

AFTER THE STORM

ASSISTANCE IS AVAILABLE

Presented by:
Consumer Education and Advocacy Unit

This presentation does not provide legal advice.

You should discuss specific questions with your trusted financial advisor or insurance producer.

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It's important to know who is
approaching you and what
role they play.

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CONTRACTORS OR INDIVIDUALS THAT OFFER TO HELP YOU WITH YOUR INSURANCE CLAIM

After a disaster (whether it impacts you or your community) many people may reach out to help you. This could include your neighbors, county or city officials, the Red Cross, and community groups. You might also be approached by contractors or individuals that offer to help you with your insurance claim. It is important that you understand who these individuals are and the role they play in your insurance claim. One of the most important things to remember is to ask for **proper identification** so that you can be certain you know the identity of the individual and who they work for.



CONTRACTORS OR INDIVIDUALS THAT OFFER TO HELP YOU WITH YOUR INSURANCE CLAIM

When it comes to your insurance claim, there are **four groups of people** that you might come in contact with:

1. **Adjusters that work for insurance companies.** Some work for only one insurance company and others work for several insurance companies (known as independent adjusters). Your insurance company pays these adjusters. This adjuster will settle the claim on behalf of the insurance company based on the insurance coverage you have and the amount of damage to your home and property. Remember, you do not pay a company adjuster. For more information about working with an insurance company's adjuster, read our Consumer Advisory at:
<https://insurance.maryland.gov/Consumer/Documents/publicnew/WORKING-WITH-THE-INSURANCE-ADJUSTER.pdf>.

CONTRACTORS OR INDIVIDUALS THAT OFFER TO HELP YOU WITH YOUR INSURANCE CLAIM

2. **Public adjusters are people that you can hire to assist you with your insurance claim.** They have no ties to the insurance company. They estimate the damage to your home and property, review your insurance coverage, and negotiate a settlement of the insurance claim for you. Maryland law requires that public adjusters be licensed. **You have to pay a public adjuster.**

CONTRACTORS OR INDIVIDUALS THAT OFFER TO HELP YOU WITH YOUR INSURANCE CLAIM

Public adjusters **must give you a written contract** that includes:

- i. the legible full name of the public adjuster signing the contract, as specified in the records of the Administration;
- ii. the permanent business address and phone number of the public adjuster in the public adjuster's home state;
- iii. the license number issued by the Administration to the public adjuster;
- iv. the insured's full name, street address, insurance company name, and policy number, if known or on notification;
- v. a description of the loss and the location of the loss, if applicable;



CONTRACTORS OR INDIVIDUALS THAT OFFER TO HELP YOU WITH YOUR INSURANCE CLAIM

- vi. a description of services to be provided to the insured;
- vii. the signatures of the public adjuster and the insured;
- viii. the dates when the contract was signed by the public adjuster and the insured, respectively;
- ix. notification to the insured that:
 - a. the public adjuster may incur out-of-pocket expenses on behalf of the insured; and
 - b. these expenses incurred by the public adjuster and approved by the insured will be reimbursed to the public adjuster from the insurance proceeds; and
- x. the full salary, fee, commission, compensation, or other consideration the public adjuster is to receive for services.



CONTRACTORS OR INDIVIDUALS THAT OFFER TO HELP YOU WITH YOUR INSURANCE CLAIM

You have **three business days** after signing a contract with a public adjuster to cancel the contract. For more information on whether you should hire a public adjuster, take a look at our Consumer Advisory at:
<https://insurance.maryland.gov/Consumer/Documents/publicnew/publicadjuster.pdf>.



CONTRACTORS OR INDIVIDUALS THAT OFFER TO HELP YOU WITH YOUR INSURANCE CLAIM

3. **Contractors** – These are the individuals that perform work on your home. Individuals that perform home improvements or repairs are required to be licensed by the Maryland Home Improvement Commission (MHIC). Maryland's Home Improvement Law defines "home improvement" as the addition to or alteration, conversion, improvement, modernization, remodeling, repair, or replacement of a building or part of a building that is used or designed to be used as a residence or dwelling place or a structure adjacent to that building; or an improvement to land adjacent to the building.

