insurance Administration at 410-468-2000 or 800-492-6116.

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