



# PREPARING FOR AND HANDLING A PROPERTY CLAIM

MANAGING THE PROPERTY INSURANCE CLAIM PROCESS



UNITED BY SAFETY, LOSS PREVENTION, AND CLAIMS MANAGEMENT

# INTRODUCTION

A major property loss is rare, but most insureds do have losses. Since handling a loss is not a normal part of your daily routine, it can raise many questions and potential problems. Remember that the first hours after a loss are crucial. During that time, management will have to make decisions that can dramatically affect operations. Some of these decisions can and should be made before the loss.

## ROLES

### *Besnard Insurance (Broker)*

Besnard Insurance provides you a dedicated team to support you with the best service possible. Our team consists of a dedicated Client Manager, Program Manager, and access to our Risk Management team. The Client Manager (CM) is your primary contact if you need additional support.

#### **Claims Liaison**

We have a claims liaison team that works directly with the insurance carriers and adjusters to ensure claims get the best possible outcome. They can also step in and help if you are having trouble communicating with the claims adjuster.

#### **Claims Adjusters**

With large property claims, there are often two adjusters involved, a desk adjuster and a field adjuster. The desk adjuster works with you to gather all the necessary paperwork to evaluate the value of a property loss and get you the full value of your loss. The field adjuster visits the site to evaluate the extent of the damage and ensure everything affected by the loss is included in your claim.

### *Insured (You)*

Most companies have a person assigned as a Risk Manager or Claims Contact to oversee internal preparations of the claim and be a liaison with the insurance company. They should be responsible for gathering and sharing data with the claims adjusters.

# PREPARING FOR A LOSS



*Have a plan*



*Appoint Key Contacts*



*Understand your Coverage and Deductibles*



*Forecasted Weather Event*

## Have a plan

Having a plan in place is key to getting your business back up and running after a property loss. You need to assign key contacts so your team understands who is responsible for gathering information. It's also important to understand your policy coverage and deductible so you know when to involve the insurance company instead of just handling repairs yourself.

## Appoint Key Contacts

Know who will be responsible for gathering the data necessary to prepare the claim. Do those individuals know their responsibilities and how quickly they must begin the process? Identifying these key contacts ahead of time and providing them training on what recordkeeping will be required will make your claim easier to document, substantiate and collect.



# PREPARING FOR A LOSS

## Understand your Coverage and Deductibles

Insurance policies can be a complex contract, therefore, it's best to review them carefully, particularly what is covered and the exclusions. This should be done in conjunction with your Besnard Client Manager. Look at the policy critically, the way an adjuster would. The time to fix coverage problems is before the loss. Property insurance generally includes a deductible, and the size of the deductible is determined up front when a policy is written. Knowing the cost of your deductible will help you determine when to report property damage as an insurance claim.

## Forecasted Weather Event

Have a plan to prepare your property if a severe weather event is forecasted for your area. The plan should include tasks such as trimming back tree branches, securing outdoor items, installing shutters to protect windows and doors, protecting outdoor equipment, ensuring rooftop equipment panels are tight and secure, and ensuring roof drains are clean and free of debris. These are just some examples of conditions that could apply to your property.

## Basic Property Claim Life-Cycle



# IMMEDIATELY AFTER A LOSS

When an incident occurs at your business that results in property damage, there are several things you need to consider. The first thing you should do is make sure your customers and employees are safe, and if needed, provide medical attention to anyone who is injured. The next step is to determine if the cost of repairs will exceed your deductible. If so, report it to your insurance company and notify your Besnard Client Manager. While you are waiting for an adjuster to be assigned to your claim, you have a responsibility to protect the property from further damage.



*Protect from Further Damage*



*Begin the Salvage Process*



*Make Temporary Repairs*



*Arrange Permanent Repairs or Replacement*



*Resume Operations*

## Protect from Further Damage

Your personnel must take immediate emergency measures to minimize the damage. If necessary, call professional vendors for assistance. This would include but not be limited to providing temporary covering over any broken windows or openings in a wall, installing tarps over any leaking areas to prevent further water intrusion from the rain, and if moisture is present in the building, provide fans or other dehumidification equipment to dry the building interior to prevent mold growth.

## Begin the Salvage Process

- ◆ As soon as it is safe, begin cleaning, protecting, and salvaging.
- ◆ Separate undamaged from damaged goods and begin to segregate what can be saved.
- ◆ Dry and protect all electrical equipment.
- ◆ If there is a prolonged loss of power, transport perishable items to another location.
- ◆ Reprocess any damaged material that can be saved.

# IMMEDIATELY AFTER A LOSS

- ◆ Do not dispose of any materials until the adjuster agrees they are unsalvageable. In some cases, it may be impractical for you to reprocess or sell damaged property. The adjuster will arrange for a salvage company to take over the property and dispose of it on your account. Your policy normally stipulates who has control of the goods and how the salvage can proceed. You do not have the right to abandon it to the insurer's care without the insurer's agreement.

## Make Temporary Repairs

If temporary repairs are required to save, preserve, and protect the property, you must make the repairs immediately. Use the "reasonable person" test — do what a reasonable person would do and be able to explain your rationale to the adjuster. Advise the adjuster of temporary repairs as soon as possible. Actions you take without prior authorization may need to be justified to the adjuster.

## Arrange Permanent Repairs or Replacement

As time permits, before authorizing permanent repairs, attempt to obtain your adjuster's agreement on the scope of repairs. The scope of work is an important aspect of the loss; unless you and the adjuster agree on what needs to be done, the claim's monetary value will be in dispute which could result in payment delays.

You will need to secure contractors to bid on the job. Adjusters will have their contractors provide a competitive estimate, and you have the right to have your own contractor prepare a basis for settlement. Most reputable contractors will give free estimates in the hope of obtaining the job.

A contractor accustomed to working on insurance claims should know what type of detail the adjuster requires in the proposal. If not, arrange a meeting with the adjuster to set up the ground rules.

A bid without complete back-up details and itemization will also delay settlements.

## Resume Operations

Even if you carry business interruption insurance, you will still want to get your business back up and running as soon as possible. If necessary, block off the damaged portion of the property and resume operations until repairs can be made. This will ensure your employees can keep working and you are still generating revenue from your business.