<https://www.dllr.state.md.us/license/mhic/mhicwhatishi.shtml>



CONTRACTORS OR INDIVIDUALS THAT OFFER TO HELP YOU WITH YOUR INSURANCE CLAIM

Demolition and removal is not considered to be within the definition of "home improvement." Therefore, the contractor is not required to hold an MHIC license to perform these services. Contractors may not perform the duties of a public adjuster unless they are also licensed as a public adjuster. For more information on what a contractor can and cannot do with respect to your insurance claim, refer to our Consumer Advisory at: <https://insurance.maryland.gov/Producer/Pages/Insurance-Advisory-for-Home-Improvement-Contractors-and-Salesmen.aspx>. For questions about contractors, contact the Maryland Home Improvement Commission at 410-230-6309 or e-mail: DLOPLMHIC-LABOR@maryland.gov.



CONTRACTORS OR INDIVIDUALS THAT OFFER TO HELP YOU WITH YOUR INSURANCE CLAIM

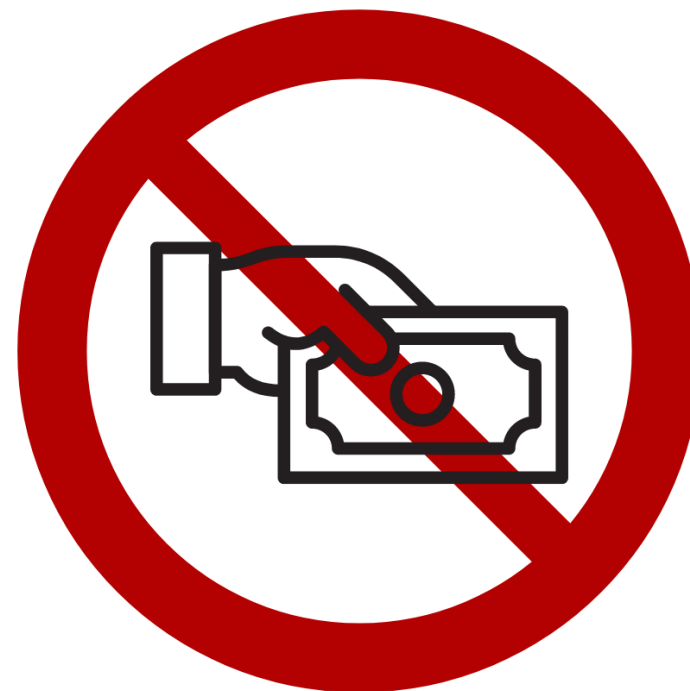
4. **Remediation or Mitigation Companies** – These companies provide services such as drying out your home or your personal property. These companies work to limit ongoing damage and prevent additional damage after a loss using tools and methods like: boarding up windows; adding roof tarps or removing water from firefighting efforts or weather. These companies are ***not licensed*** by the Maryland Insurance Administration. You should contact the Better Business Bureau to find out information about their complaint history.



CONTRACTORS OR INDIVIDUALS THAT OFFER TO HELP YOU WITH YOUR INSURANCE CLAIM

**No contractor or public adjuster may promise to pay
a policyholder's deductible directly or indirectly.**

Please contact the Maryland Insurance Administration
at 410-468-2340 or 800-492-6116 with questions
regarding this advisory or any other insurance matters.



FILING A CLAIM - HOMEOWNERS

WHEN SHOULD I REPORT DAMAGE TO MY HOME OR PERSONAL PROPERTY?

Before reporting the property damage to your home, it is a good idea to **find out what your deductible is**. If the damage is minor, for example, just a few shingles were damaged, you might decide you're better off paying for the repairs out of pocket instead of filing an insurance claim. But, remember you might not be able to see all the damage. You may want to have a contractor inspect your home.



