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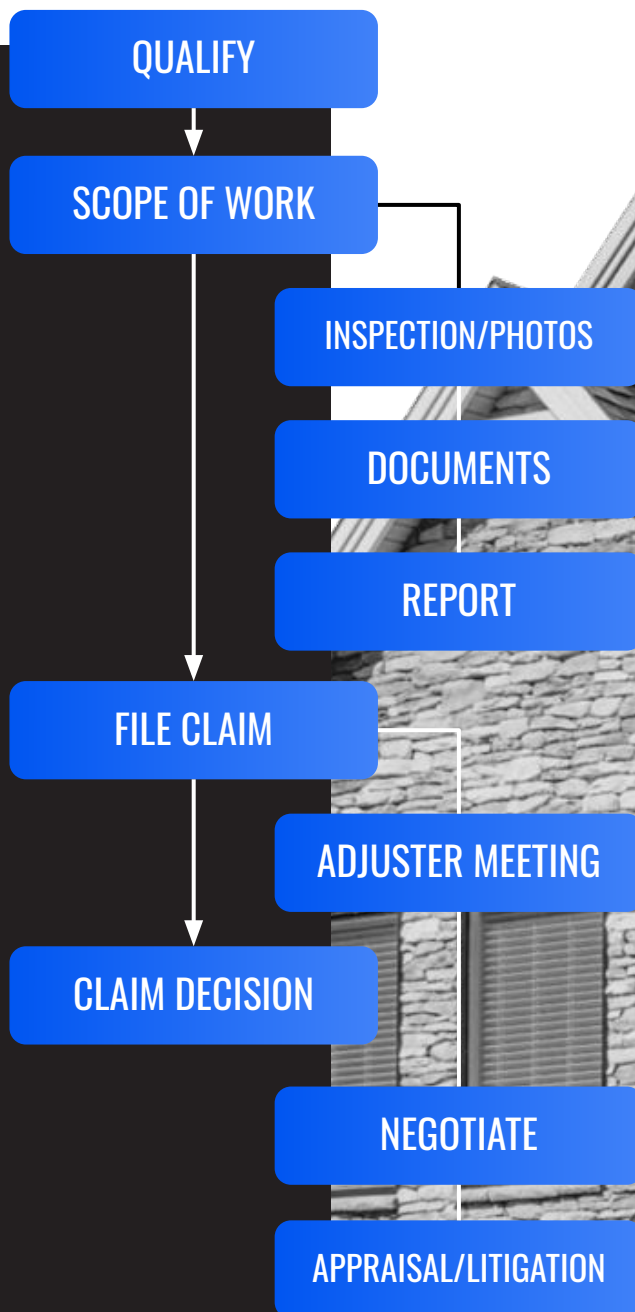
A faint, 3D wireframe illustration of a house with a chimney and a gabled roof, serving as a background for the title text.

Everything you Need to Know **ALTERNATIVE PROCESSES**

Public Adjuster Process Overview

The Public Adjuster Model

Public adjusters handle the entire claim process; They file, estimate, constantly communicate with the insurance company, and negotiate the claim for the homeowner, not for the insurance company. This allows the contractor to focus on selling their service to the homeowner.



Public Adjuster Process Overview

Contractor Expectations

The PA will handle most of the claim processing and reporting, but the contractor is still responsible for:

- **Lead Generation:** The roofing contractor is still responsible for finding affected homeowners. If you have a relationship with a PA, they may refer your company to homeowners that approach them first.
- **Performing an initial inspection:** Before getting the PA involved, the contractor should do a preliminary inspection to verify its storm related damage.
- **Closing the deal:** The salesman needs make their company the contractors of choice in the homeowner's eyes. Ultimately, it is up to the homeowner
- **Collecting the Deductible:** The roofing contractor needs to educate the customer and collect their deductible before starting the project.
- **Completing the Scope of Work:** The roofing contractor is the one that restores the property to pre-peril condition.

Public Adjuster Process

1

QUALIFY

Once the PA has been contacted, they need to review the contractor's initial findings.

- The PA will review the initial inspection and confirm if the damage qualified for a claim.
- The PA will have the homeowner sign the LOR (Letter of Representation) so that the insurance company knows the PA is representing the Homeowner on this claim.

2

SCOPE OF WORK

INSPECTION, PHOTOS, DOCUMENTS, REPORT

- The PA will take over creating the full scope of the project, including a array of documentation and detailed evidence of qualified damage.
- They will also create the scope of work in Xactimate, making sure all code and line items are clearly outlined.

