



THE ROAD TO RECOVERY STARTS HERE

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A Word from the Author

A fire is the last thing anyone wants to happen to them. They are never convenient and immediately become stressful both physically and mentally. Everything you do at that moment in time is critical. You must understand the problem you have in order to begin picking up the pieces of your life. You will have to go through this problem whether you like it or not; it is not something you can escape from. The question will be whether or not you and your family will fully recover from your disaster.

The consequential problems you inherit as a result of this fire can be even worse than the fire itself. I have organized this informative manual to help expose you to the truth about what you will encounter in the hours, days, and months after the fire. This manual will arm you with some basic information you will need to help you make well, thought-out decisions. No one can predict all the possible situations you will be exposed to. Please be clear that it is my opinion that everybody dealing with a claim needs professional help. Absolutely nothing will compare to a seasoned expert working for you. I hope the following information will be a blessing to your family and/or your business.

Sincerely,
Anthony Odeh

Anthony Odeh - Public Adjuster / General Contractor / Property Loss Appraiser/Court Expert Witness/Consultant/Litigation Support

Anthony is the founder and President of Claims Consulting & Contracting, LLC. He is both a Public Adjuster (Louisiana License #444173) and General Contractor (Louisiana License #881276) with over 20 years combined experience. Anthony is also a Louisiana state property loss appraiser authorized to price the value of construction costs and personal property. He has also been recognized as a Court Expert Witness in matters of insurance adjusting and construction matters. Anthony is the owner of Claims Consulting & Contracting, LLC and epitomizes the spirit of the team - helping people. Anthony has built his career and reputation by providing services exclusively on behalf of the insured.

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Chapter 1: The First 24 Hours

Secure Yourself and the Site

A fire will derail anyone's life for a prolonged period of time. Nothing good will come fast; so a plan is necessary. If you are forced to relocate, you will have quite a few tasks ahead of you. Having a secure location will be the first step in regaining the mental foundation you will need to get through this moment. Your local Red Cross will provide some immediate relief by providing hotel vouchers along with some spending money for supplies and food. A couple emergency resources, if available, are friends or family. You can immediately contact your agent to notify them of the loss and request a full copy of your policy, while also asking your agent for an advance in writing (via letter, email, etc.). You can request an advance of \$2,500.00-\$5,000.00 without an issue. Keep detailed records of all your expenses while living away from your home; you'll need to account for how you spend the money for book-keeping purposes. One of your insurance companies' adjusters should contact you within 24-48 hours after you call them. The advance you receive should be immediate.

After a fire your property is likely to become unlivable and possibly dangerous. Securing it from intruders and the general public is very important. It is quite common that after a fire, the neighborhood kids and criminals will wander onto the property out of curiosity or malicious intent. People will want to take advantage of the circumstances available to them if they can. If the property is deemed safe, you should recover or arrange to have someone recover anything of value including important documents, jewelry, and family heirlooms. It is your responsibility to secure the property by boarding it up. Contact your local police station, and ask if they can keep an eye out on your home. Also, ask your neighbors to do the same by telling them to report any suspicious activity, including flashlights inside and around the home at night, to the police. Local code enforcement agents from your Parish will require immediate action on your part to make sure the public is protected from any hazards caused by the damage. It is likely you will receive citations and additional costs if they initiate board-up services for you, which is why you should take the initiative to handle the board-up yourself as soon as possible. It is also likely that all utilities will be disconnected from the property if the fire damage is extensive, thus making it unlivable.

Additional Living Expense Insurance

Do not be fooled by the TV commercials, your insurance company is a for-profit business, not a "*good neighbor*". They should treat you fairly if you do your part by understanding your rights; most people do not understand their rights. If you have "additional living expense" insurance, you need to know some basics. It is your responsibility to keep records of your expenses while recovering from your fire.

