

INSURANCE RESTORATION



INTRO

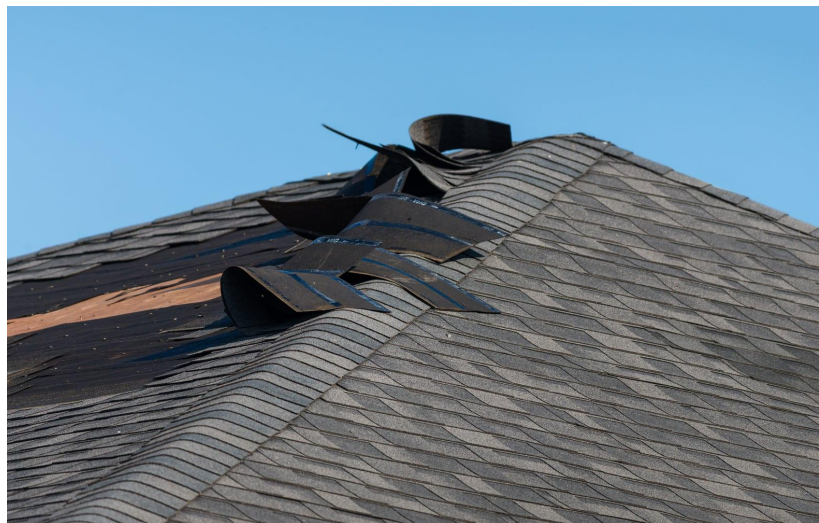
Introduction to the **RESTORATION INDUSTRY**

Introduction

Welcome to the Restoration Industry

Throughout North America, severe weather brings wind, rain, ice, snow, and fires that impact homes – often when property owners least expect it. The costs of property losses from storm damage to homes is high. For example, damages from 2021 weather-related disasters totaled approximately \$145 billion. The costliest 2021 events were Hurricane Ida (\$75 billion), the mid-February winter storm and cold wave (\$24.0 billion), and the western wildfires (\$10.9 billion).

In order to deal with catastrophic loss, modern society developed a useful sharing model called property insurance. Homeowners pay for property insurance, yet may never file an insurance claim, while others less fortunate are able to tap into the collective pool of funds to help pay for their losses. In other words, insurance is a communal system which takes care of those affected by disaster, taking the worry of financial hardship out of the equation when it comes to catastrophic loss.



Purpose of The Manual

Note: In this manual we will touch on all claim types, but we will be **PRIMARILY** focusing on **HAIL** and **WIND** damage related to **ROOF RESTORATION**.

This manual is designed to help roofing company personnel better understand the insurance restoration industry. It can serve as a guide to teach roofing professionals about the insurance process and the opportunities to assist clients impacted by destructive weather events and other unexpected property loss.

Roofing professionals who demonstrate a strong understanding of the insurance claims process can help homeowners feel confident in getting through the stresses and uncertainties of “what’s next” after their property has been damaged by a storm. Knowing the step-by-step processes involved in insurance-related roof repair and restoration can easily translate into establishing or elevating a company’s insurance restoration division, making it lucrative as well as beneficial to homeowners.

DISCLAIMER: Some areas prohibit soliciting homeowners regarding insurance claims. The language in this manual is geared towards areas where solicitation is not restricted. This manual is an **INTERNAL** training tool to educate staff on the Restoration Industry and is not directly used to solicit homeowners.



State of the Industry

The Restoration Industry is Trending Upward

Professional restoration and remediation is a growth industry— \$210 billion and growing, due to the increasing intensity and occurrence of natural disasters, the advancing age of homes and infrastructure, and technologies that better detect certain restoration needs. Hurricane Katrina in 2005 changed the industry demonstratively. New regulations came into effect and the restoration business model was significantly refined. It is now very well organized and prepared to respond to disasters.



\$210 BILLION+
RESTORATION & REMEDIATION

Technology



Technology is also adding to the growth which the industry is enjoying. For example, mold remediation is one of the biggest drivers of the restoration industry's growth. It is not that more mold exists in the world, but that advancing technology has made mold easier to detect. Since mold poses serious health hazards to susceptible individuals, the need for mold remediation is at an all time high. Adding to mold remediation needs is a higher frequency and increased destructive force of storms.

Evolution of Materials



Restoration equipment such as air movers, dehumidifiers, and other tools of the trade have become more innovative and widely available. Plus, as many companies move toward sustainable solutions, and property owners are also more environmentally conscious, the restoration industry has adjusted accordingly in terms of the products used to carry out restoration processes. Contractors are now using a variety of naturally-based restoration products which do not contain harmful chemicals common to traditional cleaning, drying, odor-eliminating, mold remediation and restoration products.