3

FILE CLAIM

- The PA will file the claim on the homeowners behalf and will communicate directly with the insurance company.
- The PA will attend the adjuster meeting, which the homeowner and contractor can also attend, and answer questions.

4

CLAIM DECISION

- After the Insurance Adjuster reports their findings, the PA has the ability to negotiate the claim further and will continuously communicate with the insurance company to ensure the claim is being reviewed and all additional documents or inspection requests are delivered quickly.
- If the claim is getting approved, the PA can help get the appraisal completed or sue the insurance company on the homeowners behalf.

Public Adjuster Education

PA and Contractor Relationships

Many contractors prefer using the PA strategy on every insurance related job, while others do not want a PA anywhere near the claim. Like with Insurance Adjusters, there can be a strained relationship between the two service providers. Why is that?



Common Issues

Lack of Education on Claims Processes in the Industry.	Not trusting Public Adjusters because their Role isn't Understood.
<ul style="list-style-type: none"> ➤ The complexity of the insurance process isn't fully understood by most contractors unless they have years of experience in restoration. This lack of education on insurance claims and how public adjuster's can aid in the process often result in contractors avoiding insurance work. 	<ul style="list-style-type: none"> ➤ A public adjuster's main responsibility is to protect property owners in claims against a loss with the insurance company. A licensed and experienced public adjuster is an advocate during a property damage insurance claim for the homeowner, and therefor, the contractor as well.
Lack of Systems and Processes.	Missing Information/Documentation on Claims that were filed.
<ul style="list-style-type: none"> ➤ Contractors and PA's may not communicate their processes to each other enough, causing delays in claim processing. ➤ Between the dozens of insurance companies out there, there is no standard format for processing claims. Contractors are normally left to wonder where their customer's claim is currently held up. 	<ul style="list-style-type: none"> ➤ Delays are often caused by insurance companies requesting additional documentation or information on filed claims. <ul style="list-style-type: none"> ○ Contractor or repair proposals ○ Proof of loss statement ○ Receipts, invoices, and bills that pertain to your claim ○ Recorded statements
Inspections are not being regulated.	Claims being filed that do not have qualified damage.
<ul style="list-style-type: none"> ➤ The process of how an inspection is performed varies greatly between companies. Many contractors used to retail are not performing inspections detailed enough for insurance review. 	<ul style="list-style-type: none"> ➤ Claims that do not have qualified damage, or are filed outside the claim window are likely to be rejected. If the contractor is not fully educated on qualified damage, they can misunderstand the denial.

Public Adjuster Overview

There can be many benefits to working with a Public Adjuster on your projects. In general, they are great resources and on average can get you more money on each claim. However, just like bad contractors, there can be bad actors in adjusting. Overall, here are the major pros and cons of working with a PA.



PROS



Claims Expertise

- Public Adjusters work insurance claims day in and day out. They know exactly what the insurance companies are looking for, and they make sure to deliver it initially for a higher chance of approval.

Insurance Communication

- A great PA team will consistently follow up with the insurance company to keep the claim moving. Although it's possible to learn how to file a good claim on your own as a contractor, the follow up and attention to the claim post-submission is what leads to a speedy approval.

Higher Settlements

- Most contractors that work with PA's report higher settlements than their initial approval.

Saves Contractors Time

- PA's file, estimate, communicate, and negotiate the claim for the homeowner so the contractor doesn't have to. This allows salesmen to focus on selling, not processing the claims. This can be extremely helpful for smaller operations.

CONS



PA's don't work all types of claims

- Most PA's have a minimum claim estimate they are willing to pursue. The process takes a lot of effort, so some smaller claims just are not worth their time.

They take a Percentage of the Settlement

- The way PA's make money on claims is by taking a percentage of the payout. By taking over the process the PA's are saving the contractors time, energy, and money, so in most cases it's worth it.

Another step for the homeowner

- The PA is the advocate for the homeowner, not the contractor. Because of this, the homeowner needs to be educated on their role in the process and needs to sign additional paperwork to get them involved.

The biggest Con: It can take time.

- Most of the time, having a PA on a claim will help push approvals in record time. However, in some cases due to insufficient evidence or even an insurance company acting in bad faith, the claim can be dragged out over months, maybe even a year.

Notes

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Retail Process Overview

The Retail Model

The Retail model is the brief by some in the roofing and restoration industry that the contractors should not be involved in the claims process. This strategy is practiced by bidding the project as a retail job and having the homeowner complete the claims process on their own.



STORM RESPONSE

INSPECTION

EDUCATION

FINANCING

CLOSE



Retail Strategy

Why Avoid the Claims Process?

