

Post fire claim advice: After the fire comes the adjuster

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In July, when fire tore through the Northwest mansion belonging to local activist and arts patron Peggy Cooper Cafritz, it set off what is likely to be a long journey toward rebuilding. Facing total loss, Cafritz hired a public insurance adjuster to estimate the dollar amount and help prepare her homeowners insurance claim.

“It would be a truly daunting experience to do something like this on your own, for this level of claim,” said her nephew Casey Cooper, who is a Washington lawyer.

Though the adjuster, Harvey Goodman, president of Goodman-Gable-Gould Adjusters International in Rockville, would not comment specifically on Cafritz’s claim, he said another total-loss claim he processed earlier this year took about five months to settle with the insurance company. Many people don’t realize the emotional toll such a loss may take on them, Goodman said, and it can be difficult to recognize all the aspects of such a complex claim.

“People get traumatized and emotional, as they should, when their houses burn down,” he said. “You’ve got to look at this as a business transaction, because that’s how the insurance company is going to look at it.”

Despite the trauma, there are steps homeowners can take when dealing with their insurance company that can minimize the chances of running into trouble with their claim.

One of the most frequent complaints against insurers arises when an insurer bases its rebuilding cost estimate on rates charged by its own

contractors and a homeowner has the work done by a different contractor who charges more, said Thomas E. Hampton, commissioner of the District's Department of Insurance, Securities and Banking. That office fielded 64 complaints against homeowners insurance companies last year. The majority of the roughly 1,000 complaints the office received last year concerned auto policies.) But Hampton said he thinks there are many more complaints that go unreported.

Several lawyers and insurance experts offered advice on ways homeowners can be more savvy when dealing with insurance companies:

— Never agree to a recorded interview with someone else's insurance company, says Paulette Chapman, a personal-injury lawyer in the District. You might be asked for such an interview if someone fell on your steps and filed an insurance claim with their own company, for example. They might ask leading questions that can be used against you, she said.

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Offer to submit a written statement instead, says Alice Wolfson, chairman of the board for United Policyholders, a consumer group based in San Francisco. You also can request that your own lawyer be present when you speak to the insurance company.

"Most insurance policy holders want to be the most honest, forthright insurance policy holder in the world," she said. "They're going to give tons and tons of information that could possibly be used against them."

— Understand that the word "flood" rings alarm bells with insurance adjusters. Most homeowners' policies do not cover floods, so you should check your policy for the insurance company's definition of flooding, says Amy Danise, editor of the Insure.com Web site. Typically, she said, water coming from outside the home won't be covered, but water that originated inside the home, say from a broken pipe, probably will be.

Calling your incident a flood in the initial claim could delay your claim.

— Keep good records. Danise suggests keeping a log of all correspondence with the insurance company at every step of the way,

noting with whom you spoke, date and time, and what the person told you about your claim or the value of the damage. Notes will come in handy if there's a dispute or a legal complaint. Experts also suggest taking photos of the damage and writing down everything you remember about the incident immediately after it happens.

— Ask your insurance agent to stay on the phone with you during the interview with the claims department, suggests Mel Pine, an Allstate agent in Purcellville, Va. Pine says he does this to help the client feel more comfortable and to translate industry jargon.

— Get a copy of police or fire department records before filing a theft or fire claim, Wolfson says. They help document that the incident actually happened and that you did not purposely cause it.

— Don't rush into decisions. Though a claim should be handled efficiently and in a reasonable amount of time, Robert Hunter, director of insurance for the Consumer Federation of America, recommends caution when decisions seem to be made too fast. "You want to make sure you're getting everything you're entitled to," he said. In particular, he urges caution in signing any final releases, which indicate the end of a claim. For example, if a fire damages the walls in a home, don't accept a small reimbursement for the cosmetic damage before you know whether there is structural damage to the walls, Hunter said.

— If your claim is denied, find out exactly what language in the policy the company uses in its reasoning, Hunter said. "It stops them from coming up with new reasons for denying your claim," he said. The same goes for their estimates of what your property and damage are worth. "You have to understand where their numbers come from. You have the right to ask," he said. "It's your claim."

— Consider hiring a lawyer or public adjuster if a dispute persists, Hunter said. He suggested consulting rankings, such as those done by ConsumerReports.org, for your specific insurance company before deciding whether to hire a public adjuster.

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— Prepare for insurance claims before they even happen. Planning and

keeping good documentation will go a long way toward preventing problems with claims, says Carolyn Gorman, a vice president of the Insurance Information Institute, an industry group. Make a home inventory, some insurance companies will help you with this) and take photographs of your belongings. Keep sales receipts for big-ticket items. And store your inventory records online or at someone else's house so they will be accessible if your home is damaged.