This coverage is called additional living expenses (ALE); regardless of what anyone tells you, it is a very broad coverage. It literally means **any** additional living expenses you have because of the effects of the fire. These include things like yard or pool upkeep, excessive data usage on your mobile devices, mileage for travels that pertain to the loss, eating-out while without a kitchen, day care, veterinarian expenses for pets lodging, laundry services, even fees you volunteer to or are forced to pay for

staying with friends and family. Your friends and family are even entitled to receive monetary compensation at the rate of a nice hotel.

You will still be responsible to pay your mortgage while not being able to occupy the property. So, a clear example of this coverage is comparable living conditions or in other words, *“like kind and quality”*. With the additional living expense endorsement, you are not only entitled to comparable living conditions, but also comparable rental furniture. All deposits for the rental home and furniture are covered by your insurance while all installation fees for utilities are also covered. If you have bad credit, relocating services exist and are sometimes offered to policyholders by the insurer. But please be aware, higher fees will be applied if you use these services. Depending on your goals and plans, you will want to be mindful of how you spend your recovery money.

If you utilized help from Red Cross or any other charity including your local churches, you can submit those documents to your insurer, and your insurer will reimburse you, basically allowing a person to be double paid. We always recommend that property owners who have insurance and used any non-profit entity to submit the necessary documents to recover the money donated them and give back to those companies to ensure that the next person needing assistance can get the same relief.

Mitigation

Mitigation is the act of limiting damages in an effort to protect the property. As a policyholder, you are responsible, by way of your insurance contract, to limit and protect from further damages. Examples of this include removing valuables and boarding up the house to prevent additional losses such as theft and injury to others (if someone gets hurt even while trespassing, they could sue you). If possible, you should remove standing water and anything that may potentially be in harm’s way, such as furniture. You can do this yourself or hire someone and save the receipts; either way, your insurer will repay you once you submit your expenses. You can ask for an advance from your insurance company to cover those immediate costs. Your insurer will want to allot you a low value, *if any at all*, on the value of your time and effort if you choose to mitigate yourself. The Yellow Pages and referrals are great places to start. Please keep in mind though, do not sign documents that do not discuss **prices** or have **pay direct terms**; this is a recipe for more problems. Count every penny as it passes. It is your recovery money and your responsibility to spend insurance money wisely. It is limited, but it is meant to benefit you, not abusive restoration companies.

Cautions

1. Do not enter the property unless the proper authorities have given you permission to do so. Fires can rekindle because of hidden smoldering.
2. The fire department will usually determine whether or not to disconnect utilities such as natural gas, electricity, and water. If they disconnect them, do not attempt to reconnect them without the proper authorities’ permission and/or supervision.

3. If permitted to enter, be careful while in the damaged property. The main structural components may have been damaged during the fire, which may cause the roof or floor to collapse.
4. Food, beverages, and medicines exposed to heat, soot, and/or water should not be consumed.
5. Do not sign any contracts immediately after the fire. Don't be rushed into recovery without a premeditated plan. Insurance company-referred vendors can possibly make the situation worse.
6. Know that the service vendors recommended by your insurance adjuster *do not* have your best interest at heart. These vendors rely on the regular flow of referral work from the insurance company, always limiting your recovery options to ones that will benefit your insurer and the vendors.
7. Protect and manage your insurance money. Find your own services, it will likely be cheaper and done better than those recommended by the insurance company.
8. Do not throw away anything until an incredibly detailed inventory list and photo journal are taken of your belongings. You will need proof of ownership if you want your insurer's cooperation in getting paid (discussed later under "content claim").

Chapter 2: If You Are Insured

Public insurance adjusters analyze insurance claims for property owners, such as you, after any kind of insurable loss. The Louisiana Insurance Commissioner licenses public insurance adjusters through the State. Public insurance adjusters are licensed **only** to work for you, the property owner, and **not** the insurance company. Public insurance adjusting is an old and well-recognized industry in most of the United States. However, only after Hurricane Katrina did Louisiana update its insurance codes to adopt the public insurance adjusting industry. They are trained and educated in the same way as the insurance adjuster who works for your insurance company, but they have *your* interest in mind. A public adjuster can expose policyholders to all the benefits purchased in their policy.