For a growing number of contractors, the intricate insurance process and new regulations are making it more and more difficult to run a successful insurance division of their companies. The Retail Model is appealing because it takes roofing back to basics and out of the claims process.

Basic Retail Overview

1 INSPECTION

Like in the insurance model, it's important to have a fast response to affected areas.

- In this model, you would approach the property owner by offering an inspection and education about the replacement process.
- What's different about this model is that you are not just doing an inspection to see if they qualify for an insurance claim, you are performing an inspection to see if the roof is still viable at all, even if the damage is just age or wear and tear.
- Since we are not submitting the inspection to the insurance company in this model, there's no need for thorough documentation.

2 EDUCATION

- Education is very important in this model. Since the contractor is not getting involved in the claims process, it's important to give the homeowner information and resources to get the most out of their claim.
- This can include recommending they work with a Public Adjuster, or just negotiate themselves with the insurance company. Not educating the homeowner enough can leave them vulnerable to the insurance company low-balling or denying coverage.



3 FINANCING

- If the roof is qualified for a claim, we are not deterring the homeowner from following the claims process. They should still try to get the repair or replacement fully covered.
- However, the contractors goal is to get the money moving. One way to do this is to get the homeowner to finance the job while waiting for insurance approval and payment. This ensures that work will begin and the property will be restored faster.

4 CLOSE

- Price and fear can become big factors in objections in this model. The homeowner will be concerned that their insurance will not cover the claim and they will be stuck with the bill.
- To overcome this, many contractors will emphasize that whether or not the insurance company will cover the job, the roof NEEDS to be restored to prevent further destruction to the home.
- Like in basic retail models, presentation and education is essential to get the close. More time should be spent on these steps to win the job.

Retail Strategy Overview

PROS



Roof is Restored Faster

- The claims process can take a long time to come to a resolution. By financing the project contractors can get started on the repair faster. They also don't have to be worried about floating funds while waiting for the insurance check to come through.

Less work for Contractor

- The retail model bypasses a lot of the more tedious steps the contractor has to perform in the claims process. A more thorough inspection, documentation, and Xactimate estimate are no longer required.

CONS



More Objections

- Following the retail model means the biggest factor, price, is a main objection again.

The biggest Con: It Hurts the Homeowner.

- In this model, the burden of getting the claim approved and restoration funds released falls on the homeowner. Homeowners may go through a major claim like this once, many twice, in their lifetime, and resources for guiding homeowners through this process are scarce. Since the contractor is getting paid through financing, they have no incentive to properly educate and walk homeowners through the claim process. This can lead to the homeowner not getting the coverage and funds they are entitled to.



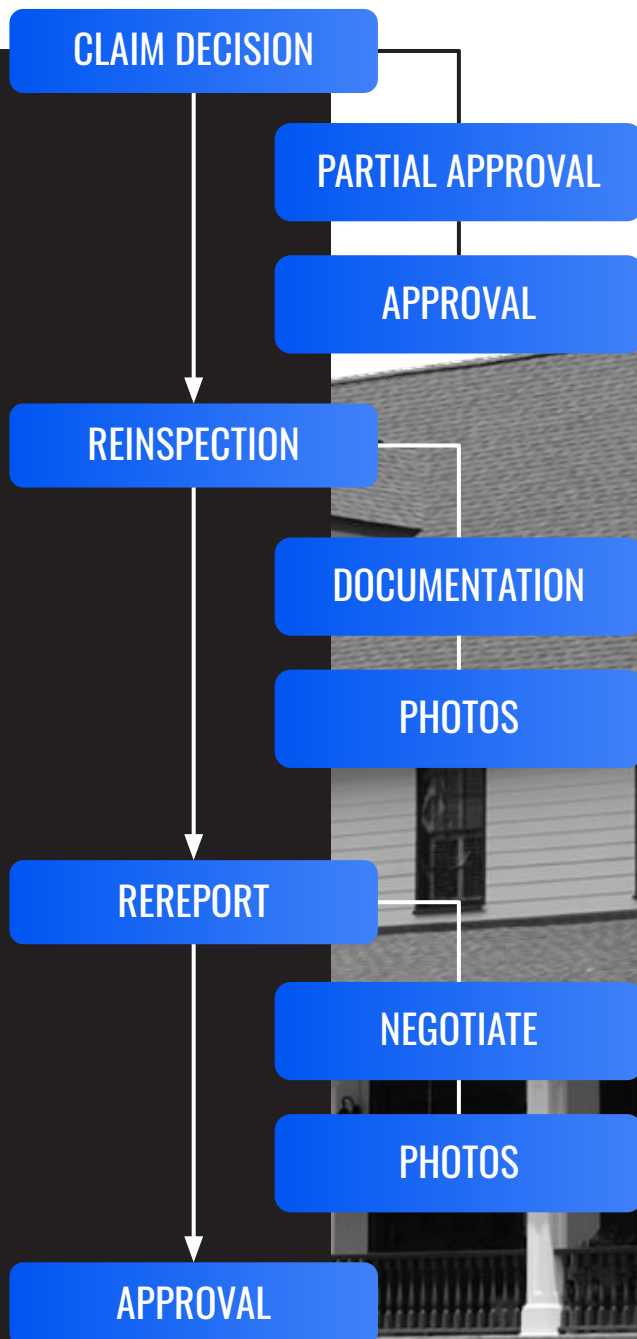
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Supplement Process Overview