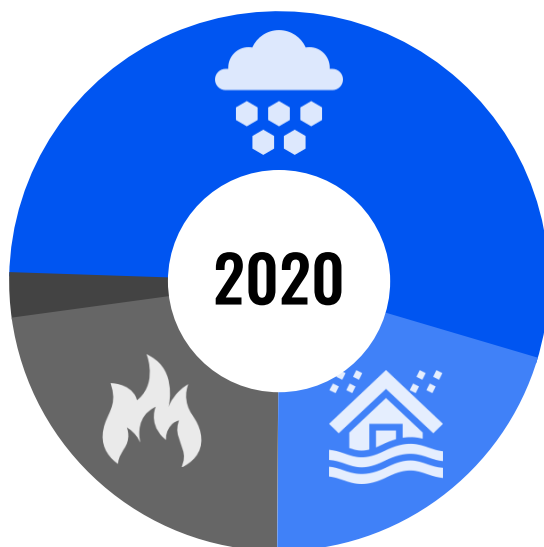
Future Outlook

From vast wildfires in the western U.S., to sudden violent tornadoes in the midwest and eastward, to mammoth tropical storms and hurricanes in the southeast, there is little doubt that the restoration industry will continue to expand, and great opportunities are out there for restoration professionals with the right tools and training.

Restoration Statistics

Based on data compiled by the National Severe Storms Laboratory (NSSL), there are approximately 100,000 thunderstorms in the United States each year. A tenth of these storms are severe enough to produce winds of at least 57.5 mph, hail of at least one inch, or tornado conditions.

According to the Insurance Services Office, in 2020, 6 percent of insured homes had a claim in 2020. Property damage, including theft, accounted for 97.7 percent of homeowners' insurance claims in 2020.



Causes of Homeowners' Insurance Losses

Each type of homeowners loss categorized in the chart below, from one year to another, is influenced by fluctuations in the frequency and severity of weather-related events, such as hurricanes and winter storms. In the five-year period, 2016-2020, 5.8 percent of insured homes had a claim. Wind and hail accounted for the largest share of claims, with 2.9 percent of insured homes having such a loss, followed by water damage and freezing with 1.6 percent of homes having a loss.

Cause of loss	2016	2017	2018	2019	2020
Wind and Hail	34.1	47.0	40.0	38.1	45.5
Water Damage and Freezing	28.7	18.3	23.9	28.4	19.9
Fire and Lightning	26.0	26.6	26.2	22.4	23.8
Theft	1.8	1.0	0.9	0.9	0.6
All Other Property Damage	5.7	4.7	6.5	7.1	7.9

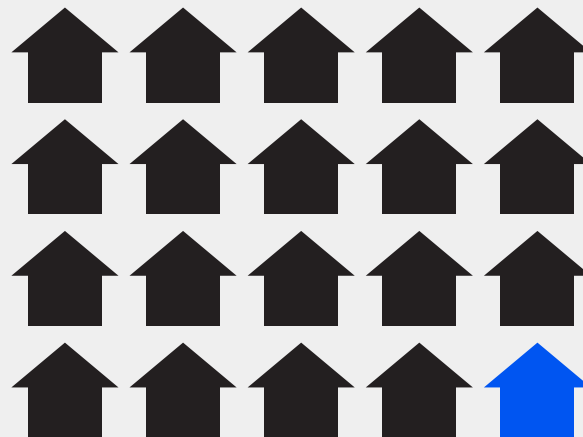
Restoration Statistics

As a roofing contractor working with homeowners on insurance related projects, it's important to have a good understanding of how insurance companies work. An important trend to keep in mind is the rise in home insurance premiums in high risk states—3.1% since 2018, for example.

It's important to educate homeowners on these trends and on how important it is to use their insurance appropriately to protect their biggest investment— their home.

Homeowners Insurance Claims Frequency

- Each year, about one in 35 insured homes has a property damage claim related to wind or hail.
- Each year, about one in 60 insured homes has a property damage claim caused by water damage or freezing.
- About one in 385 insured homes has a property damage claim related to fire and lightning.
- About one in 525 insured homes has a property damage claim due to theft each year.



About 1 in 20 insured homes has a claim each year.

Highest Insurance Premiums

Rank	State	Avg. Premium
1	Louisiana	\$1,987
2	Florida	\$1,960
3	Texas	\$1,955
4	Oklahoma	\$1,944
5	Rhode Island	\$1,630
6	Kansas	\$1,617
7	Colorado	\$1,616
8	Mississippi	\$1,578
9	Nebraska	\$1,569
10	Massachusetts	\$1,543



Why are rates so high in these States?

- Due to the hurricanes (LA and FL) and consistent hail storms (TX), insurance companies rate these states as higher risk.
- The rise of fraud in some of these states lead to insurance providers charging double the cost of insurance compared to other lower risk states.
- More complex state code and legislation will also lead to premium increases.

