

Questions homeowners may have about their property-loss claim following a catastrophic event

Your property insurance covers many events that can cause damage to your property. Unfortunately, not every event is covered. Earthquakes, floods and power blackouts are examples of events typically excluded without special arrangements for endorsements or separate policies. However, even though excluded events are not covered, there may yet be coverage for damage that arises from a concurrent or ensuing covered event. We recommend that you assume you have coverage until you are informed otherwise by the insurance company.

When a catastrophic event occurs, you no doubt will feel overwhelmed by the loss and the confusion that follows. Your first preparation is your first priority. Getting through the experience without realizing that you have suffered a loss will benefit from the kind of information you can get from questions asked by other homeowners and their adjusters.

What is the first thing I should do?

Your safety always is the most important concern. Do not enter your property until authorized personnel deem it safe to do so. When you approach the property, look for unsafe conditions, such as downed power lines, the smell of natural gas or unstable structural conditions. If it is safe to proceed, proactively shut off the utilities (electricity,

natural gas, water, etc.) to prevent further damage. Do not drink tap water (with the exception of bottled water) until you know the water is safe.

My insurer says I have to do something to receive my claim. What do I do?

Contact your adjuster and check the policy to see what they require. You may be required to complete a claim form. You also may be required to file a claim with the Federal Emergency Management Agency, the Red Cross or the Salvation Army or any other disaster recovery service organization.

Your homeowners policy typically will cover your additional living expenses to allow you to live in another location until repairs to your home can be completed. The typical homeowners policy covers events, such as a fire, windstorm or tornado. Unfortunately, even if you have a flood insurance policy, your additional living expenses will not be paid when the damages are caused by flooding. Keep this in mind when you make your living arrangements.

What can I expect the adjuster to do when he or she arrives?

The adjuster will “scope” the damages, a very important part of the claim process.

The adjuster will be made to determine the cause of the damage—for example, was the damage caused by wind, flood or both? Next, the adjuster will itemize the property that has been damaged. You will want to make sure that nothing is overlooked. The placement of values on the damaged property will not occur at this time. Appraisals, repair estimates and inventories will be obtained later to establish values.

Often the adjuster will offer an advance payment on a covered claim so that restoration may begin and living arrangements can be made. Be sure to keep detailed records on how this money is spent.

Should I hire my own adjuster to assist me with my claim?

Public adjusters are paid a fee based upon a percentage of the claim settlement; typically, between 10 and 15 percent (state laws may apply). Consequently, you will need to decide whether the adjuster’s services are worth the discounting of your claim settlement. Some of the services public adjusters provide are preparing the scope of damage; preparing inventories; ensuring that coverage decisions are reasonable; obtaining repair or reconstruction estimates; assisting with the presentation of the claim; acting as appraisers; and assisting with negotiations.

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Our agency will help you with coverage issues and provide assistance in the claim process. If your property values are out of the ordinary or the sheer volume of inventory is burdensome to you, you may want the assistance of a public adjuster.

What if I do not agree with the property values upon which the insurance company is basing the loss amount?

It may just be a need for additional documentation. When you obtain the evidence that substantiates the property value, go back to the adjuster and negotiate a better settlement.

If the adjuster is being obstinate and unfair, you can request to talk to the supervising adjuster. Our agency will advocate on your behalf to the extent possible.

If you are unable to negotiate further with the adjuster, there is an "Appraisal" provision in your policy that specifies a procedure for resolving differences in valuation of property losses. You and the insurance company each will get an appraiser of your own expense. Then, those appraisers will choose an umpire (who will share the expense). An agreement by any two of the appraisers will bind the amount of the appraisal.

And if you feel your insurance company is creating a problem, you may want to consider a public adjuster.

The following are some things you must do before you will get paid for your property loss claim:

1. Promptly report the loss.

Provided you have not been instructed otherwise, we ask that you contact our agency to give us a description of the property that has been damaged. In most cases (particularly, if our insured has been damaged by the same catastrophic event), it may be necessary to report the loss to the insurance company as soon as you report your loss to us soon after the loss in order to preserve your right to make a claim.

2. Protect your property.

When you have been notified that a claimable loss has occurred, you are required to protect your property from further damage. This includes covering property with a tarp, boarding up windows, shutting off utilities (natural gas, water, electricity, etc.) if leaking water from the structure or removing property to a safe location. Before you make any emergency repairs, take a photograph and document conditions immediately following the loss event. Be sure to save receipts for expenses incurred to protect your property so that you can be reimbursed according to the terms of the policy.

3. Separate your personal property.

Do not mix damaged property with undamaged property unless your policy specifically requires you to do it. Damaged personal property needs to be separated from undamaged property so that it can be inventoried by the insurance company's adjuster.

Inventory your personal property.

You will need to prepare an inventory of damaged personal property that shows the extent and quantity, cost new (if known) and fair market value of each item. Provide all the evidence you have that will substantiate its existence and value (pictures, video, brochures, packaging, receipts, etc.).

5. Submit a proof of loss.

In most cases, you will be required to submit a signed, sworn proof of loss within 60 days. In addition to your inventory of damaged personal property, the proof of loss will contain information about the extent and cost of repairs to real property, other insurance applicable to the loss, all interests (owners and lien holders) in the property, preservation expenses, additional living expenses, loss of rents and any other statements or documents that support your claim.

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