

## How to Navigate a Homeowner's Claim

Suppose you're the victim of a huge natural disaster like Harvey, or have experienced some more local damage, like a tree falling on your house. What are the best practices for filing a claim for the damages your home and property have suffered?

Recently, the Consumer Federation of America offered tips on how to get all you're entitled to from your insurance company.

The organization starts by noting a disturbing trend: families victimized by Harvey-related wind and flood damage will have to dig deeper into their pockets because few of today's homeowners have federal flood insurance, and because insurers have been steadily increasing hurricane wind coverage deductibles and imposing other homeowners insurance policy limitations.

Among the tips: Report your claim as promptly as possible, since insurance companies generally handle them on a first come, first serve basis. Be sure to write down your claim number, since insurance company claims departments can locate your file most promptly using your claim number.

Meanwhile, maintain receipts for any expenditures related to immediate repairs you had to make to secure your home or any living expenses (hotel, meals) if you could not return to your home in the wake of the storm or as a result of your own home damage experience. (If your claim is limited to flood insurance, additional living expenses are not covered.)

When an adjuster arrives to survey your damage, ask if he/she is an employee of the insurance company or an independent adjuster (I.A.) hired by that firm. If this person is an independent adjuster, ask if he or she is authorized to make claim decisions and payments on behalf of your insurance company, and ask for the name of the in-house company adjuster to whom the I.A. is sending your information.

Many insurance companies will send out one of their approved contractors to estimate your property damage. You are not under any obligation to use them, and you should realize that these approved contractors have likely agreed to limit repair costs based on average cost estimates in the area. You might benefit from getting an estimate from other local contractors, since your damage situation will be unique.

Before you file a claim, know that it helps to have pictures of your possessions, which you can file as evidence of what you're claiming. Make as thorough a list of your possessions as you can. When the claim is made, start a notebook documenting contacts with your insurance company, writing down the date, time and a brief description of every exchange. Keep receipts from emergency repairs as well as any costs you incur in temporary housing, which may be reimbursable under the "Additional Living Expense" portion of your homeowners' policy.

Suppose the claim is denied, or you feel the offer is too low. At that point, you should ask the company to identify the language in your homeowners' policy that served as the basis for denying

your claim or offering so little. Once the company pinpoints the appropriate language in the policy, you should be able to determine the fairness of the offer. If you feel that the company has slipped new limitations into the policy and not adequately informed you, it might be a good idea to consult an attorney.

For those not living through Harvey, this might be a good time to look hard at your current policy. The Consumer Federation of America has noticed that new provisions are showing up which limit replacement cost payments, and many insurers no longer cover the additional costs to bring a damaged home up to new building codes (wiring, elevation for flood risk, etc.)

Once the insurance company tells you the reasons for its action, it cannot produce new reasons for denying payment or making a low offer at a later time. You have locked them in—an important protection for the consumer.

If you feel that the offer is too low or the claim denial is wrong, complain to an executive in the firm's consumer relations (who is paid to keep consumers happy) rather than an executive in the claims department (who is paid to keep claims costs low). In the conversation, use the records you've kept since the claim process began. The more serious the insurance company sees that you are in documenting how you were treated, the more likely they will make a more reasonable offer.

If that doesn't get you anywhere, complain to your state insurance department. All states will at least seek a response to your complaint from your company, which will give you more information as you consider your next steps.

Your last option is to consult a lawyer. If you're sitting in the attorney's office, the notes you took take on additional importance. If your treatment was particularly bad, the courts in many states will allow additional compensation when the insurance company acted in "bad faith." Since insurance companies take your money in exchange for their promise to make you whole when disaster strikes, they must act in utmost good faith in performing that obligation.

Source: [http://consumerfed.org/press\\_release/consumers-get-fair-claims-payments-wake-hurricane-harvey/](http://consumerfed.org/press_release/consumers-get-fair-claims-payments-wake-hurricane-harvey/)