

CLAIMS NOTES

What you should do.

Experience has shown that in the event of a small and straight-forward loss / claim, that Insurance Adjusters, Insurance Appraisers and Insurance Company Claims Examiners, do not add much to the claims process. Ultimately, it is your loss; your property; your business; and your responsibility.

It is unlikely that anyone else could do a better job of resolving the problems than you. Furthermore, the repair / replacement decisions are ultimately going to rest with you. Your Insurers are going to decide what their policy does and does not pay for, but it is YOUR business and what is ultimately done, or not done, is up to YOU.

So what should you do if you discover a loss or damage that is likely to result in a claim ?

- **Notify the appropriate authorities.** This is both a contractual and a legal obligation. For example, failure to report a robbery or theft to the police could result in fines and will definitely negate your right to an insurance claim.
- **Protect the remaining property.** This is both common sense, and a legal obligation imposed upon you by the Insurance Acts. Most basic necessary expenses incurred to protect the remaining property from further loss or damage will be covered by your policy, but if the costs are not covered, it is still your obligation.
- **Preserve damaged property.** The Insurers may want to view this property or recover some of their loss through salvage. Items that cannot practically be saved (like spoiled food) should be cataloged as they are disposed of and the list should be signed by two witnesses.

Take digital photos. These could be extremely helpful later.

- **Gather witness information.** When applicable, get names addresses and contact numbers from any witnesses to the loss incident and get WRITTEN statements from employees. It is important to get this information before people leave the premises and while employee memories are fresh.
- **Estimate the loss or damage.** The first thing that your Insurers are going to want to know is a rough estimate of the size of the loss in "dollar" terms. This does not have to be perfect, nor does it limit your right to claim later. This is just going to indicate to the Insurers the best course of action.
- **Report the loss to your broker.** It is a contractual obligation that you notify the Insurers "as soon as is reasonably possible" . Failure to do so could negate your right to claim later.

Provide as detailed and specific a report as you can. Your Insurers are going to base their early decisions and actions on what you tell them. [A burst pipe, a sewer backup, a shower drain blockage, water seeping through the foundation, rain coming in an open window, and the local river flooding, are all causes of "water damage in the basement", but the insurance protection and treatment for each of them is different]. Incomplete &/or inaccurate information is likely to result in an incorrect claim process and a poor outcome.

Your broker should be able to advise you of potential coverage, deductibles, limitations, exclusions that might apply and/or alternatives that you may wish to consider as you move forward with your claim. Armed with this information you can make better decisions.

- **Proof of Loss and documentation.** As soon as possible complete a detailed Proof of Loss (The small claims version is attached) and submit it to your Insurers along with proper invoices and documentation to support your claim. Insurance company personnel are subject to rules, regulations and audits. Without complete documentation they cannot approve payment of your claim, no matter how sympathetic they are to your cause.

If the size of the loss is reasonably small and straight-forward, the Insurers are not likely to appoint an Independent Adjuster. Adjusting fees just add to the cost of your claim and impact on your future premiums. Furthermore, the job of repairing or replacing property; gathering estimates, invoices and documents; and submitting the “paperwork” is ultimately going to rest with you.

If an adjuster is appointed, he/she will give you guidance and assistance in settling the claim, however all of the previous and following points, still apply.

- **Adjusters.** Two of the most common complaints about adjusted claims are that:
 - 1.) the adjuster isn't doing anything, and
 - 2.) he/she isn't explaining anything.

The first issue may be true, but experience says that 90% of the time, the adjuster is “waiting for the Insured” to do something. At the end of your first meeting insist that the adjuster provides you with a written “checklist” of the things that he/she is expecting you to do or provide, and a written “timeline” for getting things accomplished. If you both know what is expected and when to expect it, the process should not “bog down”.

The second problem often occurs because the adjuster does not feel that it is his/her job to explain “coverages” or “policy terms” to you. In fairness, adjusters are not necessarily experts in the detail of your particular policy form and wordings, nor was the adjuster involved in the “buying” discussions and decisions that you had with your broker at the time of selecting coverages. Your broker should be able to provide this information to you, or should get the answers quickly for you.

- **Contractors.** Contrary to popular belief, insurance companies do not generally have local contractors on call, nor do they have preferential service deals in place for most areas of the country. As a local business YOU likely have better contacts and are likely to get better service from local contractors than your insurers can. You are a potential ongoing customer, your Insurers are not.

When looking for estimates and appointing contractors or suppliers do not expect the adjuster to find them for you. Select your contractors from your area and base your decision upon reputation and references. Price can be negotiated, but good service and workmanship cannot. Also remember they are YOUR contractors, working on YOUR property. It is not the Insurers' fault or responsibility if the contractor or supplier does not “deliver” as promised. Your Insurers find this as frustrating as you do.

- **Keep moving forward.** Most claims processes bog down because everyone is waiting for someone else to do something or to do something more. It's YOUR property, YOUR claim and YOUR business. Move forward and get things done.

Not sure if something should be done ? Ask yourself three questions;

- is the action “necessary”,
- is this the lowest cost reasonable alternative, and
- if the insurance company doesn't cover the costs would you go ahead and incur them anyway ?

If the answer to ALL three of them is YES, then you are probably right to go ahead. If the answer is NO to ANY of them then you probably should not.

Respond to information or action requests quickly and follow-up every 14 to 21 days. It shouldn't happen but; files get lost, people get sick, people quit their jobs, things just get backlogged or everyone is waiting for you. If you wait three months before following-up, the claims process just got three months longer.

- **Reasonable expectations.** Without question the most common cause of dissatisfaction with insurance claims occurs when reality does not line up with expectations. For you, the loss / claim is a major inconvenience and possibly a highly disturbing event, but remember, for everyone else involved in its resolution, it is another day on the job.

Some additional things to consider:

- **Read and understand your insurance coverage.** No one really expects you to read and study your whole insurance contract, however after a loss it is a good idea to read the applicable sections of your contract to understand what you are entitled to. The ClubPac section of the Simmlands website contains quick reference Summaries of Coverage, Newsletters outlining coverage issues and Broker's Notes addressing specific coverage situations. Ask your broker for explanations.
- **Remember what you bought and why.** When you bought your insurance policy you made decisions about which coverages and options to buy and which ones to pass on. Refer to the Declarations page of your policy. Key coverages included, or excluded, are indicated on the policy. Ask your broker to remind you why certain coverages were taken or not.
- **Seasonal businesses.** Remember that, like golf clubs, construction contractors and golf industry suppliers are seasonal businesses too. Unfortunately, just when you need them the most, they are at their busiest time. If they aren't busy during the summer, then they aren't in business long. Like golf clubs, outdoor contractors are subject to weather problems too.
- **Schedule surprises.** Contractors and suppliers try to ensure that their peak season time is fully scheduled and that their employees and resources are fully deployed during this period. Your loss / damage was a surprise event not included in their schedule. They cannot just drop scheduled clients and prior commitments. They are already making an extra effort to get your job done.
- **Financing the loss.** Insurance policies are "Indemnity Contracts". They are designed to reimburse you for the costs of your insured loss. This infers that you must fund the initial purchases and repairs in order to be reimbursed. Insurance companies are not obligated to make any payments until after the claim is settled and the final Proofs of Loss are filed. In the case of large losses it is common practice for Insurers to make interim payments" to ease the cashflow crunch, but this is strictly "goodwill". It is not a contractual obligation.