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# Homeowners insurance on Long Island: Costs, mistakes, advice

By Claude Solnik

[Special to Newsday](#)

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Annette Esposito and her husband, Kevin Fasano, have lived in their brick Colonial in Garden City for about 30 years. But in January 2021, a pinhole leak flooded their basement, giving them a crash course in filing insurance claims.

"I documented everything," said Esposito, a bank's director of marketing. "The more you show the damage and support what's been lost and what happened, the easier the process is in the long run."

Esposito recovered \$12,700 after presenting photographs of destroyed carpet, holes in the ceiling, damaged walls, a damaged printer and shredder, moldy luggage and personal items.

"I can't say it's painless when your basement's ripped apart and it has to dry up for a month," she said. "We worked together to get this done."



Philip Maltaghati, owner of United Public Adjusters and Appraisers in Melville, said homeowners often don't examine their policies. Credit: Alejandra Villa Loarca

**Most people don't read their policy. It sits in their drawer or their email box.**

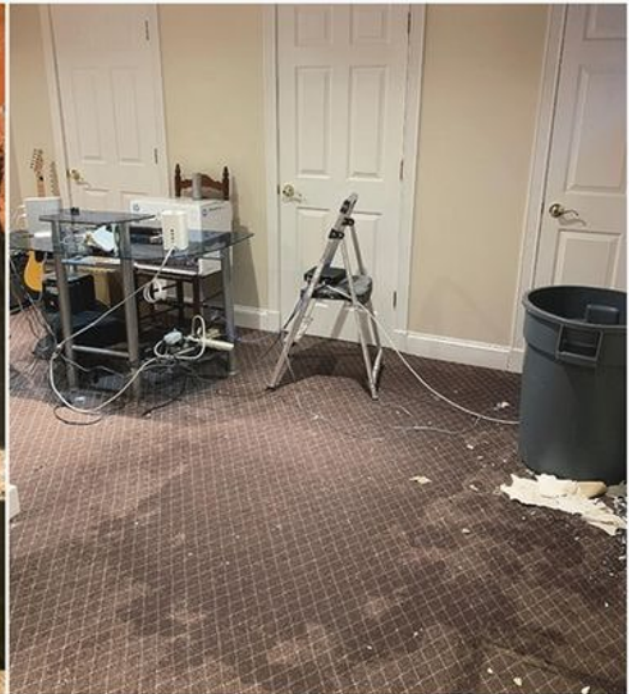
—Philip Maltaghati, owner of United Public Adjusters and Appraisers in Melville

While insurance is few people's favorite topic, rising renewal rates, inflation, insurer exits and increasing risk of hurricanes and storms are making it more important for Long Islanders to review and not blindly renew.

"Most people don't read their policy. It sits in their drawer or their email box," said Philip Maltaghati, a licensed public insurance adjuster and owner of United Public Adjusters and Appraisers in Melville. "They don't understand exclusions or limitations."



Insurance reimbursed Esposito for the majority of the damage to her basement. Credit: Annette Esposito



Annette Esposito took photos of her basement to document for insurance purposes. Credit: Annette Esposito



Insurance can be costly, although as those in the industry will say, not having a good policy can cost more when pinhole leaks, burst pipes and other problems strike.

The [national average homeowner's insurance](#) cost for a \$300,000 house as of January was \$2,181 per year, according to a study by Bankrate.com using data from Quadrant Information Services. [New York's average was \\$1,704](#), placing the region well below the average.

But [Long Island communities](#) with rates broken out separately on Bankrate.com exceeded the state average, with West Hempstead at \$1,911; Plainview, \$1,815; Hempstead, \$1,990; and Deer Park, \$2,096.

Average home insurance costs from 2020 to 2023 [rose more than 30%](#) from \$1,902 to \$2,530, or 13% once adjusted for inflation, according to the National Bureau of Economic Research.

Dan Waldeck, a partner at The Liberty Company Insurance Brokers in Amityville, said average Long Island homeowner 2024 premiums rose 10% to 15% year over year, while Long Island insurance brokers in April [told Newsday clients were paying 10% to 30% more](#) year over year.

## What's causing rates to increase on Long Island?

### 1. Rising construction costs

The [average sale price of a single-family house](#) in Nassau in November was \$775,000, up 6.9% from a year ago, and \$651,000 in Suffolk, up 4.7%, according to OneKey MLS. But insurance is based on the cost to replace structures, not the price of the property.

