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Guest Column

Protecting your business after a major hurricane loss

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Hurricane season is upon us, and while Jacksonville has historically suffered less damage from hurricanes than other East Coast cities, it has experienced hurricane or near-hurricane conditions more than a dozen times since 1871. This is not to mention the damage that can be done to homes and businesses by tropical storms and the peripheral wind and weather that accompany a hurricane.

Insurance experts predict an even harsher hurricane season than last year, when Hurricanes Dennis, Katrina, Rita and Wilma battered Florida and the Gulf Coast and caused more than \$57 billion in damage and property loss. As many as five major hurricanes are predicted to hit the United States this season, and their impact could cause similar damage or worse.

So what do you do when hurricanes or their aftershocks damage or destroy your place of business? After all, not only does storm-related damage cost money to repair, but also the fact that it must be repaired -- and therefore that your business needs to be limited or shut down altogether -- costs you money in the form of lost revenue.

As a business owner it is in your best interest to get that business up and running again with minimum interruption. Most people, after surveying the damage, reach for two things: their insurance policy and their telephone.

Many policyholders have only a vague idea of what their insurance actually covers. Many assume that acts of God are automatically covered. If you are one of these, do yourself a favor and check your policy. Nothing is automatically covered.

As soon as a claim is filed, insurance companies begin forming their opinions of your claim. They also begin setting aside exactly how much money they are willing to pay for your claim -- an amount not necessarily in line with your estimate of how much money is needed to replace your lost property.

Many times this is done without thoroughly accounting for everything you've lost, and that initial claim may leave out lost items or property that you later discover to be missing or

destroyed. But that initial claim is what your insurance company will base its payout on, and losses discovered after it is filed may never be recovered.

After last year, the worst hurricane season in recorded history, many insurance companies are planning on reducing or eliminating coverage. According to recent reports, AIG reduced coverage in storm-ravaged New Orleans by 20 percent to 25 percent this year. Allstate is cutting its homeowners' insurance as far north as New York City out of fear of another superstorm, and one new insurer is proposing a 92 percent rate hike in the state of Florida.

Don't panic. These obstacles are insurmountable only if you allow them to stack up and are unprepared to deal with them.

Many commercial-property owners and small-business owners are turning to public adjusters to help them maneuver the labyrinth of red tape that makes up the insurance negotiation process. Public adjusters represent the claimant, not the insurance company. They work for a fee, usually a percentage of the final settlement offered by the insurer, and receive their payment when you receive yours.

A public adjuster inspects the site immediately, analyzes the damages, assembles claim-support data, reviews the insured's coverage, determines replacement costs and exclusively serves the client, not the insurance company. 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.

Not all public adjusters are equally competent, nor is every public adjuster good for you and your business. Before hiring an adjuster, do some research:

- Contact the National Association of Public Insurance Adjusters (www.napia.com). This trade organization represents more than 100 firms and maintains a searchable database.
- Once you get a few promising names, interview them. Ask about rates, references and credentials. Contact references and quiz former clients on the adjusters' performance.
- Call your state insurance office and the Better Business Bureau to make sure the company has no unresolved complaints.

You don't have to wait until you are in the midst of a claim to select an adjuster. Now is a good time to research companies, interview their representatives and select a public adjuster who can come to your aid immediately after a hurricane hits.