FILING A CLAIM - HOMEOWNERS

WHEN SHOULD I REPORT DAMAGE TO MY HOME OR PERSONAL PROPERTY?

If you believe the damage will cost more than your deductible to repair, or there's a lot of damage, you may want to file a claim. It's important to notify your insurer as soon as you know there's damage and you decide to file a claim. The easiest way to report damage is to call your insurer or insurance producer directly.



FILING A CLAIM - HOMEOWNERS

WHAT DO I NEED TO KNOW WHEN I CALL TO MAKE A CLAIM?

It will help if you have your policy number. But if you don't, your insurer or insurance producer can find your policy with your name, address, and phone number. You'll need to briefly explain what happened and describe the type and extent of the property damage.



FILING A CLAIM - HOMEOWNERS

WHAT DO I NEED TO KNOW WHEN I CALL TO MAKE A CLAIM?

If you aren't staying in your home, be prepared to give your insurer and insurance producer **your new contact information**— a phone number and an address.

Let your insurer and insurance producer know when you call if you've taken **photos and videos of the damage and have cost estimates.**



FILING A CLAIM - HOMEOWNERS

WHAT DO I NEED TO ASK WHEN I FILE A CLAIM ?

It is a good idea to ask:

- For the name and phone number for every person you talk to.
- For your claim or reference number.
- How long you have to file a claim.
- If you need estimates to make repairs or rebuild before you can file a claim.
- For a general idea of what your policy will cover.
- If your insurance policy covers hotel costs. For how much? For how long?
- For information about your deductible. Are there separate deductibles for hail, hurricane, or wind damage? What are those?
- If there are any special processes or procedures you need to know about.
- When you can expect an adjuster to call.
- What other information the company will need to process the claim.

FILING A CLAIM - HOMEOWNERS

HOW DO I GET A SETTLEMENT OFFER? WHO GIVES ME THAT ?

The company adjuster or independent adjuster will calculate the amount of damage to your home and property. They will review your policy and determine what deductibles may apply and if there are any limits on what will be paid. **Once they've made those calculations, they'll contact you and your public adjuster or lawyer (if you have one) and share their estimates and calculations with you.**

They also may contact your contractor about their estimates and calculations.



FILING A CLAIM - HOMEOWNERS

HOW LONG WILL IT TAKE FOR MY INSURANCE CLAIM TO BE SETTLED?

Everyone wants the process to be done as fast as possible so they can return to a normal life.

If there's substantial damage involving your home and property, **an insurance claim is not going to be closed with a single payment.** There will likely be multiple claims payments for various parts of your claim as the rebuilding process moves along.

Most people find it takes at least 18 to 24 months to repair/rebuild their home and replace their possessions after a major disaster.

FILING A CLAIM - HOMEOWNERS

HOW LONG WILL IT TAKE FOR MY INSURANCE CLAIM TO BE SETTLED?

Your insurance claim will stay open until the insurer has made all payments you're entitled to under your policy.

You should feel free to contact your insurer or adjuster for a status on your claim at any time during the claims process.



FILING A CLAIM - HOMEOWNERS

WHAT IF I'M NOT SATISFIED WITH THE AMOUNT OF MY INSURANCE SETTLEMENT ?

- Your settlement won't necessarily be the same as your neighbor's. Your coverages, deductible, and policy limits may be different even if the damage looks the same.
- If the insurer denies any part of the claim, it is a good idea to ask for the denial in writing and to keep all paperwork.
- If you don't believe the offer is fair, you can call the insurer. Be prepared to explain why you think the offer is unfair. If you're not satisfied with the response, you can contact the Maryland Insurance Administration for assistance or, depending on your policy, seek arbitration or file a lawsuit.

ADDITIONAL LIVING EXPENSES (ALE)

Many homeowners policies also will pay the additional expenses you have **if you can't stay in your home because of damage from a covered disaster**. For example, if you've moved into a hotel or apartment while your home is repaired or rebuilt, and you have additional living expense coverage, the insurer may pay some or all of your costs for temporary housing depending upon your policy's terms and coverage limits.