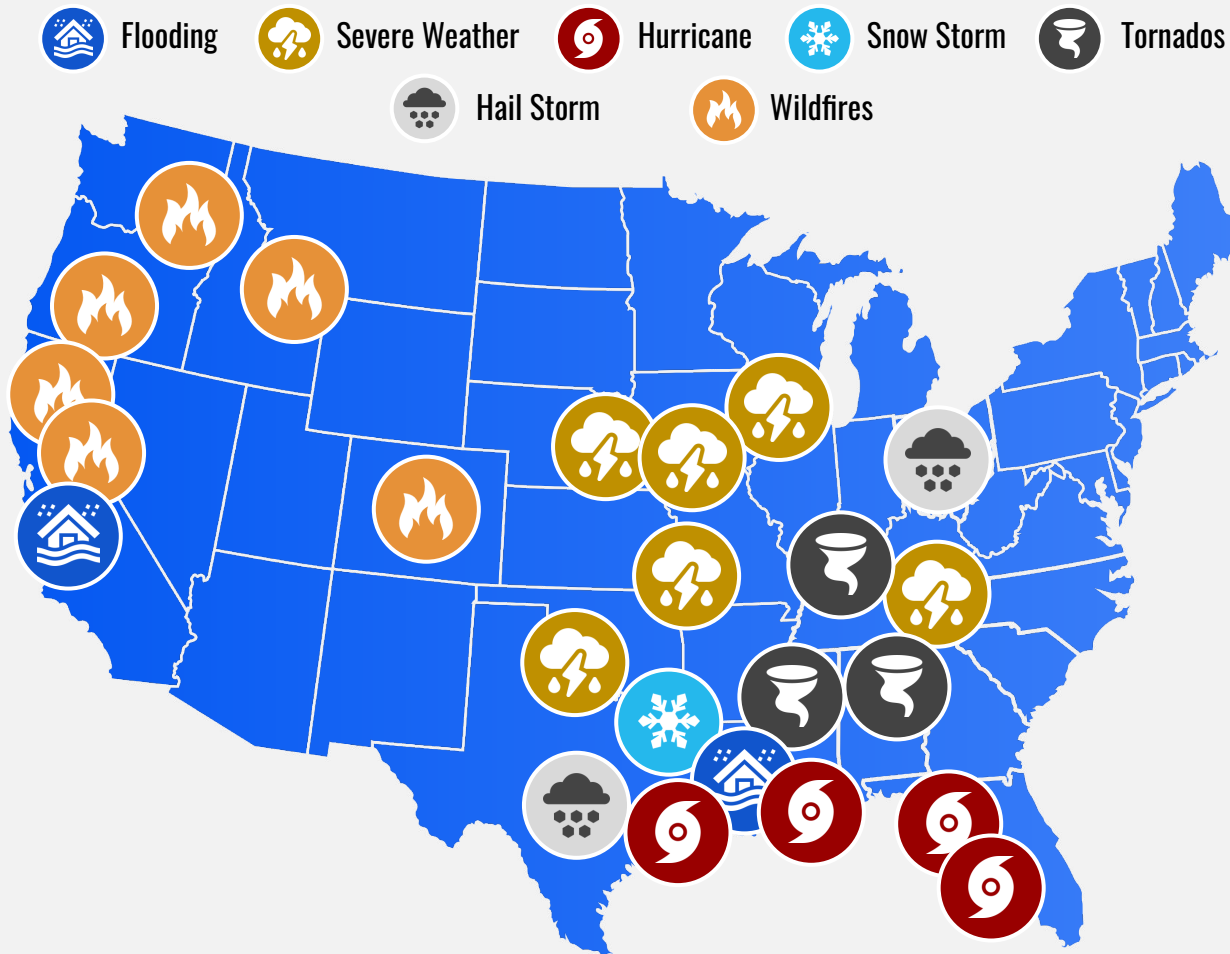
Natural Disasters

Rising in Occurrence and Intensity

Severe storms caused about \$6 billion in property damage based on a study done by the Environmental Protection Agency back in 2016. It's a phenomenon that has been consistent for several years and shows no signs of decreasing. As a result, fire and water damage professionals have been in high demand.



2021 Billion-Dollar Weather Disasters



Damages from the 2021 disasters totaled approximately \$145 billion. The costliest 2021 events were Hurricane Ida (\$75 billion), the mid-February Winter Storm / Cold Wave (\$24.0 billion), and the Western wildfires (\$10.9 billion).

Adding the 2021 events to the record that began in 1980, the U.S. has sustained **310 weather and climate disasters** where the overall damage costs reached or exceeded \$1 billion.

Information provided by climate.gov

Industry Issues

Trends in the Restoration Industry are leading to more crackdowns on contractors acting unprofessionally and a lack of trust by homeowners. Below are some examples of issues in the Restoration process.

Frivolous Lawsuits

When the contractor provides sufficient evidence of roof damages due to covered events, most insurance claims are resolved efficiently. But, as opportunities flourish and unqualified storm chasers enter the scene, along with a growing number of public adjusters and plaintiff's lawyers, more and more claims are ending up in lawsuits! Insurance companies will sometimes settle frivolous lawsuits because it's less expensive than going to trial.

