

Charter Claims

Advocacy Above All Else



**CHARTER
CLAIMS**



Experts Guide to Getting the Most out of your Property Insurance Claim

This guide isn't meant to be an all inclusive guide of what to do in every situation. It is meant to be a general guide of the claims process. There are some forms and other information not included in this guide.

For those documents please go to our website.

Remember if it not excluded from coverage then it is included and you have the right to be as inconvenienced as little as possible.

It is totally free to give us a quick call to tell us what is happening. You will be glad you did.

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An unexpected catastrophe has caused damage to your property, what's next?

When a catastrophe happens, everything can seem to happen quickly and painfully slow at the same time. Dealing with the emergency aspect and all the immediate problems at hand. But what happens once the emergency passes, putting everything back together can be painfully slow. The next few days, weeks and months can seem overwhelming to even the most organized and level-headed property or business owner. It can be confusing to know what your next step should be, who to call, in what order to complete tasks, and in the process do and say the right things to ensure that you're paid what is truly due you from the insurance carrier.

You've probably realized that the next steps will involve dealing with insurance companies, repair contractors and an unknown list of tasks that you're not even aware of yet.



What should you do to ensure that you get the most from your property insurance claim? Now is the best time to involve a professional who can help reduce your feelings of stress and anxiety so that your life can return to normal.

In this guide we have included information to help you handle the claims process. Please feel free to call if you have any questions.



Understanding your insurance policy is the first step.

Finding and understanding the information in your insurance policy can be invaluable and can help prioritize the most important tasks to complete at this time.

Some examples of your duties after loss may include actions such as

- Secure your property as best as possible immediately.
 - Photograph it and ask your adjuster if more can be done via email.
- Provide documentation proving your damages.
 - We recommend that you take photos and videos. You should take more than seems reasonable. Open all drawers, cabinets, pantries, closets, items under sinks, items on shelves, anything stored in the attic, etc. Even if you are unsure if it is damaged, document it.
 - Provide estimates of mitigation, and repairs.
 - We strongly recommend that you hire a certified industrial hygienist (CIH) to determine the health risk present and the appropriate steps to mitigate.
 - It is critical to find a certified industrial hygienist (CIH) who specializes in working for consumers.
 - Receipts
- Supply the insurance company with other records, such as financial statements when requested.
- Make your property available for inspection as much as is reasonably possible.
- Your policy may not require you to submit a “recorded statement”. Before declining we recommend speaking with an attorney. Further along in this guide we discuss declining recorded statements.



Section 1 Conditions and/or Your Duties after a loss

This section of your policy is essentially a compliance to-do list with your insurance policy. It is important to adhere to your responsibilities listed in this section to ensure the insurance company isn't provided with a reason to not pay or deny your claim.



Prompt Reporting



Every policy requires that claims be reported promptly. We suggest providing the date of discovery. Most people are not forensic mycologist and are able to say how long a leak has been occurring or know when the fire started. Did it start at 12AM when you were sleeping or 3AM. The length of time a fire was burning matters. If you were not there to observe the fire, vandalism, pipe break, flood, etc when it was occurring tell them I'm not sure. I found the damages at _____ time.

Prompt notice is intended to give notice to the insurance company so that they can assign resources to your claim and inspect your claim in a timely manner while the damage is fresh.

It is also very important that your claim be filed in a timely manner to protect you, as carriers may attempt to use the reason of "late reporting" to underpay or even deny a claim. By filing your claim promptly, you are setting a tone of cooperation and documenting your compliance with the conditions of your policy and preventing the insurance company from claiming later that their rights were jeopardized due to "late reporting."

Prompt Reporting

- Gives your insurance company an opportunity to inspect quickly and evaluate the claimed damage prior to involvement from a contractor.
- Limits the insurance company's ability to state that their rights were jeopardized due to "late reporting"
- It is possible to file a claim 24/7 with many insurance companies, either through their website or by calling a toll-free number.



You are responsible for protecting your property

Even if you report your claim the same day as the loss, it may be days or longer before an adjuster can inspect your property. After a loss, policyholders are required to prevent further property damage. This may include having a plumber turn off the water, putting a tarp over your home or boarding up the property. If a civil authority (fire or police department) prohibits you from accessing your property, it is imperative you ask for a letter from the controlling government agency to provide to the insurance company.

Declarations Page

Commonly when you ask an agent for a copy of your insurance policy they will send a declarations page. But it does not tell the full story, you likely have additional coverages that increase coverage and increase payouts. Even though this is called a "Declarations Page" yours might be a few pages long.

