

RESIDENTIAL CLAIMS

Recovering with Resilience from Disasters

As a homeowner, recovering from a disaster such as a fire, flood, or earthquake is never easy financially or emotionally. There are a few key steps you can take after an event to help make your insurance claim — which is, after all, the basis for your financial recovery — go more smoothly.



Report your loss

Request a complete copy of your insurance policy. Read and make sure you understand your rights and obligations under your insurance policy before entering into any serious discussions or negotiations with your carrier.

Some considerations:

- Determine how much coverage you have on your building, personal property, and additional living expenses.
- Identify replacement cost extension on your dwelling and how much.
- Identify code coverage, if any.
- Determine type of replacement cost, i.e. functional?
- Determine the definitions of replacement cost and actual cash value.
- Determine limitations, if any, on classes of personal property, i.e. money, stamps, jewelry, etc. How do they affect the claim?
- Is the policy ALE only? Can claim be made for loss of fair rental value?

Seek out a professional to help you understand what your policy actually covers and, just as important, what it doesn't.

Comply with limitations and conditions set by your insurance company

Most insurance policies have strict limitations and conditions governing the handling of the claim. As a policyholder, you have an obligation to comply with the terms of the policy. Failure to do so can limit the amount of your claim - or worse, failing to comply with time limitations can cause a claim to be denied. Make sure you fully understand the terms and conditions of your insurance policy.

Limit your initial commitments with cleaning companies and contractors

Only engage cleaning companies and contractors to perform emergency services. Only allow them to remove, inventory and prepare estimates for you. Do not hire a contractor to rebuild your property, now. Only hire a contractor to secure your property to prevent injury or further damage. Take your time to fully understand any agreement you sign and the extent of the work you are authorizing.



800.248.3888

info@greenspan-ai.com | www.greenspan-ai.com

Protect your property from further damage

It's your contractual obligation to your insurance company to do what is reasonable and practical to prevent possible injury and to mitigate further damages to your property. You'll need to control access to the property in order to keep others from getting hurt, which may include installing fencing or hiring security. If necessary, you may need to demolish risky areas of the property. Save and secure any personal property that is irreplaceable and pay special attention to computers and electronics. It's important to document any measures that you take to satisfy this requirement. Failure to protect your property from further damage could result in being denied coverage or a smaller settlement.

Document the damage

Photograph or videotape the scene, including the "debris pile," before you begin any cleanup efforts. When estimating damages, do not rely solely on your historical records. Instead, secure replacement cost estimates.

Document all of your activities and expenses

Keep a log of all activities and save all receipts, including those for property replacement and extra expenses. This will provide the documentation a disaster recovery professional requires to present expenses to your carrier, and you will know which expenses will be reimbursed as you rebuild.

Start an inventory of your damaged personal property

You'll need to prove to your insurance company that you owned the items that were damaged in the fire. You will also need to prove the item's value. Here are some tips to help you make that claim:

1. Track down saved receipts and bank and credit card statements
2. Look through old photographs and videos taken in your home
3. Seek out owner's manuals and product accessories
4. Make a list of items you clearly remember owning
5. Check manufacturers' websites to get estimates of the retail value of similar items
6. Hire a professional inventory specialist who will know the right questions to ask when putting together a complete home inventory.

Hire your own experts

Policyholders often expect the insurance company adjuster to handle their claim fairly after serious property damage. However, an adjuster that works for the insurance company will always be looking to minimize their claim in order to save the insurance company money.

After property damage, you should hire an advocate to negotiate the best settlement with your insurance company. There will be many people, such as contractors and brokers, offering you claims adjusting services after a disaster. In many states, only public adjusters can represent and negotiate an insurance claim for you.

Consider what conflicts of interest might be involved. For example: Does the person representing you have a relationship with the insurance company? Will they be spending the funds that they are able to secure for you from the insurance company? Who can best represent your interests?



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