

Filing A Property Insurance Claim

By Gerry Sorge

German architect, Ludwig Mies van der Rohe, famously said, “God is in the details.” Had he chosen to work in the insurance industry instead, it is likely he would have spoken these words about the claims process.



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Until a property insurance claim is submitted, all is as if you are attending

a concert, and the band is warming up. When a claim is submitted, though, the rubber hits the road. More than 40% of small businesses file an insurance claim during a ten year-period, according to a report published by insurance carrier The Hartford. That is a lot of rubber. That is a lot of road.

There is no mystery regarding the reason for filing a property insurance claim: A company experiences a loss to property as a result of damage, accident or other covered event (natural catastrophe). What happens once the claim has been submitted, though, can be somewhat mysterious to insureds. Some carriers are more transparent in their communications than others. Through the following, I will attempt to remove some of the mystery.

What Is a Property Insurance Claim?

Let's start at the very beginning. A property insurance claim is a formal notification sent to your insurance carrier regarding loss or damage to your property suffered by your business. In filing the claim, you are simply requesting the carrier

to compensate you, within the terms and conditions of the contract, to offset your loss. It is worth noting your insurance policy will be activated only for covered risks. We encourage you to send your losses into the carrier through your trusted agent or broker. They should assist in positioning the loss, where possible within the parameters of the coverage in the policy.

Follow these general steps to file a property insurance claim:

As in all things, be prepared

Plan ahead in the event you have to file a claim. By preparing you are more likely to file your claim quickly and accurately. Know in advance what you'll need to do in the event of an insurable loss. Among best practices, for example, is having your asset run available to demonstrate the value of a particular piece of equipment which was damaged or destroyed. Some use video documentation to establish their loss following an accident. Your internal surveillance equipment might also be a source of video evidence as well.

Contact your trusted insurance agent or broker

Contact your trusted insurance agent or broker to inform him or her of the loss or damage at the earliest possible time following the insurable event. Do not wait or delay contacting for help, in order to get things done on your own. As an expert they will be able to provide a detailed explanation regarding the claims process. Often following a large loss, there is a series of emotions you go through which may cloud your thinking. Calling your professional partner early

in the process enables more clear-headed thinking about the claims process. Your claims advocate will also know to ask the right questions about the incident you are reporting. Plus, he or she will help to fill out your claim form and submit it to your insurance carrier for you.

Gather relevant evidence

Collect evidence to be submitted to your insurance carrier following an insurable event. Policy language encourages you to preserve and save property before you begin any kind of restoration activity. Doing anything prior to your carrier's approval could jeopardize your coverage.

Take a comprehensive inventory of everything damaged, ruined or missing.

Review your claim with your insurance adjuster

You can anticipate an adjuster to be assigned within a matter of hours or at latest a few days of notifying your carrier and filing your claim. After investigating your claim the adjuster will assess the damage, understand the scope of the loss and determine how much the insurance carrier owes with respect to the loss. The adjuster will require a proof of loss form as well as access to supporting evidence including photos, videos and witness testimony.

Solicit estimates from contractors

Once you have approval from the carrier, solicit estimates from reliable professionals for repairs or replacement. Best practice suggests having multiple estimates. Your carrier may be able to offer you names of contractors who have

preferred pricing or a general sense of the quality of the contracting community.

Retain outside experts if appropriate

If your claim is sizable, you may think a public adjuster is a path to take. A public adjuster works for you and your broker to maximize your recovery. They are not without cost, typically a percentage of the recovery, and not without a time investment however. Many carriers are effective in their claims process and communications. Having a public adjuster typically slows the process down. In rare events, you may need to consult a lawyer but it is unlikely and again a potential unnecessary expense.

Your trusted insurance agent or broker can be your advocate

When binding coverage for a risk, few companies ask questions about the claims process. Yet, it is when filing an insurance claim you need your agent or broker most. Before awarding your business, ask detailed questions about the claims advocacy process to be sure skilled professional help will be available when you need it most.

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