

The Process

The Bare Essentials of Navigating a Property Damage Insurance Claim



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Table of Contents

The Insurance Claims Process	1
The Parties	1
The Flow	2
By the Numbers.....	3
Keeping All Eyes On The Ball	5



The Insurance Claims Process

If you have never been through a property damage claim, the process might seem a little intimidating. What can you expect next?

In this booklet we have tried to break it down into its simplest form for quick overview.

This is a very basic description of the process that occurs in a typical damage repair project. There are obviously many different scenarios that might develop due to unique circumstances. However, this is the sequence that generally unfolds.

The Parties

There are generally three parties that are involved in the nuts and bolts of an insurance claim.



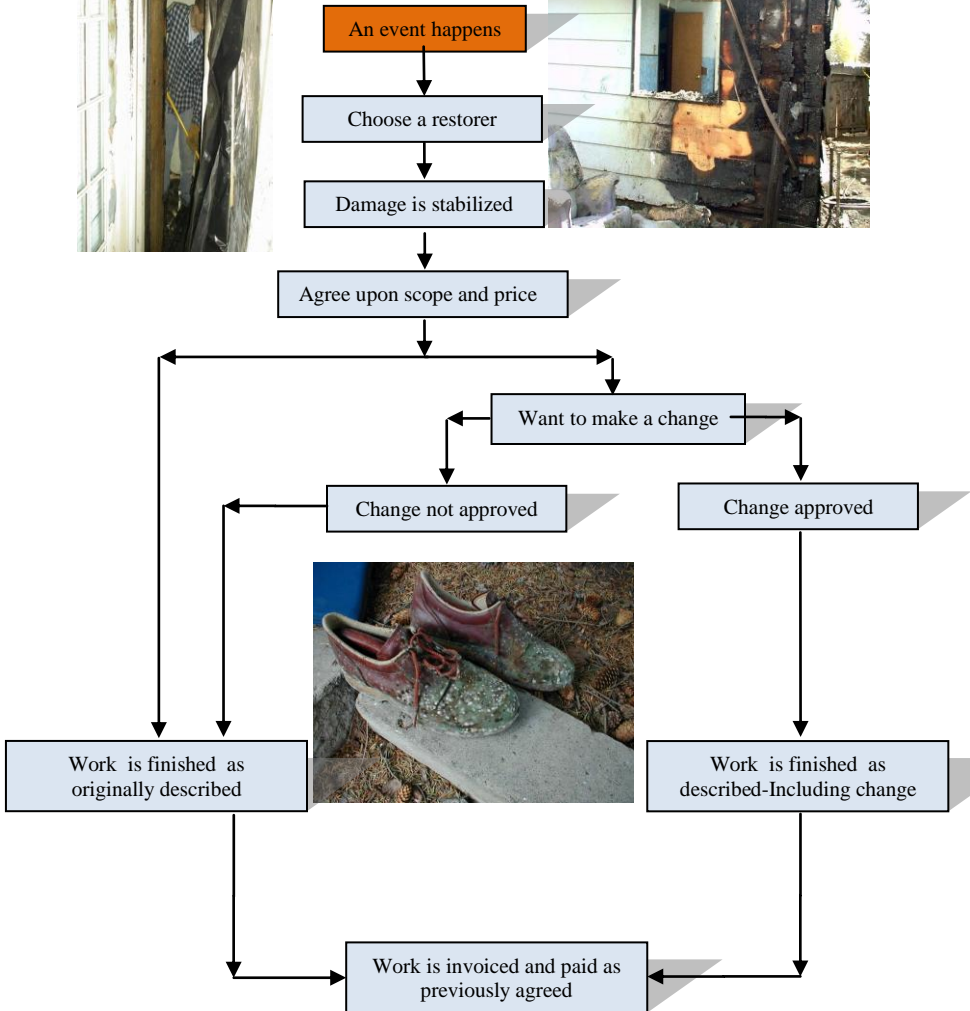
There is a property owner or insured whose property has been damaged. The property owner often times has an agent that helps them work through the claims experience.

There is an insurance company, usually represented by an adjuster. The adjuster's job is to establish coverage and to negotiate the scope or specifications and cost or value of the work required to meet the terms of the insurance contract.

There is usually a restorer or restoration contractor chosen by the property owner to help establish the scope or specifications of work and complete the work that needs to be done to return the property to the condition it was in before the damage occurred.



The Flow



By the Numbers

A water, fire or other damage event happens...



- 1) **You notify your insurance company**
- 2) **You hire your restorer**
- 3) **If appropriate, mitigation services are provided to minimize and contain the loss**
 - a. This may include structural drying, board-up, contents protection, security or other services
 - b. This work is typically invoiced separately from any repair work.
- 4) **Once the property is stabilized,:**
 - a. The restorer prepares a scope or specification for work required to put the property back to pre-loss condition and an estimated cost to complete that work.
 - b. You review/accept/ modify the scope (specifications) of work to be completed
 - c. If there is insurance coverage, your adjuster negotiates/agrees to the scope and the amount to be paid for that work.
- 5) **When an agreed upon scope and price is accepted by all, one of two things will generally happen:**
 - a. The work is scheduled, completed and invoiced as agreed.

OR

- b. There is a change specified by you or required because additional damage is discovered.

- 6) **If changes are to be made they are generally handled in one of two ways:**



- a. In the case of minor change (color, style, etc.), the restorer may make no change to the scope or estimated cost. The change is made

OR

- b. If more significant change is called for (whether an alternate repair, an addition or a deletion, (cont.) restorer typically produces a written

change order or supplemental specification including either a credit or a additional charge for the change.

7) If a significant change is requested or required, one of two results will generally occur:

- a. The change is required as a result of the damage and will be paid by the insurer. This is called a supplement.

OR

- b. The change is outside of the insurance coverage and not paid for by the insurance contract.

8) If the change is covered as part of the claim, typically:

- a. The change (supplement) is approved by you.
- b. The change (supplement) is approved by the insurer
- c. The work is completed. (The charge is added per the agreed upon amount of the change order)

9) If the work is a change not related to the loss (i.e. it is for additional work, an upgraded material, etc.) One of two things will generally occur:

- a. The change order is approved by you
- b. The change is made and the additional cost/credit is made to the final invoice with you.

OR

- c. You do not accept the change order.

10) If you do not approve the change order, generally the following will occur:

- a. The restorer will complete the work as originally specified and agreed upon.





Keeping All Eyes On The Ball

While it is never pleasant to have your home or other property damaged and your normal pace of life disrupted, the insurance claims process usually proceeds smoothly as long as all of the parties act professionally.

Until proven otherwise, we like to remember that the damage is the problem and all of the parties to the claim are interested first, in solving that problem.

We know that there is a process to be followed to protect the interests of the property owner, the insurer and the restorer while completing that process in a timely manner.

We look forward to helping you through the process.