The declarations page has only basic information about your policy such as, the exact dates of the policy period for which you have coverage, who is listed on the policy, this may include your lender. It also describes exactly which location(s) are covered, their addresses, the total limits of each insurance coverage, deductibles, and a list of endorsements.

Insuring Agreement

This paragraph explains simply that as long as your premiums are paid and you comply with policy provisions, your insurance coverage is in force.



Damaged Items

DO NOT dispose of damaged items until your adjuster has reviewed them. You would think that if an item is covered in sewage or is destroyed by fire damage it is okay to get rid of it. This must be determined by the adjuster and authorized in writing. Without having these items available for inspection you may risk being reimbursed.

Exclusions

Some insureds believe that insurance companies give you coverage in one section and take it away in another. That line of thinking is true to some extent. The "Exclusions" section outlines damage caused by a number of situations such as "Earth Movement," "Intentional Loss," or "Governmental Action" that are excluded by even the most comprehensive Homeowner's policies. However there can be exceptions to exclusions.

Coverages

When a fire or other peril damages your home, the extensive "Section I" coverage description tells you if and how it's covered. Depending on the type of policy you purchased, your damage may be covered on a "specific perils" or an "all risk basis." The Coverage sections also describe the types of property covered and list any restrictions, limits or extensions for certain classes and locations of property. "Section II" coverages apply only to liability situations.

Definitions

This section defines what key terms or phrases, such as "you," "your" or "business" mean when they appear in your policy.

Understand that Insurance Companies Interpret Policies to Their Advantage

Insuring agreements are a contract of adhesion, they are one sided. The insurance company had the benefit of writing the contract, setting the terms. So the other party, you the policyholder, are to benefit from any grey area. But, many times the insurance company will interpret the policy strictly. Your insurance company's adjuster may skew the policy interpretation that supports a lower claim payout.



Company staff insurance adjusters are under pressure to minimize the amount they payout.

Insurance company staff adjusters are the bottom of the pyramid at the top of the common are those that have set the tone of the insurance company. The tone of how they actually view and treat their policyholders in practice. As the insured's first line of contact, adjusters must establish goals for maintaining claim payments within a range that keeps their leadership content. Insurance companies have managers and examiners that second guess their adjusters payouts and it can motivate them to keep payments low. They rarely ask for justification for lowpayouts but almost always for high payouts. It's not unusual for adjusters to take advantage of questionable claim circumstances or ambiguous policy language to make their loss payment history shine a little brighter. Besides, adjusters know once they've paid your claim, they have no way of getting the money back. But if they can justify paying a low amount now, they can always pay more money later...if forced to do so. When you leave coverage analysis up to your insurance company adjuster, they may skew their policy interpretation to not benefit you the policyholder. This might occur because of poor training, lack of knowledge, or intentionally. This is why it is important for your to understand your insurance policy. Policy knowledge can motivate you to push for a fair claim settlement.

Document & Organize Every Step of the Claim Process

Settling a claim is a war of attrition. Your insurance company will likely have you jump through hoops that seem unreasonable. They very well might be the case. It is almost always best if you are the most reasonable, document your conversations (by email), and stay persistent. Unfortunately, claims can get escalated, sometimes through no fault of yours; the insurance company commits bad faith and you must look to the courts for a remedy. Though a public adjuster will do a better job than your average joe, you might be able to do it on your own.

When your home is damaged, handling your claim requires a lot of time and attention. You will discuss important claim facts with your insurance agent and adjuster and review damages with your contractor. You'll have to keep track of receipts, contracts and bills. You may have to document hotel bills and other additional living expenses.

- Take photos of your damaged home and personal property, beginning from the date of the occurrence and continuing with regular photo updates as repairs are completed.
 - For one room we recommend roughly 40 photos.
- Keep notes of relevant in-person conversations to refresh your memory about important claim discussions.
 - Email the adjuster or their vendors confirmation emails reiterating the conversations you had.
- Chronologically document dates and times of phone calls to agents, contractors and adjusters so you can remind them of important conversations they might not remember. Keep track of bills and receipts for an organized presentation when it's time to turn in your final claim expenses.
- Never send the insurance company an original bill without making a copy for yourself.
- Organize documents, bills, receipts, and notes in a folder. It makes it easier to pass on your information should you choose to hire a professional to handle your claim issues.
- Keep copies of everything.



