

## When disaster hits a dealership: Preparation is the key to recovery after fire, flood or wind damage to buildings and equipment.

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What would happen if a disaster hit your farm equipment dealership? That disaster could be a fire, a flood or a high wind that destroys your dealership and your equipment.

The damage to buildings will take significant resources to repair. Then there is the cost of replacing your expensive equipment. And, while your place of business is being repaired and your equipment is being replaced, you may be forced to cease operations, resulting in lost income.

If that isn't bad enough, the interruption of your business can launch a chain reaction by also disrupting the events, the businesses and the lives of your employees, your customers and even your suppliers.

### **Keep good records**

After a disaster, how do you recover quickly with minimal interruption to your livelihood? One way to lay the groundwork

for a smoother claims process is to be prepared.

Before you can claim a loss of property, you have to prove that you owned the property in the first place. Professional documentation will ensure your greatest recovery. So, now is the time--before disaster hits--to make a complete inventory and to photograph your building and all its contents, as well as all of your equipment.

Record the replacement values for all items, as well as serial and model numbers where available. Make copies of contracts and financial records that can be used to estimate business-interruption losses. Store this information, along with your insurance policy, in a secure location away from your building where you can quickly access it in case of disaster.

### **Don't rush to claim insurance**

After disaster strikes, you'll want to react quickly, but don't rush into your insurance

claim. Getting competent assistance with an accurate assessment of the loss and damage is critical at this point. Here are three things to do at this point:

- \* Take photographs of the damage.
- \* Take detailed notes of any conversations you have with fire and law enforcement officials, emergency medical personnel and insurance representatives.
- \* Take steps to cover and protect whatever remains of your business, to prevent further damage.

Be aware that, once you file your sworn Proof of Loss with the insurance company, you are essentially stating that you have documented the value of everything you think you have lost. Unfortunately, some high value property owners discover later that they have overlooked or undervalued some things.

It is also important that you understand that, as soon as a claim is filed, insurance companies begin formulating their opinions of your claim. They also begin setting aside their approximation of how much money they are willing to pay for your claim--an amount not necessarily in line with your estimate of the true cost of recovery.

Many times this is done because you have not accounted thoroughly and accurately for exactly everything you've lost, and that initial claim may abbreviate or omit lost items or property that you later discover to be missing or destroyed. However, that initial claim is what your insurance company will base its payout upon, and losses discovered after it is filed may never be recovered. The difference between a settlement at possibly a fraction of your loss and a settlement at a more realistic recovery of your investment could be huge.

## **Do you need a public adjuster?**

Increasingly, owners of high value property such as farm equipment dealerships are enlisting the help of a property loss consultant, or public adjuster, to maneuver the labyrinthine insurance negotiation process. Public adjusters represent the policyholder, not the insurance company. They usually work for a percentage of the final settlement offered by the insurer, and receive their payment only when you receive yours.

What does a public adjuster do, and what are the advantages of hiring your own adjuster over using the insurance company's adjuster, or an "independent" adjuster, who is actually also retained by the insurance company?

A public adjuster serves the client, not the insurance company. A public adjuster inspects the loss site immediately, analyzes the damages, assembles claim support data, reviews the insured's coverage, and determines current replacement costs. In addition to helping you reconstruct your inventory, put together a building-repair estimate, and project losses of income for your business, public adjusters will also negotiate, on your behalf, with the insurance company's representative. Because their fee depends on your settlement or claim payment, you are assured that public adjusters will do everything in their power to attain for you the maximum amount to which you are entitled.

However, remember that not all public adjusters are the same, so it is important to do your homework before you select a firm. In fact, a good time to do this is before you are actually dealing with a disaster at your dealership. Here are three suggestions for finding the right firm for your dealership:

\* Contact the National Association of Public Insurance Adjusters ([www.napia.com](http://www.napia.com)). This trade organization represents over 100 firms and maintains a searchable database.

\* Once you get a few names that look promising, interview them. Ask about rates, references and credentials. Contact their references, and quiz former clients on the public adjuster's performance.

\* Call your state insurance office and the Better Business Bureau to make sure the company has no unresolved complaints.

### **One last piece of advice:**

Be cautious about who you hire to perform repairs to your building.

Don't be rushed into signing a contract with a roofer, contractor or builder. Consult with more than one, and compare their written estimates for the work to be done.

Beware of contractors who encourage you to spend a lot on temporary repairs. Those payments will come out of your total insurance settlement and will take resources away from the permanent repairs you'll have to make. Check their references and their records with the Better Business Bureau.

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