Your insurance company will either assign a company adjuster or an independent adjuster (both are licensed to protect the interest of the insurance company). These guys are trained experts who only adjust claims for a living, protecting your insurer first—not you. These adjusters have bosses and supervisors who are eager to settle your claim fast and cheap. They are sometimes savvy in their approach to cut and control recovery costs or they could possibly just be ignorant in their knowledge base. It is highly unlikely you will recover all your benefits without a public adjuster's help.

Your purchase of insurance is supposed to allow you access to recovery money. How it is spent is up to you! Property owners have to disclose to future buyers that the property has had a fire. This can trigger a “diminished value” effect if repairs are not done with the retention of resale value in mind. You could be shocked later to find out to what extent the cost cutting tactics have negatively affected the resale value of the property and your belongings.

Building Damages

It is your responsibility to organize your losses, not the adjuster who is hired by your insurance company. You should seek out the best construction companies and estimators possible. There are expert estimators available, if you plan to do the work yourself. Your focus should be on the quality of work, not the price alone; you're owed by way of your insurance policy “*to be made whole.*” Be aware that the adjuster from your insurer will offer you an estimate. However, he is not a licensed contractor, so the estimate is not always reliable. You will find that the adjuster sent to you has a limited scope of repair in mind, which will drastically lower your repair allowances. Be wise and get multiple opinions because your future property value counts on it. A contractor's opinion outweighs an adjuster's estimate. You do not need to offer multiple estimates, just one from the contractor that you have chosen. If the repairs are not done correctly, smoke odor will remain in the home even after the work is done. It is wise for you to find your own contractor.

What You Should Know About Payments

- Do not pay cash.

- Include a payment schedule in your written contract.
 - Do not pay more than 10 percent of the job or \$1,000, whichever is less, as a down payment.
 - Do not let payments get ahead of the work.
-

Hiring A Contractor – Checklist for Consumers

1. Hire only Louisiana State Licensed or Registered contractors.
 - Commercial Projects over \$50,000 require state license
 - HVAC, Electrical, Mechanical and Plumbing in excess of \$10,000 require a state license
 - Residential New Construction of Single Family Homes require state license
 - Home Improvement/Remodeling over \$7,500 requires state registration
 - Hazardous materials or mold remediation over \$1.00 require state license
2. Verify Contractor License or Registration number at 1-800-256-1392
3. Get at least 3 local area references and review contractor experience.
4. Get at least 3 bids on the work to be performed.
5. Get a written contract and do not sign anything until you understand the terms of your contract clearly.
6. Pay 10% down, or \$1,000, whichever is less, depending on project size and reasonable starting cost requirements.
7. Do not let payments get ahead of work completed. Keep a record of all payments.
8. Do not make the final payment until you are satisfied with the job.
9. Never pay cash.
10. Keep a job file of all papers relating to your construction project

Additional Coverages

Smaller coverages are a part of your policy. These additional coverages are not listed on your declaration page and many times insurers will not explain to policyholders how these are triggered or how they apply to your loss. In fact, the law does not require insurers to teach their policyholders how to best use their insurance policy. You will probably have additional coverages such as code upgrades, debris removal, mold, and landscaping. All policies have certain triggers embedded within them that insurers are not likely to expose to you. These additional coverages can bring to the surface additional recovery money. Getting every dollar you are owed will make the difference to what extent you will recover.

Valued Policy Provision

Every state has laws that govern insurance companies; Louisiana has a unique law known as the “valued policy provision.” This law allows policyholders the ability to cash out the full policy limits after a major loss. This law was designed to prevent agents from overselling insurance policies. In a brief summary, if you experienced extensive

damage, you are *immediately* entitled to the full value of your policy limits, no estimate for repairs are needed.

Even though this law is designed to address major losses, policy owners are still required to produce an inventory of damaged personal property. This law is also limited to single loss events. For example, situations like Hurricane Katrina would not have applied because of multiple sources of damage such as flood and wind.