Supplement Strategy

Sometimes an insurance adjuster doesn't notice certain damage until after the claim is settled with the insurance company. Supplemental claims are designed to provide property owners with additional money to make repairs that were not discovered earlier. The damage must be related to the same event for which the claim was initiated.



Supplement Process

1 CLAIM DECISION

After an insurance adjuster determines an appropriate price to restore the roof damage, but later on other problems are discovered by the roofing contractor which the initial payout won't cover, the contractor has a few options.

- Perform the original Scope of Work only
- Do the supplemental work, anticipating the extra insurance payout that will cover the roofer's expenses beyond the scope of work agreed on originally.
- Perform the needed work and bill the homeowner
- Attempt to do all necessary work, including supplemental issues discovered, but manage time and materials to stay within the original agreed-upon price.

The best case scenario for the homeowner is when the insurer and roofer work with supplemental insurance, and the project proceeds in the most thorough manner to ensure complete, long-lasting repairs.

2 REINSPECTION

A reinspection with additional evidence is needed to get supplemented items approved. This can happen for several reasons:

- The estimate for replacement materials was below the actual outlay due to fluctuating commodities prices or other causes.
- The adjuster overlooked a damaged area during the inspection and estimate.
- During restoration, additional damage is revealed, as when shingles are removed, and the underlayment and sheathing are inadequate.

3 REREPORT

It's the responsibility of the contractor to continue to document and report additional work uncovered throughout the restoration process. There are many ways to report the supplemental items to the insurance company:

- Create a work change order report for the insurance company approved by the homeowner.
- Resubmit the Xactimate report with new lines items if its damage uncovered during the restoration process.
- Sending in new photo documentation and reporting of supplemental items with a cover sheet.

4 APPROVAL

- Usually, desk adjusters will be the main point of negotiation for the supplement process. They will review the additional evidence and either make a judgement to add or reject them, or send an adjuster out to verify.
- This can also involve the insurance adjuster returning to the damaged property. Again, the adjuster will inspect and document conditions for the supplemental claim and make a judgement. If the supplements continue to get denied, appraisal and litigation may be the next steps.



Supplement Education

When a roof is seriously damaged and the circumstances are covered by homeowners insurance, an insurance claim is processed. The property owner's role is to arrange for a roof inspection, file the claim, sign off on work performed, and pay the insurance deductible. Sometimes a roofing contractor acts as an intermediary between the property owner and the insurance adjuster. Supplemental insurance claims are the result of damage conditions that went unnoticed during the initial assessment by the authorized person who performed the roof inspection, such as the insurance adjuster.



Supplement Tips

Start Small! Insurance companies are more likely to approve more minimal scopes of work. A strategy some companies use is to get a more basic claim initially approved and then continue to supplement it afterwards to get much more covered.

Don't be general! Make sure you are using the correct line item in Xactimate for specific repair/material you are referring too.

Presentation Matters! Make sure your reports and documentation are well organized to increase understanding on the items that need supplementing.

Restore to Previous Condition! Any upgraded items that you documented were on the roof before need to be added because the insurance company **MUST** restore the property to pre-storm conditions, not just rebuild a standard roof.

Shift your focus! Fight and focus on line items that you have the most evidence for.

Homeowner Education Points

Get What You Deserve!

Most insurance policyholders believe that the insurance company's first settlement is final, which is not true. Insurance policyholders have the right to negotiate for a higher settlement or to file for additional related damages for up to three years after the event that caused the initial damage.

Ensures Quality Work

The major items left off initial approval are usually additional levels of protection the insurance company may not view as necessary. This can include upgraded underlayment and ice and water protection. These type of upgrades can be vital in certain areas for a safe and stable roof system and are important to fight for.



