

Be smart with claims

Consumer Reports

If you've opted for a high deductible, it won't pay to make a claim for small losses. If a loss is only moderately greater than your deductible, you should also consider not filing a claim, because it could prompt a premium hike or flag you as a customer worth dropping—especially if you make several small claims over a relatively short period. Homeowners insurance is for losses in the thousands, and that's when you should call your insurer.

You should also be ready to fight for what you're due. When the Consumer Reports National Research Center surveyed 10,700 readers in 2008 about their experiences with homeowners claims, 16 percent said they weren't satisfied. And half of the homeowners who had filed claims related to Hurricane Katrina reported problems, twice the rate of the other claimants.

The shock of a major disaster can put you at a disadvantage when dealing with an insurance company. Here are some safeguards to remember:

Stop further damage

If, say, there's a hole in your roof, have it covered with a tarp to prevent further damage. But don't do any repairs yourself until the damage can be assessed by an insurance adjuster.

Read documents carefully

If you get up-front payments for temporary living expenses, don't sign any document that surrenders your right to collect everything you're owed.

Work with your insurer

Don't be combative. First, assess the situation and size up the insurance adjuster, who will be much more savvy at this negotiation than you. Some insurance companies treat claimants worse than others, and low-ball settlement offers are common. "Particularly with smaller claims, you can handle things on your own, but regardless of the size of the claim, an individual consumer is not on a level playing field with a big insurance company," Bach says. She suggests you seek help from United Policyholders, professionals such as lawyers, and government agencies.

Consider a public adjuster

If you reach an impasse in negotiations, you should consider getting help from a public adjuster, says

John Huff, director of the Missouri Department of Insurance. Public adjusters charge a hefty fee, typically 10 percent of the insurance payout. A recent exception: After tornadoes ravaged Joplin, Mo., earlier this year, the governor issued an order limiting public adjuster fees to 5 percent.) But that may be money well spent if the adjuster helps you get a higher payment. To find one, go to the website of the National Association of Public Insurance Adjusters. Look for references, several years' of experience, and a state license where required.

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