Bad Actors in Roofing

Following a big storm event, a community may have an influx of roofing contractors come from out-of-town to work the storm. There are some bad-faith actors in the industry that travel through impacted communities offering to perform roof repairs or replacements. They prey on homeowners who are anxious and vulnerable and who may easily believe a roofer when he tells them their property has suffered damage.

Insurance Fraud

Insurance fraud is an unfortunate scenario that tarnishes the reputation of contractors, not only in the roofing profession, but in other building and restoration fields. Dishonest roofing contractors succumb to the temptation to submit two separate invoices: a lower-cost version to the homeowner, and a significantly higher cost version to the insurance company. Contractors who engage in this practice sometimes win projects by telling homeowners that they will reimburse their insurance deductible, forecasting that by over-billing the insurance company they will have the funds to cover such a reimbursement.



How does this hurt homeowners?

- Settlements drive up their insurance premium.
- The insurance company may drop them from the policy.
- Some insurance companies will even leave a market that is over aggressive with claims.

How does this hurt homeowners?

- Bad actors may collect your deductible, or even the insurance payout, and leave town without doing any of the work.
- In some cases, the bad actors may create damage to the roof to get the claim. This leaves the homeowner with roof damage and a financial burden.

How does this hurt homeowners?

- Bad actors will work the claim to the full payout and then perform the replacement cheaply in order to pocket an unfair margin, leaving the homeowner with shoddy workmanship that won't hold up.
- Not paying the deductible is FRAUD. If a contractor offers to waive it, it's a sign that they may be cutting corners on the project in other ways. A contractor guilty of this scheme can be prosecuted.

Law & Policy

Regulations pertaining to property insurance and storm damage restoration practices vary state-to-state. There is no national governance over roofing contractors. Requirements are different in every state and even local jurisdictions. Some states require a specialty contractor license, others a registration, and still others have no requirements at all.



Law & Policy Trends

In each U.S. state, Attorneys General are tasked with the job of protecting consumers during all stages of a disaster. Attorney General offices often address the following consumer protection challenges in the wake of natural and manmade disasters:

- Fraud
- Price gouging
- Dishonest or crooked contractors or repair services

Of late, wildfires, hurricanes, disastrous floods, tornadoes, and snowstorms have all taken their toll on the industry. In states such as Florida and Texas, where storm conditions can be extremely severe, including hurricanes and tornadoes, roof repair schemes by untrustworthy contractors are rampant. In addition, some unethical attorneys are tied into that runaway litigation—insurers' claims expenses are increasing faster than the general inflation rate due to increased litigation costs, legal defense costs, a higher percentage of verdicts favoring plaintiffs, and sizeable jury awards (20% uptick in punitive award frequency over the period 2016-2021).

Due to bad actors in the industry, more and more laws are being passed in regards to insurance solicitation. Certain states more prone to fraud are being targeted first, but these trends are expected to trickle into more and more states, becoming federal policy.



Waiving of Deductibles

One selling point bad contractors often use is offering to waive or absorb the homeowner's deductible. The contractor then cuts corners, uses lower quality products, or inflates the bill sent to the insurance company to cover the difference.

In Texas, recent state laws make it clear that it's illegal for a contractor or roofer to waive an insurance deductible. After a major storm, contractors acting in bad faith are quick to arrive on the scene. This leads to shoddy repairs, fake contracts, and other problems. Under the new law, it is illegal for contractors or roofers to offer to waive a deductible or promise a rebate for all or part of a deductible. Violators could get up to a \$2,000 fine and up to six months in jail.



Disaster Relief Scams

FEMA, the Federal Emergency Management Agency offers disaster relief to eligible victims through various programs. Be wary of anyone who offers to fill out, assist with or expedite your disaster relief application with the Federal Emergency Management Agency, as they may be seeking access to your personal information.

- No state or federal disaster relief agency will call you for your financial information
- State and federal workers carry identification and will not ask for or accept cash



Code of Ethics

OUR PROMISE

- I. We promise to always act in the best interest of homeowners and their property.
- II. We promise to recommend repairs or replacements honestly.
- III. We promise to never misguide a homeowner into filing a claim in bad faith.
- IV. We promise not to cut corners with labor and materials to wrongfully increase profit on an insurance payout.
- V. We promise to follow industry standards for restoration work.
- VI. We promise never to report our inspections inaccurately to drive up the claim payout.
- VII. We promise to communicate consistently with clients throughout the process.
- VIII. We promise to educate our clients on the best roof systems to serve their needs.
- IX. We promise to treat our clients, their insurance company, and involved adjusters with respect.
- X. We promise to make the claims process as easy and seamless as possible for our clients.
- XI. We promise to educate our clients on the claims process and how it will realistically affect their premium.
- XII. We promise to leave properties we service in better condition than we found them.
- XIII. We promise to elevate the restoration industry and its perception with our actions.



About Us

Training Worksheet

Every company is different in their restoration approach. During training, take the time to fill out this worksheet with the specific products, systems, and more that our company uses.

