

INSURING YOURSELF AND YOUR ASSETS—APPLICATIONS

CHECKLIST: Making a Homeowner's Insurance Claim

- **Inventory your property as a routine matter.** Inventory your property, including its worth. For clothing, costume jewelry, china, and so on, figure out a lump-sum replacement cost. For unique or expensive items, such as computers, art objects, or jewelry pieces, value each individually. For some extremely valuable items, such as an eight-foot concert Steinway grand piano, the insurer may require you to get a written appraisal. Make sure you record model numbers, serial numbers, purchase dates, and prices for expensive items, such as electronics. Save receipts. It is also a good idea to take photographs or make a video of your possessions. Keep this inventory somewhere safe, like a safe deposit box, rather than your home. After all, the inventory won't do you much good if you lose it in a fire along with your other property. Update the inventory at least once a year.
- **Keep your insurance up to date.** Insurance needs change. Check your insurance policy yearly, and see if the coverage amount, deductible, and other terms still meet your needs. If they don't, contact your insurance agent to rework the policy. Also, if you have questions for your agent, the wrong time to ask them is when you need to make a claim.
- **Contact your insurance agent immediately.** Call your agent or the company's claims hotline as soon as possible. Some policies require policy holders to notify the company within a certain period of time. Your agent may also be very helpful in speeding the process along, and may offer some helpful suggestions while you're in the middle of a crisis.

However, don't "cry wolf." If you know the amount of your claim will be for about the amount of your deductible, or less, you may not want to even bother calling. You will receive little or nothing for your loss, but the insurance company will take note of the incident. The brutal truth is that if a customer makes several claims within a short period of time, usually within a year, an insurer may raise premiums or even cancel the policy. Insurers don't like-high risk customers, so don't jeopardize your insurance without reason.

- **Inventory and record the damage.** Document as much as possible before starting to clean up. It will be hard to claim certain losses if you don't show the full extent of the damage. Take photographs of or videotape all the damage to your home and possessions immediately. If you didn't inventory your home as a routine matter, try to identify everything that was damaged as thoroughly as possible, and find any documentation you have. Make good notes about the damage, and list all damaged or missing items. If there is a police report, get a copy. Duplicate all photos, tapes, and written material. You will need to give a copy to the insurance company, but you should always retain a set.

- **Take care of immediate needs.** If your windows have been blown out in a storm, don't wait for an adjuster to arrive before putting a temporary seal on the damage! That's why you photographed and videoed it, and took notes. Make whatever temporary repairs are needed to protect your home and you from further damage or injury. They should be covered by your policy, so keep bills and receipts. Just don't make any permanent repairs until after getting the go-ahead from an adjuster. If household items are exposed to the elements, get them under cover or into storage. Dry out any wet items as soon as possible to prevent deterioration.
- **Review your policy.** Check your policy to see what damages are covered, and what is excluded. Review the process for making a claim and for settlements. This will prepare you to fill out your claim form, and to discuss your claims with an adjuster.
- **Fill out a claim form.** Give a thorough description of all the damage, using your policy as a guide. For example, if you are claiming water damage because of broken plumbing per your policy, explain what pipe ruptured, where it is located, and where the water flowed. Make sure to explain what damage it did, from soaking the carpeting and pad, to warping doors, to seeping up sheetrock.
- **Wait for an adjuster to appraise the damage.** An adjuster will come to see the damage. Walk the adjuster through the area, and show him or her specific losses. Although some information, such as a police report, may be included when you submitted your claim form, you will give much of your damage documentation to the adjuster.
 - √ Don't give the adjuster your only copy of a pre-damage inventory, photos, videotapes, reports, notes, receipts, or any other documentation. Make sure you have a copy for yourself in case the adjuster loses it or, worse yet, you end up fighting with your insurance company.
 - √ If you can, get the adjuster to approve your claim, or part of it, on the scene. For example, if you have a written estimate from a reputable smoke damage expert, the adjuster may simply give the go-ahead to start work. This can save significant time.
- **Document the cleanup.** Keep a record of all expenses including:
 - √ Cleaning and repair bills, including materials, cost of rental equipment, and depreciation of purchased equipment.
 - √ A list of and receipts for any additional living expenses you incur, if your home is so severely damaged that you have to find other temporary accommodations. These may include motel and restaurant bills, home rental, or car rental.
 - √ A list of all losses, regardless of whether they were repaired, or whether you intend to replace utterly destroyed or lost items.

- **Wait for your claim to be handled—but not too long.** Sometimes an adjuster will want to go back to the office before making any decisions. This is not a problem, as long as a homeowner does not have to go weeks in a damp or smoky house before the claim is approved. Each state has requirements about how quickly an insurer must respond to a claim. If you feel your insurer is not acting quickly enough, call your state's insurance department.

However, don't be in too big a hurry to settle a claim. While it's nice to have the process over and done with so that you can get on with your life, taking your time may allow you to discover damage that wasn't immediately apparent. Make sure that the settlement offer will actually be enough to take care of your losses. If you are dissatisfied, don't be shy about asking the agent and adjuster for a larger settlement. Just make sure you have some facts, such as contractor estimates, to back you up.

- **Don't be afraid to get your own estimates, or hire professionals.** Shop around for services, and get written estimates from reputable sources, whether they are to clean up a flooded basement, fix a roof, or dry-clean a couch. If you get a few estimates even before an adjuster arrives, the adjuster may be able to approve your claim on the spot. Also, having several estimates which fall into the same range for a particular task will help you if you and your insurer disagree.

Get professional help, especially for bigger jobs. For example, you could probably fix a bathroom that has been flooded, but you might miss some crucial points of damage which a professional would not. Be aware that if your home has been damaged by a widespread natural phenomenon such as a tornado or flood, door-to-door salesmen may show up in your neighborhood. Give them a miss; many of them represent undependable companies that make cheap repairs, and leave before residents can discover that the repairs are inadequate. Instead, look for a reputable local firm. Even if one can't take the job, they can probably recommend someone else who can.