Mortgage Companies

Know that your mortgage company is a co-owner of your house. Because of this, their names will be on any check that relates to the property's repair. There are several options here, but they all start by getting in touch with the loss draft department of your mortgage company. Usually, any checks less than \$10,000.00 will be endorsed and sent back to you. It is likely that they will require a "letter of intent" signed by you along with the estimate used for the production of the insurance check. This tells the mortgage company what was damaged and allows them the ability to manage the repair progress. For any check amount over \$10,000.00, your mortgage company will hold the total repair amount in a special escrow account. They will then release funds in 1/3 increments as the work progresses. You will be given two options for securing the repair monies, depending on if you plan on fixing the house yourself or if you plan on hiring a contractor. There are two packets for you to fill out depending on which way you plan on getting the work done. Each packet will have directions and the specific forms needed to process insurance checks.

Special note: *If you have had a bad payment history, you will probably not be allowed to access the repair monies even though the state would allow you, as the property owner, the right to repair a home that you intend to occupy. This is not contractual, but it has become the "norm" due to all the mortgage failures in recent years. Your mortgage company will require your contractor to be licensed and a legal business. Most mortgage companies have a protocol of disbursements in one third (1/3) increments. They will assign a local home inspector and use the adjuster's estimate to track the repair progress. If you supply a contractor's pay schedule, you can alter the disbursement protocol set by the mortgage company as it relates to the release of repair monies*

You should know that the insurance money is placed in an escrow account, and it's designated for the home repairs. Some mortgage companies will insist you pay down or even pay off the loan with the insurance proceeds. This is ok if it is what makes sense for you. Do not be bullied into it if it does not make sense.

Sometimes mortgage companies are too big, and they become disconnected with the hardship that a fire causes a family. After all, the people you have to deal with probably have never had a fire and are going back to their homes at night to sleep in their own beds. A firm call from a lawyer to their legal department can make things process more efficiently, gaining you access to your recovery money.

Restoration Services

Beware of services whose sole focus is insurance recovery. Generally there are two types of these services: those who work as vendors on behalf of insurers and those who are independent and work for their own interests. Although neither of them is in any way connected to your insurer, both will know the “ins” and “outs” of the building repair portion of your claim. Be careful when dealing with either type. Remove these services and clear them from your list of candidates, weeding out the vendors that serve your insurer’s interests. Check references and licensure to make sure whomever you decide to do business with is accountable if they happen to take advantage of you. These restoration companies can be very helpful, but sadly, their main interest is your insurance money. They have special skills that if carefully managed, can bring value to you and your recovery. Please do not be sweet-talked; no one cares more about your recovery than you. Ask plenty of questions, and by all means, talk to more than one company. You’re shopping for people who will be a part of your recovery process. Know that although these services are helpful, they can be very expensive. A restoration service is good for minor smoke or water damages. For certain problems, restoration services are sufficient. They are likely not going to admit when their services are not warranted. Do your own research, and get more than one opinion.

Insurance Adjusters

I touched on this subject earlier, but it’s very important to understand the differences. There are three kinds of insurance adjusters. All three kinds have job descriptions that all property owners with insurance should know about.

Public Insurance Adjuster: The insurance commissioner licenses public insurance adjusters through the state. They are trained in the same way as the adjusters who work for insurance companies, but the license restricts these kinds of adjusters to being hired only by policyholders. Be careful in screening any public adjuster. These adjusters charge a fee for their services. If you do employ a public adjuster, your insurance company will pay more attention to your claim. They will probably resist because of the fear of paying out higher claim amounts.

As in any business, even public insurance adjusters have bad apples. You should check licensures with the state insurance commissioner. Check to see if the adjuster has had any lodged complaints against him or his company, and if so, for what reasons. Be careful who you hire. The most common complaint is that the public adjuster will not do anything once hired and will still take a portion of your recovery money. This does happen so it is important you research all referrals and licensures.

