

Additional Living Expense (ALE)/Loss of Use

After a loss makes it impossible for you to live in your home, you need protection and peace of mind to live elsewhere. Coverage for Additional Living Expense, also called Loss of Use, covers these expenses.

What are Additional Living Expenses (ALE) and Loss of Use?

Additional Living Expenses (ALE) and **Loss of Use** provides coverage when a covered loss such as a fire, water event, or tornado renders the insured property unliveable.

Additional Living Expenses (ALE)

ALE covers the *extra costs over and above your normal living expenses* that you incur while living away from your home. These may include:

1. **Temporary Housing Costs:** Hotel bills, rental expenses, or other accommodations.
2. **Increased Meal Costs:** If you can't cook at home and must dine out, the extra expense associated with eating out vs. cooking at home are covered.
3. **Transportation Costs:** Additional commuting expenses. For example, if you need to drive further to work or to drop off children at daycare, the extra mileage would be compensation.
4. **Pet Boarding Fees:** If you have to temporarily house your pets elsewhere because your accommodations do not permit them.

The purpose of ALE is to pay for the expenses that would not have occurred if the loss had not happened and typically ends when the property is repaired (or a set timeframe in the policy, whichever is shorter).

Loss of Use

This coverage is broader than ALE and sometimes includes the **Fair Rental Value** that is lost when the home is uninhabitable. Loss of use includes:

1. **Additional Living Expenses (ALE):** As described above.

2. **Fair Rental Value:** If you rented out part of your home when the covered loss happened, this covers the lost rental income during repairs.

What should you do?

Read your policy's terms regarding ALE and Loss of Use and seek help from a licensed insurance claims professional like Gavnat to ensure that you understand the coverage your policy provides. You should also keep records of all of your extra expenses such as:

- Rent for temporary housing
- Insurance policy taken out on contents in temporary rental house
- Credit check fee charged by management company when renting temporary house
- Mileage to/from a temporary rental house to/from all locations visited for rebuild-related business, including:
 - Furniture stores
 - Fund control
 - Flooring, granite, fixtures, and all other construction materials you need to research and choose
 - Appliances
- Mileage for increased distance traveled from temporary rental home to:
 - Place of employment
 - Adult and children's activities (school/sports/clubs/lessons)
 - Your house of worship
- Meals eaten when out on rebuild-related business, (e.g., visiting construction site, shopping for replacement personal property items, researching/purchasing rebuild items such as appliances, flooring, fixtures)
- IT fee charged to set-up new computer system at temporary rental home
- Sewer fee at temporary rental property if you did not have sewer fee at damaged/destroyed home, (e.g., damaged/destroyed home used a septic system)
- New account or "setup" fees for utilities at temporary rental home
- Photocopies and mailing expenses related to claim

- Moving costs incurred to move from the temporary rental home back into the repaired/rebuilt home (moving company; moving van; moving boxes; packing paper and tape)
- Reconnection fees for setting up services (cable/telephone/utility) at the rebuilt home
- Carpet cleaning when moving out of rental home (if temporary lease agreement requires this upon move out).
- Pet boarding cost

Conclusion

At Gavnat, we are here to help you understand your ALE/Loss of Use coverage. By carefully reviewing your policy and with support from the professional resources we provide, you can reduce stress and focus on rebuilding your life and home after a loss while having peace of mind that you are being fairly compensated by your insurance company.