The Insurance Information Institute concluded replacement costs soared 55% between 2020 and 2022, nearly four times the U.S. inflation rate, according to spokesman Mark Friedlander.

"While replacement costs have begun to moderate, they are still outpacing inflation," Friedlander said.

"Because of inflation, the insurance company raises the value of the dwelling," said George La Grange, president of La Grange Inc., an insurance agency in Melville.



Richard Rowehl, of Northport, increased the coverage on his insurance policy without additional costs. Credit: Elizabeth Sagarin

**I wanted to make sure I'm able to rebuild what I have now after any fire or whatever else might happen.**

—Richard Rowehl, of Northport

When you increase your policy limit for coverage, that increases the amount you could recover to rebuild, while increasing your premium. Richard Rowehl, 58, of Northport, increased the value of his house on the policy.

"I wanted to make sure I'm able to rebuild what I have now after any fire or whatever else might happen," said Rowehl, chief entertainment coordinator and owner of DJ company RP Entertainment.

James Sutton, executive vice president at the James F. Sutton Insurance Agency in East Islip, said Long Islanders' homeowner policies often make annual inflation adjustments of 4% to 8%. He said the actual cost that adds varies based on the value of the home, but could easily be a few hundred dollars or more.

While the value of a new and old home can vary drastically, replacement costs can be similar if they are of "like kind and quality," Waldeck said.

Long Island's older homes also can be historic, requiring special policy provisions to cover ornate fixtures or detailed moldings that can easily cost thousands of dollars to replace, Waldeck said.

## **2. Companies leaving the area, reducing options**

Some companies insuring Long Islanders' homes have been going out of business or exiting the state, as they face financial pressure —and storm concerns. The New York Department of Financial Services oversees these processes, and residents are asked to transition to new policies.

Mountain Valley Indemnity, a subsidiary of Adirondack Insurance Exchange, [said it was exiting New York](#) last year. And AmGUARD Insurance Co., a Berkshire Hathaway subsidiary, said that as of last July 8, it would [exit personal lines](#), including homeowner, by the end of 2024.

Bankruptcies also reduced choices, such as United Property and Casualty Insurance, which went out of business in 2023. Meanwhile, some insurers are reluctant to insure Long Island homes near the water.

"Insurance companies have become a little leery of Long Island," Sutton said, noting events such as Superstorm Sandy further boosted concerns. "They feel a catastrophic storm ripping through could cause significant damage, which it would, if we were to be hit."

## **3. Hurricanes, worsening storms**



Twenty-seven weather disasters resulted in at least \$1 billion in damages in the United States in 2024, second only to 28 disasters in 2023, according to the National Centers for Environmental Information. The cost from the 2024 weather disasters was about \$182.7 billion.

This makes 2024 the fourth-costliest year on record, trailing only 2017's \$395.9 billion, 2005's \$268.5 billion and 2022's \$183.6 billion. The United States since 1980 has been hit by 403 such disaster leading to at least \$1 billion in damages. The cumulative cost for these [403 events topped \\$2.915 trillion](#).

New York was the top metropolitan area at risk of storm surge and hurricane wind, according to the Insurance Information Institute. Nearly 900,000 homes were at risk, compared to about 509,000 in Miami and 193,000 in Houston.

The metropolitan area ranked at the top for the risk for hurricane winds, at about 3.7 million homes, followed by Houston at about 2.1 million and Miami at 2 million.

**Burst pipes and wind cause a lot of claims on Long Island. Make sure burst pipes are covered.**

—George La Grange, La Grange Inc. president

Worse weather, leading to rising reinsurance costs, also is driving increases.

And the number of billion-dollar disasters annually nationwide rose from 3.3 per year on average in the 1980s to [18.3 annually in the decade ending in 2024](#), adjusted for inflation, according to Insurance Journal. Hurricanes caused more than \$692 billion in property damage in the United States between 2013 and 2024, according to Insurance Journal. (And already this year, the cost of damages from the California wildfires is expected to be in the hundreds of billions.)

"We're getting more frequent storms and we have a denser population," Robert Zabbia, owner of Zabbia Insurance Agency in North Massapequa, said of Long Island. "So of course the claims will be higher."

Winter also brings concerns related to wind, flood (covered by separate flood policies) and fire, from fireplaces, wood-burning stoves and space heaters.

"Burst pipes and wind cause a lot of claims on Long Island," La Grange said. "Make sure burst pipes are covered."

## **Common mistakes homeowners make**

While rates rise willy nilly, residents sometimes make mistakes rather than mitigating increases.

