

REBUILDING AFTER A LOSS:

Managing the Claims Experience through Education and Preparedness

In response to recent flooding throughout the state, New Hampshire Insurance Department Commissioner, Roger Sevigny, offers the following warning and advice to New Hampshire residents and insurance consumers. “The process of repairing or reconstructing your home following a loss can be long and laborious. Often before rebuilding can begin, it is necessary to navigate the insurance claims process – a process which is often confusing and stressful.”

To reduce some of this confusion and expedite claim settlement, the Department hopes residents will familiarize themselves with key aspects of the claims process. The Department also encourages residents to visit the National Association of Insurance Commissioners’ website to download a home inventory checklist and/or the Association’s Home Inventory Application, available for iPhone and Android devices. (http://www.insureuonline.org/home_inventory_page.htm)

Filing a Claim

- To initiate a claim call your insurance company or contact your agent. If you are unable to locate the company or agent’s number, please call the New Hampshire Insurance Department at 800-852-3641 for assistance.
- It is important for your insurer to have an accurate account of the destruction to your property. Therefore, while your first instinct following a disaster may be to start cleaning up, be certain to take photos or video of the damage before moving any debris or removing damaged belongings. Make a list to document these losses. If possible, save damaged items for the representative from your insurance company to review. You should also take reasonable steps to avoid further damage to your property and your home.
- Even following a major disaster, most insurance companies have a time requirement for filing a claim. When calling to report the loss, have your policy information handy along with current contact information and your home inventory, if you have one. Ask if your insurer plans to waive or extend claim-filing deadlines.
- A homeowners policy covers damage to your home and its contents. A renter’s policy only covers belongings. If your car was damaged, a separate claim will need to be filed with the auto insurer.
- A typical homeowners or renter’s policy does not cover flood damage. If you have a policy with the National Flood Insurance Program (NFIP), contact your agent or insurer to file a claim for that policy as well. Damage from a storm surge is considered flood damage.

The Claims Adjuster

There are two types of claims adjusters - company adjusters, who are sent by your insurance company, and public adjusters, who are independent contractors.

- **Company adjusters** are staff employees or adjusters who contract to work for your insurance company. In most cases a company adjuster is going to be the first person to survey the damage to your home. A company adjuster will not charge you for his/her assessment.
- **Public adjusters** work for you, the insured, not the insurance company. A public adjuster is paid from the proceeds of your claim settlement, typically as a percentage of the total amount you receive. Before engaging a public adjuster, be sure he/she is licensed and ask for references and qualifications. In addition, the adjuster should provide the fees for these services in writing. You may choose to hire a public adjuster, if the claim settlement you receive from your insurance company does not meet your expectation. The public adjuster will work with the company to try to negotiate a new settlement amount.

The Claims Process

- After you have filed a claim, the insurance company will arrange to send one of its adjusters to your home to assess the damage. The company adjuster will want to see all the damaged items you have removed from the home and any photos or video you have of things you removed to make the home safe. Generally, the more information you provide the adjuster about the loss, the faster the claim can be settled.
- The company adjuster will walk through your home to assess the damage. If your home was damaged in a storm, he/she may also want to look at the outside of your home, your roof or your basement.
- The claims adjuster will provide his assessment and documentation of the loss to your insurance company to help determine your claim settlement.
- If your insurance company is not responding promptly to your claim, do not hesitate to call the claims department and determine if an adjuster has been assigned to your claim. Verify that the company has your correct contact details, especially if you have had to evacuate your home. New Hampshire has rules governing claims handling practices. You can call the Insurance Department if you do not believe your insurance company is responding quickly enough or completing a reasonable investigation of your claim.
- If there are disagreements between you, the insurer and the adjuster, first try to resolve them with your insurer. Do not feel rushed or pressured to agree with something that makes you feel uncomfortable. If appropriate, ask your contractor to meet with you and the insurance adjuster to discuss points of disagreement. If you cannot reach an agreement with the company, check your insurance policy to determine if you have an arbitration or mediation option. If you are unable to reach agreement with the company relative to establishing arbitration or mediation, call your agent or the Insurance Department.
- If you hire a public adjuster, he/she will review your insurance policy and then undertake the same process of assessing and documenting the loss to your home. This may include a builder's quote of the cost to rebuild, or even surveying the costs of items in the area to determine if they have increased since a widespread disaster.

Payment of the Claim

- When it comes to paying your claim, you may receive multiple checks. The first will likely be an emergency advance on a larger payment. The payment for the contents or personal property will be made out to you. However, if there is a mortgage on your home, the payment for structural damage may be payable to you and your mortgage holder. Lenders may place that money into an escrow account and pay for the repairs as the work is completed.
- If the contractor finds hidden damage that was not discovered in the original assessment, contact your insurance company to resolve the difference. The adjuster and the contractor may choose to meet at your home to review the newly discovered damage. If you cannot resolve the difference, contact the Insurance Department to discuss what recourse you may have.
- Even after you have settled your claim, if you think of items that were not in your initial loss list, contact your insurance company. Unless the company has paid the entire limit for the coverage of those types of items, it is possible the company will pay for the additional losses.

In major disasters federal agencies may provide qualifying grants and low-interest loans to assist with recovery. Check with the local disaster center or the Insurance Department for more information if your loss exceeds the insured value of your home.