

Additional living expenses (ALE) – frequently asked questions

What is ALE?

Most homeowners and renters insurance policies will pay the additional living expenses (ALE) you incur if you cannot live in your home due to a covered loss. For example, if you need to move into a hotel or apartment while your home is repaired or rebuilt, the insurance company will pay your extra costs for temporary housing.

What types of living expenses will ALE cover?

To name a few, ALE typically covers the items listed below, up to a specified policy limit. You need to keep all receipts for costs you experience. Furthermore, if you are not able to stay in your home, make sure your insurer has an address and phone number where you can be reached. The insurance company will need the receipts to reimburse you.

- Hotel bills
- Reasonable restaurant meals (above the costs of normal grocery bills)
- Laundry expenses
- Phone and internet services fees
- Pet boarding fees
- Transportation costs
- Storage of household items

What is not covered by ALE?

Coverage for earthquakes, floods, or landslides are not included in typical homeowners or renters policies; therefore, ALE coverage would not apply.

ALE coverage does not pay or reimburse for regular mortgage payments or utility payments at your primary residence. You will need to continue making all normal household payments for recurring bills.

Is there a limit to how long or how much I can use additional living expenses?

Some policies have a dollar limit, some may have a time limitation, or both. These limits are separate from any coverage to rebuild or repair your home. They're also separate from any coverage to replace your belongings. Ask your agent or insurance company what your policy covers and any time or dollar limits that apply.

Will ALE cover expenses if am forced to evacuate my home due to a natural disaster?

If you are forced to evacuate due to a wildfire and you have ALE coverage in your policy, your additional expenses would typically qualify for reimbursement. However, evacuation due to a flood, earthquake, or landslide would not be covered by ALE, unless your policy specifically includes those named perils. You should confirm coverage in writing with your agent or insurance company. Even if your home is not damaged, ALE is still subject to your deductible.

Will filing an ALE claim affect future rates or my insurability?

- Maybe. There are a few things to consider:
- Claims close to your deductible will not result in a meaningful payment and could have a negative impact on future rates and insurability. Consider if filing a claim is beneficial.
- The number, type, and value of claims in the last five years are factors considered in the underwriting process. Insurance companies cannot cancel your policy for one loss in a five year period.
- Filing a claim may result in a surcharge or loss of a claim free discount.
- Ask about the effects of filing a claim with your agent or insurance company before submitting a claim. Be clear it is an inquiry and that you are not filing a claim.

**For more information, contact the Oregon Division of Financial Regulation:
888-877-4894 (toll-free), dfr.oregon.gov**