Many don't consider other companies as options when renewing. An insurance broker typically represents various companies, while an agent may represent only one.

Rowehl, who owns a 1,900-square-foot, two-story Colonial in Northport, in August changed carriers, increasing the top amount for which he has coverage and adding mold coverage without raising his cost.

"I modified my coverage by moving from one company to another," he said.

Too much or too little coverage or too high or low deductibles can boost costs of premiums or rebuilding. If you pay more than you need, you're hit with up-front costs. If it's too low, you risk a double disaster if you need to replace or repair.

Experts say residents should make sure contents, such as appliances, are insured. Waldeck said you aren't covered if an old appliance fails, but are if it is damaged or destroyed due to a storm, fire, burst pipe or other disaster covered by the policy.

**Sometimes people add to their house and don't tell their insurance company. Now the house is underinsured.**

—Robert Zabbia, owner of Zabbia Insurance Agency

Some Long Islanders neglect service line coverage for utilities such as water, gas and electric on their property, for which they are responsible.

Amid a renovation boom, many Long Islanders fail to update coverage based on home improvements that add value to the house.



"Sometimes people add to their house and don't tell their insurance company," Zabbia said. "Now the house is underinsured."

An umbrella policy, in case somebody gets hurt on your property, can expand liability covered by your homeowner policy.

After a fire or water loss, Long Islanders may want ordinance or law coverage to bring houses up to current code and building standards, such as energy codes.

"If you have that extra coverage, they will give you the extra money, if it is required by the town, village, county or state," said Maltaghati.

## **Ways to save money**

While renewals bring rate hikes, there are ways to lower premiums. [Good credit](#) can translate into better rates, according to Bankrate.com. Homeowners with poor credit pay 77% more for home insurance than those with excellent credit, according to the site.

Long Islanders can save by bundling auto and homeowners insurance, which Zabbia said saved one customer \$3,000. "Bundling auto and home is a huge saver," he said, noting that insuring two houses also can save.

You may need specific insurers not offering auto coverage for houses near the coast, making bundling tougher.

And getting various deductibles right, including hurricane deductibles, can save money. Sutton said most Long Islanders have a 5% hurricane deductible, such as \$50,000 for a million-dollar home.

Sutton said some insurers offer 3% or even less. "The lower the deductible, the higher the premium," Waldeck said.

You can also set up separate deductibles for fire, wind and water losses of \$2,500 or \$5,000. A wind deductible buyback policy lets you pay more to buy down your wind deductible.

## What about renters insurance?

Renters or tenants may think they're covered by landlords' insurance, but typically aren't. Renters insurance on Long Island, Maltaghati said, could cost \$300 to \$1,000 annually or more, depending on coverage and limits, for personal property, temporary housing such as hotels, and liability.

Sutton said some homeowner carriers insure brief stays such as a few weeks. Short-term rentals, like an Airbnb, can be added via special policy provisions. Full-time rentals, he said, should be insured under a special dwelling policy.

Condo and co-op owners may wrongly believe the board's master policy covers everything, which is also not the case. Governing documents, offering plans and bylaws spell out what's covered.

"They won't cover any improvements done over the years or the homeowners' personal property," Maltaghati added.

## To claim or not to claim



Annette Esposito and her husband have lived in their Garden City home for about 30 years. Credit: Debbie Egan-Chin

**Your head is all over the place when things like this happen.**

—Annette Esposito, of Garden City

After damage, the first decision is whether to file a claim. Sutton said Long Islanders' deductibles used to typically be \$1,000, but are now more often \$2,500 to \$5,000. It generally doesn't make sense to file claims lower than deductibles.

"Insurance is there for catastrophic losses," Zabbia said. "If you put in too many claims, the insurance company will drop you."

If you file claims, back them up as Esposito did. Maltaghati said in case of fire loss, social media photos showing you at home can support the property and condition when valuing damage.

"Save receipts of any steps to mitigate against further loss," Sutton said. "If a tree falls on the house, damages the roof, and it's raining, put a tarp up."

Maltaghati said videos where you show and describe damage can help. "Take your phone out and say: 'Look at the ceiling. It's wet. I have water coming out of the cabinets,' " he said. "If you videotaped and took photos, that would be helpful for the company to see that the items you claim were there."

Sutton said you should contact your agent or other insurance representative to guide you through the process.

"Your head is all over the place when things like this happen," Esposito, who lives in a three-bedroom house, said, noting assistance is welcome. "You can't think of everything."

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