How long have we been in business?

What areas do we serve?

What are our core values?

What makes us different?

What certifications or local affiliations do we have?

Notes

About Us

Training Worksheet

Every company is different in their restoration approach. During training, take the time to fill out this worksheet with the specific products, systems, and more that our company uses.

What percentage of our business is Insurance Restoration work?

Are there any local laws related to storm restoration we should be mindful of?

What natural disasters are we vulnerable to? What have we faced in the past?

What are the most common types of storms that affect homeowners in our area?

What are we doing to promote ethical practices in the Restoration Industry?

My Role

Training Worksheet

Every company is different in their restoration approach. During training, take the time to fill out this worksheet with the specific products, systems, and more that our company uses.

What is my title?

Who is my supervisor?

What is my main goal?

Job Duties

Daily Tasks

Notes

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Notes

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PART.1

A faint, light-gray line drawing of a house with a complex roofline, including a chimney and multiple gables, serves as a background for the lower half of the page.

Everything you Need to Know **RESTORATION BASICS**

Introduction to Insurance Restoration

History of Homeowners Insurance

The idea of Homeowners' Insurance materialized in England in 1666, due to the massive property loss from the Great Fire of London which affected nearly 13,000 homes. In the early 1730s, insurance came to the United States and in the 1750s it started to become popular when **Benjamin Franklin** founded the Philadelphia Contributionship which originally focused on losses from fires but blossomed into the full fledged property insurance provider it is today.

Today, virtually all of the nearly 70,000,000 single-family, 1-unit homes in the United States, are protected by homeowners insurance. Now, damage from a storm or other acts of God no longer mean financial ruin to an individual, like it was before Benjamin Franklin was around!



What is Insurance Restoration?

Insurance restoration is when an insurance company pays for the repairs by construction professionals on a home or business in the event of specific types of damage, often severe weather-related, as opposed to damage from normal, expected wear-and-tear.



Hurricanes,
Tornados, or Strong Winds



Hail
Damage



Heavy Snowfall &
Ice Damage



Fallen Trees &
Storm Debris



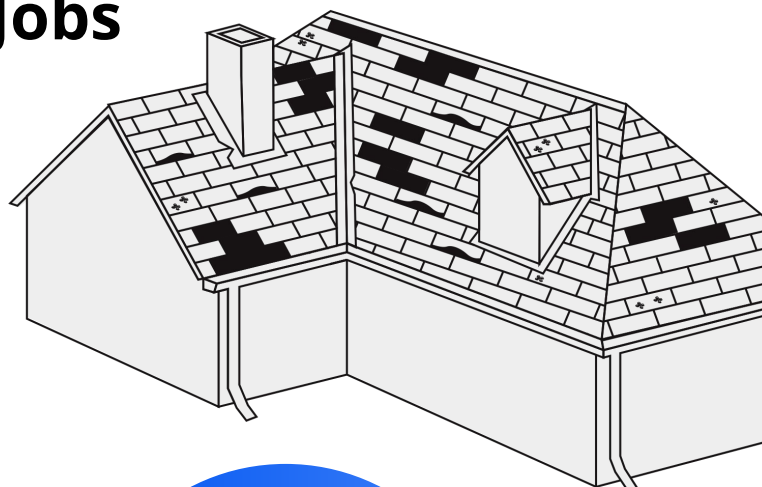
Water
Damage



Fire
Damage

Insurance Jobs vs Retail Jobs

Roofing contractors often group their revenue into two broad categories; Commercial vs Residential. But, another common approach to defining revenue goals is by Insurance versus Retail. Making this distinction between these types of jobs helps foster knowledge, expertise, and sales and marketing strategies to capitalize on insurance-related work.



Retail Jobs

Retail jobs typically consist of roofing repairs and replacements caused by general wear-and-tear of a roof over the years. This type of damage is usually not covered by insurance and restoration work is the expense of the homeowner, not an insurance company. Most homeowners will choose to, or need to finance the restoration of their roof, therefore more and more contractors are offering financing options through providers like Service Finance, GreenLeaf, Enhancify, ProFund, AccuFi, or other specialty home improvement finance partners.

- Roof work not covered by insurance
- Higher degree of competitive bidding
- Property owner pays full cost of project
- Financing options appeal to property owners



Insurance Jobs

Insurance jobs are typically those pertaining to damages caused by a storm or natural disaster. If the homeowner has a good home insurance plan, this damage should be covered by the insurance provider, but it must be documented and reported following a formal insurance claims process. It's becoming more tedious and difficult to get claims fully covered, but when proper documentation and reporting is performed by an adjuster along with the help of a capable roofing contractor, the process is made easier and payouts end up more adequately accounting for the full extent of damages.

