

How to speed approval of storm-damage claims

What homeowners can do now to ease insurer delays

By Charles Passy

NEW YORK (MarketWatch) — Is there a way to get your insurance claim fast-tracked for approval?



Reuters

A huge fire erupted as Hurricane Sandy ripped through New York in the neighborhood Breezy Point.

As thousands of homeowners affected by Hurricane Sandy begin contacting their insurers, that's the question likely to be on their minds. After all, stories of delays in the processing of storm-related insurance claims have become all too familiar. In the case of Hurricane Wilma, which struck Florida in October 2005, more than 2,000 homeowners were still waiting on their money nearly four years after the disaster.

That may be an extreme example, but insurance industry experts say a degree of waiting is inevitable after a storm of Sandy's size and scope, which resulted in an estimated \$10 billion in damages, according to reports. Plus, in Sandy's case, the claims could be especially time-consuming to process because it won't always be clear if the storm damage is wind or flood-related — and insurers will potentially be trying to pit one type against another to limit their payouts, says Paul Berger, managing attorney of the Hurricane Law Group, a Coconut

Creek, Fl., firm that specializes in storm-related insurance issues. Sandy is "going to be a very tricky storm" to dissect, he says.

But there are certain steps a policyholder can take now to ensure they're not at the end of the claim line, experts say.

For starters, they need to make that initial call to the insurer as soon as possible. Experts say that many homeowners hesitate because they're not really sure if they have enough damage to merit a claim — or at least a claim that's more than the value of the policy's deductible. But that's for the insurer — or a public (meaning outside) adjuster — to determine, the experts add. Meanwhile, the waiting simply puts the homeowner further down a list that only grows with each passing day or even hour.

"The quicker you begin the process, the quicker (the claim) is going into the hands of the person

who's going to pay you," says John Kinney, a senior vice president with The Hartford.

But making the call is one thing, providing the right information is another. The latter is probably the key element to speeding up a claim, experts say. If a homeowner can provide details of the damage, both to their property and possessions, they will essentially be making the adjuster's job easier. And every detail counts: Before-and-after photographs, purchase records and contractor estimates for repairs are all especially valuable. It's not that the adjuster will take everything at face value, but it gives the adjuster a reasonable starting point.

Making life easier for the adjuster is particularly important when it comes to disaster claims, experts say, since the adjusters are likely to be contracted ones, often brought in from another state to meet the sudden demand in the area. That means they may not be as familiar with local pricing or types of construction.

"The problem after these storms is you don't have the best trained or most sophisticated adjusters," says Berger of the Hurricane Law Group.

In that regard, a homeowner may also consider hiring their own adjuster to work with the one the insurance company contracts. On the one hand, it could help the homeowner make their case in a more complete yet expedited fashion.

"It definitely will have an affect on the speed of the claim," says Ron Reitz, president of the National Association of Public Insurance Adjusters. On the other, it will cost the homeowner, since the public adjuster is usually paid a portion of the settlement. Berger, who does adjustment work as well, advises going this route only in cases where a homeowner is looking at damages of at least \$25,000. (In other words, in situations where the public adjuster's fee may be offset by the extra dollars the adjuster is able to win for the homeowner through advocacy and documentation.)

Finally, a homeowner might be able to move to the front of the line, so to speak, by making the insurer aware of any noteworthy or unusual issues. For example, if a family with a special-needs child is forced to live in temporary housing while awaiting repairs on a storm-damaged home, it could have a negative effect on the child's care. While insurance companies aren't necessarily required to put that family's claim on the front-burner, they may do so simply out of a sense of obligation and respect.

In the end, says John Kinney of The Hartford, claims are best resolved when there's a solid line of communication between homeowner and insurer. But the insurer won't automatically know what a homeowner's special circumstances are. "Be sure to raise those issues," he says.

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