Hiring is your choice

- Ask the adjuster if it's required by the terms of your policy
- Tell the adjuster you would prefer to use your own contractor and insist that they cooperate with your contractor to conclude your claim
- Contact your state's department of insurance for guidance in dealing with your insurance company
- If they say they are not going to pay for something make sure they specifically show you where in the policy that specific item is.

You don't have to hire the contractor your insurance company recommends

When an adjuster writes a Scope of Damages and recommends a contractor who can do the work for his price, you have no obligation to use that contractor unless you choose to do so. It's a procedure that is referred to as "steering." As there may be conflicts of interest involved, many states have laws and consumer guidelines that restrict insurance company and adjuster efforts to steer policyholders to specific contractors. Slowly states are prohibiting preferred contractor programs all together.

These preferred vendor programs can result in issues. Where the contractor's real customer is ultimately the insurance company. They can afford to do poor work and disappoint the property owner. Usually the insurance company will pay them anyways and the insurance company will send more work.

You can ask to use your own contractor for your claim. When you take the time to read your insurance policy, you understand that your insurance company's own policy language usually spells out that it owes you a settlement based on Actual Cash Value or Replacement Cost. While policy forms differ in some states, traditionally Homeowners policy forms used by many insurance companies have no provision that requires you to use a service they recommend. There are several things you can do when your property adjuster tries to stop you from hiring the contractor of your choice.

Use Common Forms

Work from a common “Scope of Loss” form instead of an estimate or appraisal.

Supply Needed Information

When you’re trying to work through the problems associated with getting your home repairs completed, a “Scope of Loss” can be a viable alternative or comprehensive supplement to estimates and appraisals. It contains details you might not find on a contractor’s estimate or adjuster’s appraisal. As it outlines the damage room-by-room, it includes enough relevant repair information to assist the process of settling your claim and restoring your home to its pre-loss condition.

Instead of following a set format, a “Scope of Loss” focuses on conveying the information necessary to properly assess the damages. It can be in a brochure, a notebook, single or multiple documents. It can be in any format you choose as long as it contains the necessary information.

Proof of Loss

In most states there is a requirement for insurers to respond in a timely manner. Here in the State of Washington the main laws that pertain to policyholders and property owners are IFCA and CPA (the Insurance Fair Conduct Act and the Consumer Protection Act). Both of which are available to read online. But, we would like to point out the following.

WAC 284-30-380

1) Within fifteen working days after receipt by the insurer of fully completed and executed proofs of loss, the insurer must notify the first party claimant whether the claim has been accepted or denied. The insurer must not deny a claim on the grounds of a specific policy provision, condition, or exclusion unless reference to the specific provision, condition, or exclusion is included in the denial. The denial must be given to the claimant in writing and the claim file of the insurer must contain a copy of the denial.

3) If the insurer needs more time to determine whether a first party claim should be accepted or denied, it must notify the first party claimant within fifteen working days after receipt of the proofs of loss giving the reasons more time is needed. If after that time the investigation remains incomplete, the insurer must notify the first party claimant in writing stating the reason or reasons additional time is needed for investigation. This notification must be sent within forty-five days after the date of the initial notification and, if needed, additional notice must be provided every thirty days after that date explaining why the claim remains unresolved.

Basically, the insurance company has fifteen working days after you submit executed proofs of loss to accept or reject them. They can only reject them if there is a specific reason in the policy they can’t pay for them. If they need more time they have to tell you what they need to finish their investigation at specified times.

Some insurance companies will tell you that you have to mail the forms, this is a lie (unless specifically outlined in the policy that you must). Some will tell you that you must use their form, this is a lie (unless specifically outlined in the policy that you must). Some will not accept supplements after you send in a proof of loss. If that happens you need to speak with an attorney.



Necessary Information

- Photos, estimates and dimensions
- Detailed explanation of structural damage
- Description of building code compliance work
- Amount and quality of materials needed
- Required construction trades

Don't Accept the First Offer and DO NOT Sign a Release Until You Have Hired an Attorney

When your home is damaged, you may feel that a timely settlement can remove the accumulated stress you've felt ever since the disaster changed your life. That might be true, but speed should never be your primary reason for yielding to insurance company pressure to accept an inadequate offer. There are a number of factors to consider.

