

[Homeowners can challenge insurers' estimates](#)

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Before agreeing to an insurance settlement that falls short of covering their storm-repair bills, homeowners may want to consider the tale of Warren S. Dank.

As Sandy battered Long Island, Dank's backyard generator burst into flames, destroying a shed and melting the vinyl siding off the rear of his Syosset home. Days later, he said, a State Farm agent advised him to have a contractor make repairs before the nor'easter hit. The bill: \$39,700.

Then a State Farm adjuster arrived, looked at damage photos and assessed the repairs. His settlement offer: \$29,000, according to documents Dank shared with Newsday.

"There was no way I could have gotten the work done for that price," said Dank, 45.

A State Farm spokeswoman declined to discuss Dank's case, saying claims are private. The company, she said, is working closely with policyholders to make the process "as smooth as possible."

Dank's plight is a reminder that estimating home repair costs is an inexact science. One quote for a job might be \$10,000; another could be \$15,000. And as Long Islanders rebuild from Sandy, they are left dangling between what contractors say a job will cost and what adjusters decide insurers should pay.

Before accepting a settlement requiring them to swallow a big chunk of the bill, homeowners should study estimates line by line and ask every question possible to ensure they are getting a fair deal, consumer advocates say.

"The squeaky wheel gets paid," said Amy Bach, executive director of United Policyholders, a San Francisco nonprofit that helps homeowners file disaster-related insurance claims. "It is always worth

pushing back.”

The task of calculating settlements for Sandy’s estimated \$25 billion in claims falls to the legions of adjusters who arrived here from across America in the days after the storm.

Some work full time for big insurance companies. Others are independent contractors who migrate seasonally from disaster to disaster: East Coast hurricanes in fall, New England ice storms in winter and Midwest tornadoes come spring.

As they walk through homes assessing damages, most adjusters calculate estimates with computer software that — ideally — is up to date with the cost of local labor and materials. “If you have an adjuster from Dallas handling claims in New York, he is not using Dallas prices,” said Chris McDowell, president of the National Association of Independent Insurance Adjusters.

Consumer advocates, however, said that if adjusters don’t override the software’s default settings, they may get estimates tailored for tract homes in Middle America. Plus, the programs don’t always keep up with cost spikes triggered by rocketing demand for labor and supplies in the wake of a disaster, industry experts said.

And there is, of course, another side to the estimates. Mario Mattera, business agent for Plumbers Local Union 200, said some contractors and suppliers are taking advantage of desperate homeowners. “Price gouging is going on like crazy,” he said.

Dank, a lawyer, said he was livid after comparing State Farm’s cost and labor estimates with his contractor bills. So he threatened to sue. The insurer’s estimate, for instance, allotted 58 minutes to paint four windows. The amount of paint required: 2 cups, costing \$4.16.

Artie Cipoletti, treasurer of the Long Island Builders Institute, called the numbers “ridiculous.” No job takes less than an hour — and no one sells paint by the cup, Cipoletti said.

After weeks of negotiating, State Farm met with Dank’s contractor, then agreed to the full \$39,700, minus a deductible, according to an email Dank shared with Newsday. “People need to know their rights,” Dank said, “and realize they don’t have to just accept a settlement.”