

## OII TIP GUIDE TO: Settling A Homeowners Insurance Claim

Your home was just damaged from a severe storm. What should you do? Who should be notified? Should you file a claim with your insurer and if so, what's the process?

These are just a few of the concerns expected from a homeowner following a major loss. By having a general understanding of how insurance companies handle claims prior to filing one, you'll likely be better prepared going forward.

*NOTE: These are general guidelines. Check with your insurer for specifics, including company claims information online.*

### LOSS PREVENTION AND PREPARATION TIPS

- **Review your homeowners insurance policy and its coverages in order to understand what is and, more importantly, what isn't covered.** All homeowners insurance policies have exclusions and limitations and it's best to know what they are prior to a loss. In some cases, coverage for an exclusion can be obtained through a separate policy or an endorsement, which adds the specific coverage to your policy.
- **Evaluate the general condition of your property.** Make repairs that might prevent future losses. Check sidewalks for deterioration and major cracks that could create a safety hazard. Roofs should be checked annually for leaks. Steps that are left in disrepair could potentially lead to a lawsuit if someone is injured. See OII's FactPack brochure, *Insurance Consumer Tips*, for more.
- **Prepare a home inventory.** An inventory can be a time-saver after a loss and will help expedite the claims process. See OII's Tip Guide: [Taking a Home Inventory](#) for more.

### THE CLAIMS PROCESS

#### To file or not to file...

Following a property loss, contact your insurance agent or company representative as soon as possible. Discuss the chain of events and determine if a claim should be filed.

If possible, obtain a repair estimate prior to filing a claim, especially if you have a high deductible (\$1,000 or more) as a cost-savings measure. You may consider not filing a claim if the amount of the loss is close to your policy's deductible or if you've filed multiple claims in recent years. Your insurer can provide guidance based on your circumstances.

If you are filing a claim, the company should provide information regarding the claims process. Expect to complete claims forms, including details on missing or damaged possessions. Having documentation of your personal items (through an inventory, photos, receipts) can greatly assist with the claims filing process.

Your insurer will assign a claims adjuster to work with you. Depending on the extent of the loss, the adjuster may conduct personal interviews and request inspections of the damages along with an itemized list of the damaged or missing property.

Keep your insurer notified of any developments associated with a claim. For instance, if someone is injured on your property and you receive legal documents from the other party, provide them to your company. Keep in mind your homeowners insurance policy provides legal defense coverage if sued as a result of a covered loss.

In situations where property damage is extensive, try to protect against further losses by making temporary repairs. For example, if a tree falls and damages your roof, cover the opening with a tarp or plastic sheeting. Keep receipts associated with such repairs. These may be reimbursable under your homeowners insurance.

If a loss forces you to obtain a temporary residence, be sure to discuss options with your insurer. Most homeowners insurance policies provide coverage under “additional living expenses.” See OII’s post, [\*Additional Living Expense \(ALE\) Coverage: Your Disaster Lifeline\*](#), for more.

Don’t throw damaged property away unless instructed to do so by the adjuster. Take pictures. To save time, you may start obtaining written repair bids from licensed contractors. However, repairs should not begin without prior approval from your insurer.

#### **CLAIMS SETTLING TIPS**

- **Track all expenses associated with the loss.** Costs incurred from taking measures to protect against further damage (such as placing a tarp over a damaged roof, covering windows to prevent further rain damage, etc.) are likely reimbursable under your homeowners policy.
- **Keep copies of your paperwork.**
- **Don’t start permanent repairs until the insurance company claims adjuster has assessed the damage** and you’ve been given the go-ahead.
- **You have the right to choose the contractor.** Your insurer may provide you with a list of pre-approved contractors to save time and hassle, or you may be asked to obtain estimates from licensed contractors of your choosing. Keep in mind that you, the policyholder, has the final say in contractor selection. Also see your insurer’s claims filing information online.

- **You have the right to negotiate the settlement.** If you cannot resolve an initial insurance settlement offer, contact the company directly and ask to speak with consumer services or the claims division manager. If you still find the settlement unacceptable, refer to the arbitration or appraisal procedures outlined in your homeowners insurance policy. Most arbitration and appraisal procedures require that you hire an independent arbitrator or appraiser, at your expense. Once the arbitrator or appraiser reaches a settlement, the claim is paid in that amount.
- **If you feel that you've exhausted all efforts with your insurer, you can contact the Ohio Department of Insurance (ODI) [Complaint Center](#).** The ODI will provide information and advice on how to proceed.
- **If you still can't reach an agreement, you have the option of seeking legal advice.** When you obtain legal counsel, you sacrifice your ability to be represented by your insurer and are responsible for the legal fees. This means all future correspondence regarding the claim will be handled through your hired attorney.

### **CHOOSING A CONTRACTOR**

As you arrange for repairs, protect yourself against potential contractor fraud or scams by taking precautionary measures. See OII's tip guide, [Choosing A Home Repair Contractor](#) for more.

### **ADDITIONAL RESOURCES**

- Insurance Information Institute: [Homeowners & Renters Insurance – Filing a Claim](#)
- ODI: [Shopper's Guide to Homeowners Insurance](#)
- National Insurance Crime Bureau: [Disaster Fraud](#)

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