

South Florida BUSINESS JOURNAL

June 10, 2011

HURRICANE GUIDE

Getting the best from your windstorm insurance coverage and claims process



GUEST COLUMN

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With hurricane season upon us, now is the time to review your insurance policies to determine whether you have adequate windstorm coverage.

SECURING ADEQUATE COVERAGE

It is prudent to work with an insurance broker or coverage attorney to determine whether you have sufficient coverage. When you do so, here are a few issues to keep mind:

- Ensure that your policy limits accurately reflect the value of your property. You may want to have the property appraised.
- Decide whether it is worth it to you to pay extra for replacement cost coverage, as opposed to adjusted cash value coverage, which covers only the depreciated value of your assets.
- Examine coverage extensions – such as law and ordinance, fungi/mold, and debris removal – to make sure that potentially costly risks are not excluded.
- If anti-concurrent cause language precedes exclusions, ask your broker if this language can be removed by endorsement. Anti-concurrent cause provisions negate coverage when damage is caused by both a covered and noncovered occurrence.
- Check whether your deductible is realistic and whether it applies on a per-occurrence, per-season, per-building or aggregate basis.

NAVIGATING THE CLAIM PROCESS

Virtually all insurance policies require speedy notice of loss. You should notify the insurer of the loss both directly and through your agent or broker. Be sure to document who was notified of the loss, and when and how. Once a claim is opened, you should:

- Make notes regarding all significant events during the recovery process, such as who inspected what and when, and who said what and when.
- Communicate with the insurer and its representatives in writing. Follow up any oral communications with a letter memorializing what was said.
- Photograph (close-ups and overviews) all damage, noting the location, date and time.
- Take steps to mitigate the loss. If you have to tap a credit line, document the interest incurred, which is sometimes recoverable.
- Insist that the insurer provide you with a complete loss estimate.
- Have your own loss estimate prepared, preferably by licensed contractors. Share your estimate with the insurer, but make clear that your estimate is just that – an estimate.
- It should go without saying, but be honest. Claim inflation invites claim denial.
- Document all repairs. Get multiple bids and send them to the insurer. Ask the insurer to confirm that the bids are reasonable. Avoid cost-plus contracts, which invite abuse and are frowned upon by insurers.

■ If you engage a public adjuster, be selective. Ask detailed questions, such as: How many other insureds have you signed up? Do you do the work yourself, or do you subcontract estimating and engineering work? Who do you use and how are they paid? Negotiate a fair percentage with the public adjuster, usually a sliding scale percentage with a 10 percent maximum based on contractual recovery only (i.e., no fees, costs, or extra-contractual recovery). Always negotiate an endpoint for services. For example, one year from the date of loss with the option to renew if progress is being made.

■ If you retain an attorney, be similarly selective. Make sure the law firm has the experience and resources to go toe-to-toe with an insurance company.

■ If your policy allows it, consider requesting an appraisal of loss, which can expedite resolution of the claim.

■ Ask the insurer to help you with your proof of loss forms, but get professional help regardless.

■ Avoid insurer-recommended contractors, unless you get full disclosure on pricing and warranties. Always get your own estimate from an independent contractor.

No matter how well you prepare, the claim process can still be arduous. Stay focused and professional.

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