- Roof damage covered by homeowners Insurance
- Tornado, hurricane, hail, storm, fire, "acts of God"
- Public adjuster assesses the damage which insurance provider will pay
- Property owner pays deductible

Insurance Companies

Leading Home Insurance Companies

According to the Insurance Information Institute, about 93.0% of households have homeowners insurance. The supply of homeowners insurance by industry operators varies across geographic regions in the United States.

The market size of the homeowners insurance industry in the U.S. is \$121.0 billion and the industry is expected to increase 1.5% in 2022. The industry in the US has grown 3.0% per year on average between 2017 and 2022.

Home Insurance Market Share



17.9%



8.9%



6.7%



6.3%



5.5%



4.4%



4%



3%



2.8%



1.7%

0% 2.5% 5% 7.5% 10% 12.5% 15% 17.5% 20%

Insurance Policy Types

Insurance Policy Basics

Homeowners insurance policies generally cover destruction and damage to a residence's interior and exterior, the loss or theft of possessions, and personal liability for harm to others. In this manual we will primarily cover destruction caused by hail and wind to the exterior.



Typical Coverage Levels



Actual Cash Value

ACV is the basic level of coverage. In simple terms, the insurance company pays out the value of what was damaged based on what it was currently worth, not how much the property owner paid for them. Claims under this policy have the depreciation deducted.



Replacement Cost Value

RCV is the more popular policy because it covers the ACV without deducting depreciation. This policy is recommended because it doesn't just cover the value of the home, it provides coverage to rebuild your home up to the original value.



Guaranteed Replacement

Guaranteed (or extended) replacement cost/value is the most premium, inflation-proof policy. It's similar in structure to the Replacement Cost coverage, however this policy pays out whatever it costs to rebuild the home, even if it's more than the policy limit.

Flood Damage



Depending on the area you live in, flood insurance *might* be included. Typically, standard homeowners insurance doesn't cover water damage caused by storm surge—that's where flood insurance comes in. If you live in an area prone to flooding, it is recommended to upgrade the policy to include flood-related water damage and loss.

Hurricanes



The term "hurricane insurance" is a bit misleading. There is no specific coverage addressing damage caused by hurricanes. But most homeowners insurance offers coverage for wind damage. For contractors working in a hurricane-prone area like Florida, a standard homeowners insurance policy covers wind damage, including that inflicted by named storms.

Most Common Claim Types



Wind & Hail

The top request for insurance restoration work comes as a result of wind and hail. Wind and hail damage accounts for 34% of insurance claims. Wind and hail damage is the result of destructive hurricanes, tornados, and winds that occur during severe thunderstorms. The average claim runs about \$10,000, but while it is the most common claim, it's not the most costly— that dubious honor goes to damage from fires which average 5 times that of wind and hail!



Water Damage & Freezing

Freezing causes pipes to burst which can lead to costly damage. Water damage is the second most common claim accounting for 29% of all claims. The average restoration claim runs about \$11,000. Homeowners insurance can even cover a refrigerator or other appliance that leaks and causes serious damage. Every policy is slightly different and most don't cover the repair or replacement of the appliance itself, just the cost to repair the water damage caused by a leak.



Fire & Lightning Damage

It seems like brush fires are more common now than ever, due in part to questionable land management practices. But whatever the cause, fires (many caused by lightning strikes) are the most costly disasters of all. Out of all claims filed, 25% relate to fire damage and the subsequent damage from the water or solvents used to put out fires. The average value of a fire restoration claim is almost \$79,000— the highest of any type of homeowners claim.



Random Accidents

There are lots of unfortunate events beyond our control that can damage property and result in a claim... a huge branch falls onto a home, a U-Haul backs into a carport overhang, the list goes on... These miscellaneous incidents and accidents account for 7% of claims averaging about \$6-7,000 each.

Other Claim Types

Theft

This is another type of loss covered by homeowners insurance. Naturally, this is not related to restoration work that roofing and building contractors take on. Only 1% of claims are for theft. The average payout is just over \$4,000.

Liability

It doesn't happen often, but liability claims come into play when someone is injured on the property of the insured. The affected individual may have medical costs. Liability insurance covers the homeowner in such an event. Another type of liability relates to damage done to others property by activity on the property of the insured. The average cost for a liability claim is \$30,000, but these only account for 1% of claims.

Insurance Claims Glossary

Act of God

Natural occurrence without human involvement that could not have been prevented. Example: lightning, tornadoes, hurricane.

ACV Check

Insurance companies are expected to pay for the damaged items and cover costs to replace the roof. They will take the roof's age into factor and give the homeowner an initial check for the ACV (Actual Cash Value) to replace the damaged roof. Actual Cash Value = Replacement Cost – Depreciation.

Air Mover



Also known as turbo dryers, fans, blowers, and air dryers, air movers are specialized fans that promote evaporation.

Appraisal

Appraisal is a separate evaluation between two appraisers in which the two sides try to come to an agreement on the differences. If they cannot come to an agreement, a neutral third party “umpire” will determine the final ruling.