0\$ Out of Pocket

Homeowners need to know that after they pay their deductible, they do not owe any additional funds. By supplementing we are holding the insurance company accountable to cover the cost of necessary work and materials.

Supplementing Overview

Supplementing is a method that can be combined with many different strategies to getting important aspects of the claim covered. There are third party companies that assist with supplementing but some contractors even build out an internal supplement division within their company to handle claims.



PROS



Can be an Easier Process

- In most cases, the insurance company will not approve every line item in your initial estimate.. Many contractors prefer this method as it gives them another way to negotiate specific items that are vital to the job.
- Some Contractors even prefer to initially bid a low initial estimate to get coverage approved faster. Then once coverage is determined, they supplement the roof to get as much covered as possible.

Get More Covered

- As the repair or replacement project begins, new damage may be uncovered. By supplementing, these damages can be documented, added to the estimate, and covered by insurance. This may include removing of additional layers or replacement of decking.

CONS



Lot's of Work

- Like the initial claims process, supplementing is a lot of work. It involves reinspection, even more documentation, and additional adjuster meetings to get basic items covered.

Adjusters Just Deny!

- We expect adjusters to be fair and balanced, but in reality that's not always the case. The supplement strategy does not mean everything will be, or needs to be, approved. The goal is to get more added on than the initial approval had.

Delays the Project

- Going back and forth with the insurance company is time consuming. Supplementing can delay a project by weeks or even months.

Biggest Con: Customer Service

- The insurance company has notified the homeowner that work was approved and it's ready to go, but restoration hasn't started yet? After the initial he homeowner may be burnt out and just wants to complete the project without the additional items.

Alternative Dispute Resolution

Appraisal

An Appraisal is done to confirm cost and scope of work when coverage is already determined. Appraisal experts are able to assess the value of a property (including or specifically the roof), the dollar amount of damage done, and the subsequent loss of value. The appraiser is identifying a potential condition issue that affects a significant component of the roof. This vital step in the claims process serves to tell insurance companies precisely how much money a policyholder can expect under a claim's policy terms. An appraiser renders an appraisal, sometimes but not always subject to a roof inspection. If the roof needs an inspection, then a roofing professional is going to have to examine the roof's condition to determine if it needs to be replaced or not. If the appraisal is subject to repairs, the roofing specialist is going to do the same type of inspection and determine what, if any, action is necessary.

The Appraisal Provision allows the policyholder to hire an independent appraiser to determine the value of their damages. In turn, the insurance company will also hire their own independent appraiser. These three individuals are known as the Appraisal Panel (the insured, plus the two appraisers). The two appraisers select an arbitrator or judge, known as an umpire.

Appraisal Fast Facts



- On occasion, the insurance companies are unwilling to pay the present day, fair market value for the roof replacements. When this happens, the insured has the right to invoke the insurance appraisal process.
- The homeowner will pay their own appraiser, and the insurance company will hire and pay their own. If they can't come to an agreement the umpire (a mutually selected representative) will do an inspection and make a judgement.
- The Appraisal award is determined when the two parties agree on a number. This can be a lengthy process, possibly taking 2+ months.

The object of the Appraisal Panel is to determine The Amount of Loss. The Amount of Loss is the total dollar amount needed to return the damaged property (your roof and/or any other damaged property) back to its original condition, either by repair or replacement.

Litigation



When a roof sustains damage in an event that should be covered by a homeowner's insurance policy, but the insurance company won't pay an appropriate amount for a claim, the homeowner always has the option of enlisting the help of an attorney to try to get the compensation they feel they rightfully deserve. The attorney can help the property owner compile all the necessary evidence needed to build a strong case for a proper claim and, if the case prevails, the insurance company must pay the repair or replacement costs, accordingly.

Early in the process, when an insurance adjuster is challenging the validity or extent of the roof damage, a homeowner can make it clear to the adjuster, and the insurance company, that they are well aware of their rights and are prepared to pursue a just compensation for the roof repair or replacement. With the help of a roofing professional, the homeowner can even put together a settlement amount that they believe they should receive from the insurance company if their claim is denied or if the first amount is not reasonable.

Bad faith insurance refers to an insurer's attempt to renege on its obligations to its clients, either through refusal to pay a policyholder's legitimate claim or investigate and process a policyholder's claim within a reasonable period.

Alternative Strategies

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.

Do we partner with Public Adjusters?

Is there a certain PA we may recommend to a homeowner?

Are there times we may prefer to use the retail model after a storm?

Do we practice supplementing our insurance work?

Do we supplement in house or use a third party?

When would we take a claim to Appraisal or Litigation?

Notes

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