In Louisiana, public insurance adjusters can only charge a flat rate or hourly fee. It is common in other states that the public adjuster charges a percentage on a contingency basis. This specific billing practice is prohibited in Louisiana. Generally, public adjusters charge 10% of the total claim no matter what was offered before their involvement. The fee can range as high as 50% of recovery if it’s based on new money concepts. I offer you this information to help gauge the fees of a Louisiana public adjuster.

Independent insurance adjusters are not independent. These adjusters are licensed to represent your insurance company's interests. This type of adjuster does sub-contracted adjusting. Sometimes these adjusters are more liberal in handling your insurance money. An independent adjuster, even though they are slightly more generous, is still paid by your insurer. They depend on repeat business from the insurance companies so they are always limited on generosity. You do not pay for the services of this type of adjuster. They are not legally responsible to teach or expose you to the insurance benefits you purchased. All adjusters do have some element of sincerity while interacting with policyholders, but understand that even when sincerely handling your claim, their training and experience comes from primarily their employer, your insurance company. Smaller insurance companies rely on the service of independent adjusting firms. Always get second opinions in order to protect your best interests as the person insured.

Staff insurance adjusters ("Desk Adjusters") are licensed to protect the interest of your insurance company and are employed directly by those insurance companies. Large insurance companies with a lot of policyholders will train adjusters directly. These adjusters tend to be even less generous with a limited outlook and approach. Always question what you are told by these adjusters because generally, there are more options than what they expose you to. Remember, it is his job to protect his employer's interests.

Do not just trust any insurance adjuster. Everything done will affect you through your recovery. In most cases the adjuster sent by the insurance company reports back to another adjuster who sits at a desk. Despite the person you meet, it is likely that the desk adjuster will be the one to make decisions on your claim based on the data collected by the field adjuster. The desk adjuster is generally a more seasoned person, so the inside adjuster will make most of the idling decisions concerning your claim. Therefore, understand that what is said during inspections is subject to change. The person you meet at the property is a low man on the claim's totem pole.

Experts

Because insurance adjusters hired by insurance companies are only there to gather field data and submit it to the desk adjuster for payment, they will sometimes hire their own experts in fields of interest on your claim. If your adjuster requests their own vendors to give an opinion, be wary of their intent. The adjusters used by insurance companies are only administrators of the claim and cannot deny claims on their own accord. They are licensed to administer insurance benefits only. So be aware that adjusters who work for insurance companies will often hire third parties to gain an advantage in your claim. They will bring in experts to get opinions that support what direction they would like your claim to go. These third parties are not on your side either. They will also suggest that the policyholders use certain services to complete work on your behalf. These experts are fully aware of the effects of their services on your claim. All of these professionals know that policyholders are novices in some way or another, so they all come off as people with the intent to help. Unfortunately, too many times these services/experts will reward themselves through steep service fees out of your recovery money followed by the promise of future work by the insurance company. If

your insurer has insisted you use a vendor or if the insurer insists on hiring outsiders to help evaluate your claim, be weary of their motives. It is likely, despite all the friendly small talk they make, that the adjuster and expert will work together to limit your recovery.

If you find that the adjuster is pushing a certain service or requesting things such as engineers, textile, or mitigation services, it is not to help you. It is probably just the adjuster trying to control costs and/or outcomes. If this is the case, the only way to move forward is with equally qualified experts of your own. It is common that the professionals you hire will challenge the opinions of experts hired by the insurer. Many insurers will contort the opinions of experts to limit your recovery money. Find your own experts and always find your own service providers. Whether it's to clean the building, furniture, or clothes, you are better off finding your own help.

Chapter 3: Contents

Who Decides What

Now, by this point you may be asking the question, “who decides what?” with your claim. Strip away the fancy language and understand that the answer is you, so do not be rushed into any irrational choices. Establish with the insurance company that everything that happens is and will be your choice. Both you and the insurance company have separate duties to each other, but be very clear that it is your money, and you have to do things that make sense to you. You are not entitled to be enriched, just fairly compensated. Because you are a novice at handling insurance claims, *you should not go through this alone*. Your insurance company will help you recover as little insurance money as you allow them to. They are not left with the concept of “diminished value,” they just want to close the claim fast and cheap. You have as many forms of recovery as you can imagine. It is really up to you to decide a plan of action to rebuild your life. You can hire experts who will fill you in on their experiences, helping you plan your recovery. Make sure that everyone you surround yourself with is qualified and is recognized by boards and government agencies that idol their perspective industry or business. You want people with a track record of recovery. Always be skeptical of the intent of the people you are doing business with and always get referrals and contact them.

