



## A Case Manager's Introduction to Insurance

The ultimate goal of an insurance claim is to determine the value of the loss and to collect all of the money owed to the claimant by the insurance company. **It is the homeowner's job to determine the total amount of the loss. It is the insurance company's job to determine how much of the loss they will pay.** The difference between the two amounts will be negotiated between the homeowner and the "adjuster", the person representing the insurance company. In reality, the adjuster is a "negotiator" and the insurance settlement process is a "negotiation."

### How Does a Homeowner Determine a Loss?

Most homeowners instinctively want to rely on the insurance company to help value their loss. The problem is if the homeowner lets the insurance company determine their loss, the results will always be in *the Insurance Company's* favor. But how does a homeowner determine a loss? As much documentation as the homeowner can muster, which includes:

1. Appropriate comfortable living quarters (and collect receipts and/or estimates).
2. Homeowner's **own** repair/replacement estimates for all damaged and lost property and/or Scope of Loss for their home.
3. Homeowner's own personal property list and work on it consistently until it is complete. Submission of "partial list" is acceptable and keeps the process moving. A "sample" can be downloaded at [www.carehelp.org](http://www.carehelp.org). Encourage the homeowner to never stop at policy limits but to exhaust their memory.
4. Download "Confidential Loss Worksheet" from [www.carehelp.org](http://www.carehelp.org) and fill it out to track their loss.

### Initial Tasks

The homeowner should do the following:

1. Start a claim diary. A real pain for most people but at least collect and save receipts in a box.
2. Get a copy of their entire policy. *Ask for a copy in writing.* May need to be persistent.
3. Get names and contact info for their adjuster, his boss and someone in charge of them at the main office.
4. Obtain enough office supplies to run the claim: a computer, a solid backed notebook, a digital camera, writing instruments, and a filing system. They also need the ability to copy, print and fax.
5. Protect their property from further damage and take every reasonable step to make sure that more damage does not occur to their property or that they aren't exposed to a liability claim by not protecting their property from new dangers. (For example: cover holes, install fencing, consider debris flow, etc.)

### The Homeowner's First Recovery Goals

The first insurance related goals for the homeowner should be as follows:

1. Read and understand their insurance policy, duties and rights as much as possible. (Download "A Survivor's Guide to Insurance" and other handouts at the download section of [www.carehelp.org](http://www.carehelp.org).)
2. Obtain the dwelling estimate or Scope of Loss prepared by the insurance company.
3. Obtain their **own** Scope of Loss or repair/replacement estimates for all coverages.
4. Obtain policy limits. The homeowner should be encouraged to take the money the insurance company has paid *unless a release is required*, but they should **place their money in an insured account. The mortgage company is always included as a payee on the dwelling and real property checks.**

## Long Term Recovery Goals

Once they've received money equal to their policy limits and know the amount of their loss, they can then compare the numbers and determine if they're underinsured and then decide if they should do anything about it. This should become evident around six to nine months after the loss.

## What about the Debris?

Before the homeowner removes any debris, they need to document their loss.

1. MEASURE the foundation and any concrete slabs, and/or the perimeter of each structure. Focus on the height and thickness of the footings, stem walls, slab and chimney.
2. PHOTOGRAPH everything. Include a ruler, yardstick or tape measure to document dimensions.
3. SAVE in a container any small remnants of tile, pieces of metal, copper piping, wood scraps—any tangible items to prove to the insurance company the quality of items and construction.

## Warning Signs

Watch for these warning signs as a signal to seek outside advice:

1. *Homeowner has hired a public adjuster.* Can add a layer of complication as public adjusters will control the pace of the claim through their action (or inaction) and will be a payee on all insurance proceeds. If hired early, they take a percentage of money the insurance company would have paid the homeowner freely. Homeowner may need to be advised that the public adjuster puts a lien on the settlement.
2. *Checks with paperwork to sign;* especially troublesome are checks which include a release.
3. Insurance company requests or requires *recorded statement.*
4. Insurance company *denies coverage* for something that seems to be covered.
5. Homeowner is made to sign a *Proof of Loss* early in a high value loss. The total amount of the loss (which their committing to) cannot be known so early in the recovery process.
6. Homeowner is encouraged to find a *temporary living space that is severely unequal* to the house they were in prior to the loss.
7. Homeowner is *underinsured.*
8. Insurance company provides *inadequate loss estimates* and won't consider the loss estimates provided by the homeowner.
9. Insurance company wants to negotiate with the homeowner or have a *private meeting* to "talk things out".
10. Insurance company wants the homeowner to *meet with one of their lawyers.*
11. The insurance company is *inappropriately depreciating* items.
12. Adjuster is *intimidating, being suspicious or accusatory* for no apparent reason.
13. Adjuster is being *non-responsive* or repeatedly denies receiving correspondence.
14. Adjuster wants to be in charge of the repair or construction and be the *middle-man between the contractor and the homeowner.*
15. Adjuster suggests the homeowner add things to their inventory or house that *they did not really have.*
16. Partial losses can be more complicated and take longer to resolve than a total loss. *If damage is resurfacing* it was not properly dealt with and should be re-claimed for further remediation.
17. *Condo owners who did not have supplemental condo insurance,* may be ill-prepared for the condition their condo will be in when the condo association is finished with their portion of the rebuild.
18. Its 9 months since the loss and the *insurance company is stalling or is being difficult.*