Arbitration

Arbitration may be used to settle an insurance dispute between an insurance provider and a policyholder. Instead of filing a lawsuit, the insurer and the policyholder both present their case to the arbitrator. The arbitrator reviews the facts and comes to a decision about how to resolve the dispute.

Builders Risk Insurance

A variation of property coverage specifically applicable to construction projects. It is commonly written as an amount to cover the value of the structure when completed. The premium charged takes into account that values at risk increase gradually over the term of the policy.

Deductible

This is the portion of your insurance claim that the homeowner is responsible for, assuring representation and quality assurance through the claims filing and management process.

Depreciation



The term depreciation refers to an accounting method used to allocate the cost of a tangible or physical asset over its useful life or life expectancy. Depreciation value is often determined by the Property Loss Research Bureau, a third-party organization that performs all research related to insurance claims and loss.

Debris Removal

A consequential coverage, which pays for the insured's expenses to remove debris of covered property caused by a Covered Cause of loss.

Declarations Page

Commonly the first page of a policy containing the name of the insured, the address, and the dollar amount of coverage provided, a description of the property, and the premium cost.

Endorsement

An attachment to an insurance policy that adds to, removes, or changes the original terms.

Exclusions

Certain causes and conditions that an insurance policy does not cover.

Exposure

Measure of vulnerability to loss, usually expressed in dollars or units.

Insurance Claims Glossary

Indemnify

Placing the insured back into the same financial position they were in prior to the loss occurring.

Insurance Claim

The insurance claim is a way for your insurance company to pay for the problems you've had and make sure everything's covered.

Insurance Coverage

Certification of Insurance Coverage is a statement of coverage issued by the company that insures your home. It serves as verification that your home is indeed insured

Letter of Representation

The LOR is a formal notice to the insurance company that a 3rd party (attorney or public adjuster) will be representing the homeowner on the claim.

Mediation

Mediation is a casual, non-threatening administrative proceeding designed to allow you to put facts on the table and hopefully come to a settlement with the insurance company.

Moisture Content

The amount of moisture inside a material, relative to the actual material. Certain materials can sustain a greater moisture content before mold growth occurs.

Moisture Meter

A moisture meter is a specialized tool that measures moisture content. It's one of several tools restoration technicians use to find and repair water damage.



Loss

The dollar value of property damage or physical injuries.

Non-renewal

The refusal by a company to renew the policy when it expires.

Offer

The amount an insurance adjuster proposes to pay property owner for losses.

Peril

An event that causes a loss to home and property such as fire, windstorm, and theft. Policies have two sets of perils: covered and excluded.

Personal Property

Articles owned, worn or used while on the property premises, also known as contents. Examples: clothing, furniture.

Premium

The amount of money paid for an insurance policy.

Pre-Loss Condition

Pre-loss condition is the state of a home or property before the damage. Insurance companies use this term to describe the extent of the repairs they will cover.

Proximate Cause

The event which, in an unbroken sequence, results in direct physical loss under an insurance policy.

Insurance Claims Glossary

RCV Check



Replacement cost value (RCV) is the amount it costs to replace a property with a new property without deducting for depreciation. If the homeowner has an RCV policy, they can get an additional check for the difference between the ACV and RCV check.

Remediation

Mold remediation is the action of a professional restoration/remediation specialist going to an infected area and fully assessing, containing, removing, and treating the affected areas.

Roof Age

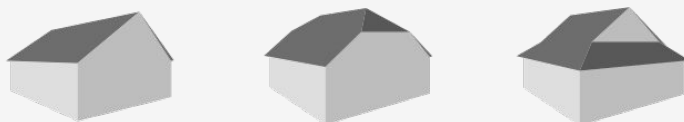
A home with a newer roof earns property owners lower rates and discounts. Roofs which are 20 years old or older may be difficult to get insured.

Roof Condition

The better condition a roof is in, the less cost in homeowners insurance. Insurance companies might overlook 15–20-year-old roofs in excellent condition, showing few visible signs of wear and tear.

Roof Shape

Roof shape can impact insurance rates. Gable roofs and hip roofs are the most common shapes. Gables are generally more at risk for wind damage and cost more to insure than hip roofs. Homes with flat roofs are typically the most expensive to insure.



Roof Type

Insurance companies also consider roof materials when setting rates. Metal roofs are the most stable, so insurance coverage is cheaper. On the other hand, cedar shake roofs are known to be riskier since they're not always fire-resistant. Insurance providers in fire-prone areas may refuse to cover them.

Scope of Work

A construction project scope of work, sometimes called a statement of work, establishes the work plan for a project. It includes the work to be done on a project, how the workers should complete the job, and who on the team is responsible for completing the different tasks on the project.

Reservation of Rights

This is insurer's notification to an insured that coverage for a claim may be denied coverage for part or all of the claim (this may even be issued while the company is investigating)

Supplementing

Homeowners can request supplemental damages to make up for any additional expenses. The repair work must be related and due to the event that triggered your initial claim, however.

