

Survivors Speak: Negotiating With Your Insurance Company

Part of the [“Survivors Speak” Tip Series](#)

Honest give and take works best

“Every discussion/challenge to the insurance company’s position was done using cold, hard facts. We made sure we had our data and calculations documented in great detail to justify why each item cost was what it was. We also were honest about some areas where they [the insurance company] overvalued something. Occasionally, we made corrections in their favor when we knew an expense was our responsibility, not theirs. We didn’t try to pin everything on them. I think this give and take demonstrated our honesty and desire for accuracy whichever way the dollars fell, and went a long way toward amicable negotiations to the very end.” **(NW, 2007 San Diego Firestorm Survivor)**

Document all communications in writing

“Try to remove all emotions in all communications and discussions. Use facts only. Document everything and keep copies. Send all communications in writing, ideally typed and printed by computer and mailed to the company. Keep a copy of all things received from and sent to the company in a binder in date-order. Copy all parties you come in contact with on each communication letter until you are advised that a specific person is your contact. Include your agent as a cc on everything. If you have a conversation by phone or in person with anyone, document the discussion as completely and concisely as you can. For any request made, specify a date by which you want the request filled. Be reasonable in the time request. As soon as possible after your loss, request in writing to receive a printed copy of your applicable insurance policy and all of its attachments, schedules, riders and endorsements. Yes, it is very dull reading, but just asking for it conveys that you know what you are talking about. Be sure to convey at all times that you intend to begin rebuilding as soon as possible. Indicating otherwise may restrict what you receive. Never sign anything that suggests acceptance without waiting 24 hours for emotions and reality to soak in. Attend support meetings in your areas. Don’t be shy about asking questions of

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other who lost their home in our area or those who have navigated the insurance waters before you.” **(TT, 2007 San Diego Firestorm Survivor)**

It may be beneficial to involve your state’s Department of Insurance

“Involve your state’s department of insurance. Even if they don’t help you, you might get some ammunition off of the correspondence. For some reason, our agent copied us on his replies when he responded to inquiries about our claim from our state department of insurance. He put many things in writing that we were “alleging” to be true. For example, he wrote in his own words that he set our policy limits, and he set our policy limits too low.” **(JE, 2007 Witch Creek Fire Survivor)**

Reaching a fair and reasonable settlement may require a variety of actions

“We hired a construction expert to conduct a very thorough scope of loss report. I’m convinced this was probably the most important thing we did that helped us reach a fair and reasonable settlement. It was difficult for the insurance company adjusters to refute the quality of our expert’s report. We did file a complaint with the California Insurance Commissioner’s office. This did help spur our insurance company to work towards a settlement. I wrote a personal note to the insurance company’s board of directors asking for their help in assisting all insureds who experienced losses in the fire which destroyed our home. At the time, we didn’t think this would do much good. But, to the contrary, we received a quick response. I think this also helped tremendously to motivate the insurance company to settle. We asked for a complete copy of our insurance file that documented when policy changes were made. This proved to be helpful. We documented telephone conversations with the insurance company and always tried to follow up with letters and e-mails.” **(TH, 2007 Witch Creek Fire Survivor)**

It helps to educate yourself first, then negotiate

“We took the process slowly. Initially we focused on educating ourselves about the terms of our policy, our legal rights, purchase vs. rebuild options, how our company was handling other total loss claims and how they had handled loss claims from other disasters. One of the important things we discovered was that many issues could be negotiated. We initially thought everything was ‘black and white’”. **(MZ, 2007 Witch Creek Fire Survivor)**

Don't guess!

"Preparation is the key to success. I found myself setting up for negotiations the day after the loss in terms of saying/providing info that I knew was 100% accurate vs. guessing, which would create a weak negotiating position later when the true arguments start. Get the insurance company to correspond in writing on everything. Phone calls weakened our position. Keep track of dates/times/places and all details of any interaction with the insurance company as such behavior puts the insurance company on notice that the insured is not an easy target to confuse. Plus, if an issue is "pushed up the ladder" the superior will have a clear picture of events which helps expedite any decision. "He said/she said" only favors the insurance company." **(JL, 2007 Witch Creek Fire Survivor)**

Keep detailed spending records

"The key components of our process included keeping very detailed records of all spending. All spending was tracked in spread sheets with categories to make it easier to summarize. In each of the negotiations with the insurance company, we wrote a detailed document that defined the issues and our arguments as to why the expenses should be covered. Theses documents made our position very clear and put the insurance company in the position of disproving it." **(JK, 2007 San Diego Firestorm Survivor)**

Keep your insurance agent involved

"We had at least four different adjusters over the time of our negotiations. We kept our agent in the loop and when we had adjusters who were being unpleasant or uncooperative, she had them replaced." **(BV, 2007 Witch Creek Fire Survivor)**

Keep a paper trail

"In all aspects of the claim, (personal property, dwelling, ALE, etc.), I found that keeping track of insurance company/adjuster promises and confirming same in writing was critical. Jot the down the substance of any conversations you have with insurance company adjusters/representatives in a spiral notebook, including the date and time. Then, confirm any promises made in writing. The challenging thing at the time, was the drain that trying to document everything put on us given that we were already emotionally and physically wiped out after the loss of our home. Honestly, just do the best you can.

Laying a paper trail really helps. Also, get credible detailed estimates on the cost to repair/replace your home by expert(s) with strong credentials, so that if the insurance company tries to lowball your repair/replacement cost, you can argue that your repair/replacement estimate should be the one used to quantify the loss as the expert preparing it is better qualified to offer an opinion and/or it provides greater detail than the insurance company's estimate." **(KR, 2003 Cedar Fire Survivor)**