ADDITIONAL LIVING EXPENSES (ALE)

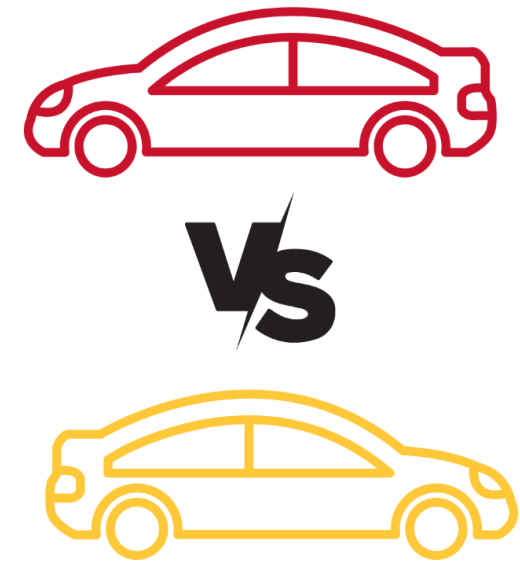
WHAT TYPES OF LIVING EXPENSES DOES ALE PAY FOR?

- The insurer will not pay ALL of your living expenses. ALE is to help pay those expenses that are **beyond your normal expenses because you can't live in your home**. For example, ALE coverage will pay hotel lodging, but it won't make your mortgage payment.
- **ALE typically covers hotel bills, reasonable restaurant meals** (if you're staying in a hotel room with no kitchen), and other living costs above and beyond your normal housing expenses while you can't live in your home because of damage.
- Generally, you should try to **keep ALL receipts** for any additional costs you have. The insurer will need the receipts to reimburse you.



REPLACEMENT COST VERSUS ACTUAL CASH VALUE

If you have **Replacement Cost Value (RCV) coverage**, your policy will pay the cost to repair or replace your damaged property without deducting for depreciation. If you have **Actual Cash Value (ACV) coverage**, your policy will pay the depreciated cost to repair or replace your damaged property. Check the declarations page of your homeowners policy to see whether the policy provides replacement cost coverage. If it doesn't specify replacement cost, then your policy likely only covers actual cash value. If it specifies replacement cost, then you have replacement cost coverage.



AFTER A LOSS

- ✓ **Contact** your insurance company promptly after sustaining a loss.
- ✓ **Take photographs and/or video** of the damaged areas.
- ✓ Make **only those repairs necessary** to prevent any further damage. Do not make permanent repairs before talking to your insurance company.
- ✓ Before you remove any damaged property from the premises, **be sure an insurance adjuster or your agent has seen the damage.**



AFTER A LOSS

- ✓ Keep **all receipts** for emergency repairs.
- ✓ As soon as possible, **prepare a detailed inventory** of all damaged or destroyed property.
Give a copy to the insurance adjuster and keep a copy for yourself. It should include:
 - Description and quantity of items.
 - Date of purchase or approximate age.
 - Cost - time of purchase and estimate to replace.
- ✓ **Be present** when your insurance adjuster inspects your property.
- ✓ **Do not accept an inadequate settlement offer.** Cashing a check may bar you from seeking additional compensation; confirm in writing that it will not.

HOW ARE DEDUCTIBLES USED TO CALCULATE A CLAIM?

WHAT IS A DEDUCTIBLE?

A deductible is the part (or amount) of the claim you're responsible for. Insurers will deduct this amount from any claim settlements they pay to you or on your behalf. So if your insurance policy has a \$1,000 deductible, that means you've agreed to pay \$1,000 out of your pocket for the damage to your home.



FILING A CLAIM - AUTOMOBILE

- If you experience damage to your vehicle and you decide to file a claim, **call** your insurance company as soon as possible.
- Your policy provides a certain **period of time** for you to notify the insurance company of your claim.
- Your insurance company may tell you to take your vehicle (or have your vehicle towed) to a body shop where you will **receive an estimate of the amount of damage** to the vehicle.
- You have the right to select the repair facility where your vehicle will be repaired.
- Your insurance company **may send an adjuster** to assess the damage.