Xactimate

Xactimate is a software system for estimating the cost of repairs and reconstruction for residential and small commercial structures.

Underwriting

The process by which an insurance company selects and classifies risks according to their degree of insurability.

Types of Adjusters

Roofing contractors will encounter different adjusters as they handle insurance jobs and help property owners through the claims process. Payouts are stricter now than in years past, as insurance companies are handling more and more claims and tightening the reins. Sometimes the process can get adversarial. Understanding different adjusters' responsibilities and motivations can help contractors better work with insurance representatives.



Licensing and Surety Bonds

Most states require public adjusters to be licensed. Licensing requirements vary by state and can be based on experience, testing and passing exams, and being bonded under a Surety Bond. A surety bond is a contract between a state's insurance authority, an insurance adjuster, and a surety (an insurance company). A Surety Bond creates a financial guarantee that the adjuster will obey the law and operate ethically.

Parties in a Surety Bond:

- Obligee - State insurance authority
- Principal - The adjuster
- Surety - The insurance company

The bond is essentially a financial guarantee that the adjuster will obey the law and conduct business ethically.

Insurance Adjuster

Insurance company adjusters or staff adjusters work for insurance companies as full-time employees. Insurance companies genuinely want restoration jobs done right so they are not faced with another claim later on by the same claimant. Most language in the claims process puts the responsibility on the homeowner to find a skilled contractor, putting them at fault for hiring someone that performs substandard workmanship.

Responsibilities

Insurance adjusters investigate claims by interviewing the claimant, gathering damage repair estimates, consulting records, and inspecting property damage to determine the extent of the insurance company's liability. Company adjusters are responsible for clearing dozens of claims that come across their desks each month, all without spending undue amounts of the insurer's money or shortchanging claimants.

Independent Adjusters

The limited number of insurance company staff in an area and/or high demand, as in the aftermath of a bad storm, or the need for a specialized adjuster are factors which lead insurance companies to appoint independent adjusters instead of a company adjuster. Independent adjusters work for independent adjusting firms and are hired by insurance companies on a contract basis. Insurance companies hire independent adjusters to help them process claims more efficiently. These adjusters are only allowed to work for insurance companies.

Responsibilities

When a homeowner files a claim, the insurance company will assign an independent adjuster or a company adjuster to assess the damages and figure out how much shall be covered. Keep in mind, these types of adjusters may not be completely impartial since they are indirectly working for the insurance company.

Types of Adjusters

Field Adjuster

A field adjuster, as opposed to a desk adjuster, travels to the claim location to perform a physical inspection.

Responsibilities

Field adjusters are responsible for identifying the cause of loss, taking photos, documenting all damages and drafting reports. In order to practice inspections responsibly, a field adjuster often holds a safety certification demonstrating he/she understands the safety precautions involved in some of the physically demanding work they do.

Desk Adjuster

Desk adjusters work from an office to process claims. When a property owner consults his/her insurance company to file a claim, they are handed over to a desk adjuster who interviews the claimant in order to determine the damage. They may also request that the claimant submit photos of the damaged portion of the roof or other affected part of the property.

Responsibilities

After gathering input and documentation for a claim, the Desk adjuster would evaluate the case and makes every effort to handle it from the inside.

Public Adjusters

Public adjusters are freelancers or else they work for public adjusting firms and are hired by policyholders on a contract basis. Certain titles are used interchangeably but shouldn't be. For example "independent adjuster" and "private adjuster" are mistakenly used to describe a public adjuster. Try not to get confused!

Responsibilities

A public adjuster's tasks are similar to those of a company or independent adjuster—reviewing reports, examining damages to a property, and checking out the provisions and fine print of a policy. The main difference is that a public adjuster represents their client's interests making sure the insurance company treats the property owner fairly. Public adjusters are often compensated based on a percentage of the payout amount or settlement.



Restoration Basics

Training Worksheet

Below are the most popular home insurance companies. Based on our experience interacting with these companies, fill out the table. Popularity = Low, Medium, High. Rating and notes = Good, Fair, Poor.

Insurance Company	Popularity	Rating
State Farm		
Allstate		
USAA		
Liberty Mutual		
Farmers		
Travelers		

Restoration Basics

Training Worksheet

Below are the most popular home insurance companies. Based on our experience interacting with these companies, fill out the table. Popularity = Low, Medium, High. Rating and notes = Good, Fair, Poor.

Insurance Company	Popularity	Rating

Restoration Basics

Training Worksheet

Every company is different in their restoration approach. During training, take the time to fill out this worksheet with the specific products, systems, and more that our company uses.

What is the most common home insurance in our area?

Is there a certain Insurance Company/Policy we may recommend to a homeowner?

In our experience, what is the most common coverage level and deductible cost?

Do we recommend homeowners add flood insurance to their policy?

Are there any additional insurance terms we should review?

What type of adjusters do we typically deal with? Do they need certifications?

Notes

[illegible]

Notes

[illegible]

Notes

[illegible]