

Tips from the Governor's Office on Filing Insurance Claims

In the aftermath of storm Sandy, one of the most devastating storms to ever strike New Jersey, the Christie Administration and Department of Banking and Acting Insurance Commissioner Ken Kobylowski today offered guidance to New Jersey consumers on filing insurance claims to restore damaged homes and repair or replace property.

"The first consideration is safety. People should wait until it is absolutely safe to return to their homes before doing so. Once people are safely able to inspect their property, there are a few basic steps they can follow to file their insurance claims, restore their property and move forward with their lives."

"Filing claims is a significant process, especially at a time when a resident has lost a home or suffered major damage to property as a result of Sandy," Acting Commissioner Kobylowski said. "But it is essential to getting all the help that consumers are entitled to under their policies."

"I urge consumers to contact their insurance carriers as soon as possible and get the process started. The State's insurance companies are facing an unusual event in New Jersey, but they are prepared for an increased level of activity."

The Acting Commissioner offered the following suggestions to New Jersey residents:

Following the Disaster

Once it is safe to return home, assess the damage and make temporary repairs or arrange for a qualified professional to do so in order to protect your property. Most policies cover these temporary repairs if the damage is due to a covered loss. Take photos of the damage and remove personal property if your home cannot be secured. Make a list of damaged property. Do not dispose of property until an insurance adjuster has reviewed it for your claim. Many policies include reimbursement for storage costs incurred until your home is repaired.

Make sure you know what is in your policy and what coverage options are available for your cleanup and repair effort. If you can still live in your home, talk with your agent or insurer about critical repairs that need to be made. Whether you make the repairs or hire someone, save the receipts for your claim and take pictures of the damage before you start the temporary repairs.

If you need to find other lodging, keep records of expenses and all receipts. Homeowners and renter's insurance generally provide limited coverage for expenses like: meals, rent,

tility installation and transportation if the reason you must leave your home is due to a covered loss, but if the loss is not covered, you will not be reimbursed for these additional living expenses.

Reporting Your Claim

Most insurance companies have a time requirement for filing a claim. The process will go faster if you can locate a copy of your policy, home inventory and have your insurer's contact information.

Call the company or visit a mobile claims center to start your claim. If you cannot find the company or agent's number, call the Department at [1-800-446-7467](tel:1-800-446-7467).

You will be asked to list all items destroyed, damaged or missing. If you do not have a home inventory, begin making a list of items going room by room from memory. Include as much detail

as possible, like where and when the item was purchased, the cost, brand name and model. If your car is damaged while in your garage/carport, it is covered by your automobile policy —not your homeowners policy. If you are insured by two separate companies for these policies you must file a claim with both companies.

Handling the Claim

Your insurance company will send an insurance adjuster to survey the damage at no cost to you. Public adjusters may offer services to represent you, but you would be responsible for any related fees, which is normally a percentage of the amount the insurance company pays you. You do not need to hire a public adjuster in order for the insurance company to adjust your claim. If you choose to hire a public adjuster, check to be sure they are licensed with the Department and ask for references and qualifications before retaining a public adjuster.

Try to be present when the adjuster inspects your property. You may also wish to have a contractor present or ask a contractor to review the adjuster's inspection report before settling the claim.

Do not feel rushed or pushed to agree on a settlement. If there are disagreements, try to resolve them with your insurer. If you cannot reach an agreement, the Department can help you decide if arbitration or mediation is an option.

Your full claim may come in multiple payments. If you have extensive damage or cannot live in your home, the first will likely be an emergency advance and may include additional living expenses. The payment for your personal property and any additional living expenses

will be made out to you. Payments for the structure may be payable to you and your lien holder if there is a mortgage on your home. Lenders may place that money in an escrow account to pay for repairs as the work is completed. If you hired a public adjuster, payment will also include the adjuster.

Repairing the Damage

Fraudsters often take advantage of the chaos following a disaster. When choosing a contractor to make repairs, check licensing and references before hiring. Always insist on a written estimate before repairs begin and do not sign any contracts before the adjuster has examined the damage. In some cases the adjuster will want to see the estimate before you begin making repairs.

Do not pay a contractor the full amount up front or sign over your insurance settlement payment. A contractor should expect to be paid a percentage when the contract is signed and the remainder when the work is completed.

If the contractor finds hidden damage that was not discovered in the original assessment by the adjuster, contact your insurance company to resolve the difference. For any disagreements that cannot be resolved, contact the Department about your recourse.

Things to Remember

Be aware that most homeowners or renter's insurance policies do not cover flood damage. The National Flood Insurance Program (NFIP), through individual insurance brokers and carriers, provides this coverage separately from standard homeowners coverage.

If your insurance company delays in responding to your claim, call the claims department to verify if they have assigned an adjuster. Verify your contact details, especially if you have evacuated your home. Call the Department if the delay is unreasonable.

Even after settling your claim, if you think of items that were not in your initial loss list, contact your insurance company. Unless the company has paid the entire limit for the coverage of those types of items, it is possible the company will make an additional payment.

If your damages exceed the amount of your coverage, federal agencies will occasionally provide grants or low-interest loans to assist with recovery following major disasters.

General Guidelines

Please keep in mind that in the wake of a disaster of the caliber of Sandy, insurance companies are also experiencing difficulties, including handling the volume of calls they are receiving. If you cannot access your property, your insurer cannot access it either.

To be sure your claim is handled efficiently, whenever possible, make sure you have your policy number available when you report your claim. Once you have established a claim, make sure you use the claim number the company provides you in any future communication to ensure accurate claims processing.

After You Rebuild

When you re-establish your home following the disaster, take time to do a home inventory.

Once you have completed the home inventory, talk with your agent to make sure your homeowners or renter's policy is adequate to cover your new investments."