CLAIM PROCESS - AUTOMOBILE

- Review the estimate carefully. **If you disagree with the estimate, you have the right to get another estimate at a different repair facility.**
- Make sure to keep copies of all claim records, and keep track of the claim.



CLAIM PROCESS - AUTOMOBILE

WHAT HAPPENS IF YOUR INSURER DECIDES THAT YOUR VEHICLE IS A TOTAL LOSS?

If your vehicle is determined to be a total loss, your insurer will make a **settlement offer reflecting the actual cash value (ACV) of the vehicle immediately prior to the loss.**

You will be responsible for payment of your deductible.

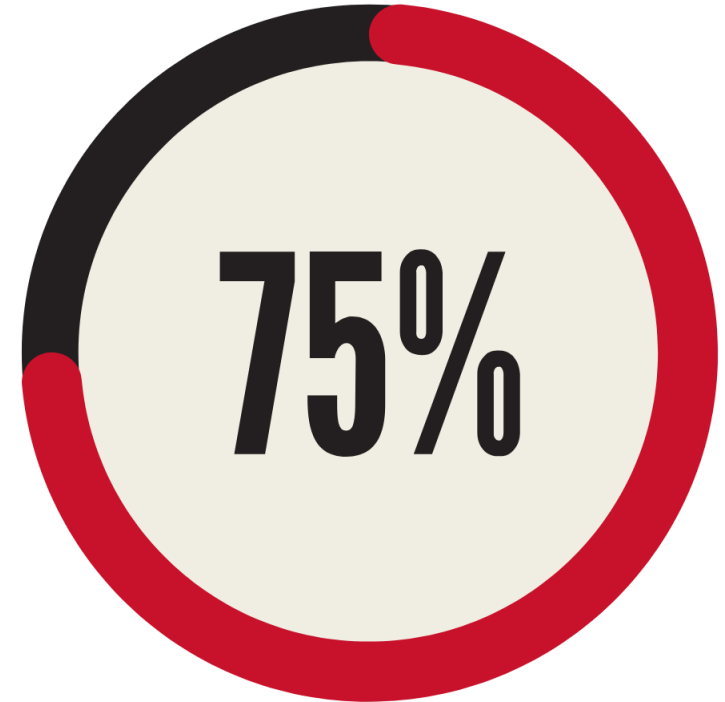


CLAIM PROCESS - AUTOMOBILE

WHAT IF MY VEHICLE IS A TOTAL LOSS?

Total Loss - the cost to repair the vehicle is 75 percent or greater than the fair market value of the vehicle immediately prior to the loss.

Your insurer is permitted to add additional costs such as the cost of a rental vehicle and potential hidden damage to the cost to repair your vehicle when calculating the 75 percent value.



CLAIM PROCESS - AUTOMOBILE

WHAT IF MY VEHICLE IS A TOTAL LOSS?

You may request the following in writing from the insurer:

- ✓ Settlement offer
- ✓ Explanation of the method used to arrive at the offer
- ✓ Detailed explanation of the calculation of the motor vehicle's total loss value, including the calculation of any value added to the motor vehicle by options
- ✓ A list of all the deductions that will be made from the value of the motor vehicle.
- ✓ A copy of the inspection guidelines relied on to determine the condition of the vehicle at the time of the loss.



The insurer is required by law to respond within 7 business days of your request.

SETTLEMENT OFFER

If you think your car is worth more than what the insurer offered, **you can negotiate** with your insurer.

It's important to know that you must provide **supporting documentation** for your counteroffer.

You can do this by **getting quotes** from car dealers or viewing prices and ads online for similar vehicles.



CONTACT INFORMATION

Maryland Insurance Administration



1-800-492-6116



insurance.maryland.gov

Questions?