- 1) When your damage is extensive, it's not unusual for a contractor to find additional damage as they begin the repair process.
- 2) If your claim settlement is lowered significantly due to depreciation factors, remember depreciation guidelines are not set in stone. You can negotiate a better settlement.
- 3) When the insurance adjuster writes an opinion on damages, it's just an opinion that's not necessarily any better than your contractor's opinion. Recruit your contractor to speak up on your behalf to secure a better property settlement.
- 4) When an adjuster writes a Scope of Damages, they rely on software programs and parts resources to provide the prices on which estimates are made. If the price of materials rises before your contractor orders what's needed for your job, the settlement will be too low to cover your repairs.
- 5) Often an insurance adjuster will use a coverage concern as leverage to pay you less. If a coverage declination was a valid option, the company would likely refuse to pay your claim altogether. If you feel your adjuster is using coverage concerns to minimize your claim payment, reject the offer and assert your right to receive a fair payment.



Know & Understand Policy Language and Common Insurance Terms

Some insurance company property adjusters get so wrapped up trying to sound professional they spout of policy terms and quote policy language when circumstances call for a simple explanation. Those spontaneous bouts of insurance jargon gone wild might sound ominous and intimidating when you don't know what the adjuster is talking about and you prefer not to ask. But excessive insurance-speak could be a sign that your claim is too complicated and your adjuster is in too deep to admit it.

The solution: Take notes and review your policy and the next time you'll be prepared. Here are a few key policy terms adjusters use to intimidate unsuspecting insureds.

Coinsurance Clause

This is an old insurance policy term. The provision still exists, but you probably won't find it in current Homeowners policies. "Coinsurance clause" refers to the 80 percent insurance provision in the "Loss Settlement" portion under policy "Conditions" It's a requirement that a policyholder must maintain insurance that's at least 80 percent of a home's replacement cost. If not, the insurance company will pay less than the full amount of the claim.

Debris Removal

In order for the contractor to repair your damaged home, he must remove destroyed property and other debris. The insurance company will pay the amount to clear it away, but any claimed amount is paid out of "Additional Coverages" and not deducted from the policy limit for your home.

Additional Living Expenses

When your damages render your home unfit for you to remain on the premises, your policy will pay the extra costs you incur to live elsewhere. This coverage is found under "Coverage D - Loss of Use."

Don't Let Your Recorded Or Sworn Statement Get You In Trouble

Your insurance company wants to know what happened to cause your damage and they usually want it in your own words. To get the information they require, your property insurance adjuster will likely ask your permission to conduct a recorded statement or interview. If you're stressed over your home and your recent loss, you could very well say something inappropriate that could jeopardize your claim settlement.

Unfortunately, your policy requires that you cooperate, and while it does not mandate a recorded statement, it specifically requires that you "Submit to an examination under oath..." If you refuse, it may trigger a reservation of rights letter, declination of coverage or a mutual refusal to cooperate.

You may wish to consider how best to handle this situation before the insurance adjuster knockson your door. Before that happens you may wish to hire your own insurance professional to coach you on how to respond or discuss an alternative method for complying with the insurance company's request

Don't Neglect to Submit a Proof of Loss, if Requested

Earlier we mentioned sending in a Proof of Loss. We highly recommend you do, however it is important you execute it correctly. Even if you do not hire us, please call us to discuss how to do this properly.

If you don't read or understand any other section of your policy, be sure to review the insured's duties found in your "Conditions" section. That's where you will find details about the Proof of Loss requirement. An adjuster will not always require that you submit a Proof of Loss. Submitting a Proof of Loss is an important part of the claim process when needed, and it's up to you to understand the requirements, the common problems, and solutions.

- The Proof of Loss is a form, but you can comply with your policy duties by submitting the required information in a notarized statement written in any format you choose.
- Don't neglect to include the claim documentation that must accompany your Proof of Loss.
- Your policy explains the time frame you have to comply with its Proof of Loss provisions. Missing your Proof of Loss deadline could lead to a reservation of the company's rights or an outright declination of coverage.
- If you can't meet the deadline, ask for an extension in writing.

Insurance companies wage wars of attrition. They make the process difficult hoping you just give up and pay out of pocket

Working your way through the property insurance claim process can be a draining experience. You have so many tasks to complete, it may seem that you must develop a whole new skillset to work out all the details. If you can't or don't want to do it on your own, it's your right to hire an insurance professional with the experience and expertise to help resolve your claim. That's what a Public Adjuster does best.

Whether you've suffered a property insurance loss from a fire, water, storm or any other disaster, understanding your options should be the most important step after filing an insurance claim. A Public Adjuster may be your best option to protect your interested and achieve the best outcome for your property loss.



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