

10 tips for settling a contents (personal property) claim

1) Get a complete copy of your insurance policy and read it!

Read through your policy, not just the declarations page. Highlight and make notes regarding important deadlines, responsibilities, and coverage amounts/limits.

2) Keep a claim diary.

Take and keep detailed notes of all conversations with insurance company representatives. Record their names, phone numbers, job titles, supervisor's names.

3) Check your coverage limits for contents/personal property.

Most policies contain “buckets” of coverage and a maximum available amount of benefits for that bucket. Those maximums are your “policy limits.” Typically there is a bucket of coverage for your home/dwelling, your contents/personal property, temporary rent/loss of use, debris removal, etc. It's common for your contents policy limit to be a percentage of the limit on your dwelling.

Most (not all) policies label the contents bucket as “C”. “Coverage A” is commonly your dwelling bucket. You may have endorsements (extras) that add to your contents coverage. You may also have additional coverage for “scheduled” items (such as valuables, art, collections) that you paid more for. What is considered “contents”? Picture turning your home upside down and whatever falls out, that's your contents. Items like appliances, HVAC systems, carpeting can sometimes go in either category.

4) Understand the lingo.

Three important terms to know are Depreciation, Replacement Cost and Actual Cash Value.

- **Depreciation:** The loss in value from all causes, including age, wear and tear.

- **Replacement cost value (RCV):** The “new” price of what it would cost to actually repair or replace a damaged or destroyed item. Most policies these days are replacement cost policies because they’re supposed to cover the cost of replacing what you have lost. To collect the full amount you’re entitled to under an RC policy, you have to actually replace the items and send the receipts to the insurer with a demand for the balance they owe you. Insurers don’t volunteer to pay – you insist.
- **Actual Cash Value (ACV):** The “old” price of an item as it was pre-loss, sometimes explained as the price a willing buyer would have paid you immediately before the event that caused your loss. Some policies limit payouts to ACV and that’s all they pay. If you’ve got an ACV policy, you’ll probably need to negotiate for less depreciation to be taken on major items, but once the check is cut, that’s all you will get, regardless of what it costs to actually replace what you had.

5) Do your best to create an inventory and update it as you remember things, get help as needed.

Your insurance company’s adjuster should give you a form or format for preparing your inventory, explain the level of detail they need, and help you get started. UP offers a [free sample home inventory spreadsheet](#), lots of [free guidance](#) on strategies for completing one, and there are [professional experts](#) you can hire in most areas to help you. See #7 below before you get deep into the painful process of making your detailed inventory.

6) Understand that depreciation is negotiable.

On top of the time you have to put in creating a detailed personal property/contents inventory and the pain of having to remember and value cherished items you lost, you may run into problems with your insurer on how they value your personal property and how they apply depreciation. Depreciation is the loss in value of an item due to age and wear and tear. See [“Depreciation Basics”](#) for more info.

Depreciation amounts are subjective and very negotiable. There is no official schedule or set standard for how much insurers can depreciate the value of your personal property. Some adjusters try and depreciate all your property by one percentage. That doesn’t make sense and isn’t fair. The insurer’s adjuster may apply depreciation by group of similar items (furniture, clothing, kitchenware, tools), or individually by item. Ask your insurer to provide you with a copy of the depreciation schedule they use,

challenge the amount of depreciation your adjuster places on your items and make your case for why they're worth more. Some items that don't lose value with age (antiques, items that don't get used often) should not be subject to depreciation at all.

When it comes to the value of specific items, condition is more important than age. An older item that's in excellent condition should be depreciated less than a newer item that's frequently used or one that's regularly exposed to water, sun, wind, etc.

Focus on medium and high value items and negotiate for the full amounts to which you are entitled. Extra work here can really pay off. If you set reasonable and full actual cash values and reach your contents limit just with those ACV values, you will not need to worry about collecting replacement cost, or hurry to replace items or track your replacement purchases. You'll get your full policy limit without future reporting or restrictions needed. In most cases, however, the ACV of your contents will not hit policy limits and you'll need to continue documenting and replacing items and working to collect your full contents benefits.

7) Request a waiver or relaxation of the requirement that you itemize every single item down to individual spices, the contents of your medicine cabinet, etc.

There are alternatives to the painful process of listing every single item that you lost. Your adjuster may agree to allow you to group list items (e.g. 25 men's t-shirts at @ \$25.00 each.) or use other shortcuts to prepare your inventory. Your adjuster may agree to pay you a portion of or all of your available contents coverage in exchange for not requiring an itemized inventory. In some cases, such as where you're significantly underinsured, an insurer may be willing to waive the inventory requirement completely. This is rare, but it happens. See:

<https://uphelp.org/claim-guidance-publications/sample-letter-asking-for-a-waiver-of-the-contents-itemization-requirement/>

Pressure is mounting from wildfire survivors, United Policyholders, state Departments of Insurance and elected officials in disaster areas to convince or legally compel insurance companies to grant partial waivers of detailed, itemized contents inventory requirements. There are now laws in place in [California](#) and [Colorado](#) that require insurers to offer to pay you a percentage of your available contents benefits without requiring an inventory. However, where your insurer offers to pay a set percentage of your

contents limits without an inventory, you have a choice: Accept less than the full amount you're entitled to, or complete an inventory and replace your contents to collect in your maximum available benefits.

Although it is rare to get a total waiver of the inventory requirement, some disaster survivors have successfully argued:

"I followed your recommendations on how much contents coverage to buy, but I'm close to my limit already in (ACV), and I'm only halfway through completing my inventory. I shouldn't have to keep going - it's upsetting and a waste. Please cut me a check for my full limits without further documentation."

"The claim process has been a second nightmare. To avoid the further trauma of sitting down to describe all the cherished things I lost, I'll accept 95% of my policy limits for contents - less than you owe me - to save time for me and your company. I've lost everything. Please make this practical business decision."

Be sure you understand what you are forfeiting, before you make such a request! 5% of a \$300,000 Personal Property/Contents limit means \$15,000 of possible resources you will no longer have available to you.

8) Make all requests to your insurer IN WRITING. Creating a paper trail is important. Confirm agreements, disputes and deadlines in writing via letter, fax or email.

9) Ask for extensions if you need them. If you need an extension to complete your list or an extension for the time to replace your items, make the request in writing. If your adjuster says "no", don't be hesitant to go over his head and ask a supervisor. For a sample letter requesting extensions, visit our [Sample Letter and Document page](#).

10) Be patient and realistic about the content claim process.

- Listing all of your items takes time, particularly when you have been through a trauma.
- Avoid rushing into a quick settlement. It is fast, but you may end up
- Inspect both sides of any checks received. Do not accept any checks with words such as "full," "final," or "settlement" printed on them unless you are absolutely sure the check is for the full

amount owed. If necessary, ask the adjuster to issue a new payment without those words.