Repair vs. Restore

Immediately after the fire you need to move out the items that have sentimental value and determine what you will save versus what should be discarded. Remember, you will not be enriched but made whole during this process. Everything in your home has value to some extent, whether you decide to clean or replace your property with your insurance money. Restoration companies and public adjusters can help place values on what it will cost to clean, pack, move, and store your property during this process. You should always get estimates of the cost to clean your property before allowing people to start work. This will help you determine whether cleaning items are worth it over disposing them (remember, your items were exposed to heat, water, and ash so there is a good chance if your fire was severe enough, cleaning will be a waste of time and money).

Among all of the options, one never seems to get the attention it should: why can't the policy owner clean, pack, and move their own belongings in exchange for the cost of a professional service? The answer is: *you can*. Rather than paying a company or others to move your things, you can pay yourself. You will be shocked, if not insulted, to find out what kinds of charges are allowed for these kinds of services handled by venders.

Remember that your adjuster is really there to collect data, not make decisions for you. In the case of policyholders not being sure of their duties, the adjuster sent to you will probably try to push their venders. In most cases, if a vender is suggested, it is done with the idea of saving money for his employer, your insurance company. Everything that is ultimately done during the claims process will end up costing you

valuable recovery money. Be sure to get your own expert's opinion, and do not rely solely upon the insurer's adjuster's opinion. Do not be pushed or directed solely by what your insurance adjuster says. Common sense really has a place in an insurance claim. Most of all, know you are in charge, even when it feels like you are not.

Placing Values

Placing value on your belongings is a very tedious, yet important, task. Your insurance company will depreciate the value of everything you own. In most cases the depreciation is recoverable, but you will be forced to buy things back to qualify for the full replacement value (I will talk about this later). It is very important for you to prove ownership and to document everything in your property. The adjuster from your insurance company might ask you for receipts, tax records, credit card ledgers, and bank statements to prove ownership. Although that is certainly one way to prove ownership, the other, more effective, tactic is to simply take pictures of the items in your home. Do not be fooled by the adjuster, who will graciously offer to help make your inventory list or even take pictures for you and then instruct you to dispose of the property. It is never a good idea to dispose of your belongings until you have taken your own pictures, created a list of the property's inventory, and received your content check from your insurance company.

My approach to contents is as follows: I spend several days taking detailed pictures of literally everything, including old magazines, cotton balls, dish soap, paper clips, and even old mail (old mail can be classified as office supplies). I typically suggest that people set up staging areas by clearing out a room or two of the property. After that, I have a team of people help bring all personal belongings into these staging areas. All personal property should be displayed to clearly show the items. It is in your best interest to capture the serial numbers of the items, as well as the make and model numbers. Take hundreds of pictures of items in groups so you can later go through your pictures to create an accurate inventory, which is thoroughly supported by your photographs. We usually spend a few weeks placing prices on all identified items, but we do it in a controlled office environment, rather than on the site. Keep all property together in a designated place on site. Once you're done, you should have a large pile of your belongings. This pile should stay on site until you have received a check from your insurance company. Your insurer has the right to inspect the property that you are claiming. It is during this time that you can also separate salvageable items from the bulk piles, which will then be allotted allowances for cleaning, packing, moving, and storing, respectively.

Once you have taken pictures and compiled an inventory list, you need to place values on everything. If it is readily available to you, I suggest that you use the Internet to "re-shop" the stores you purchased these certain items from. Professional services, like public adjusters and appraisers, have specialized software that gives access to all the major stores in the country, making it easier to price your items. Either way, be generous in pricing items by giving values based on the worth of an item, not necessarily what you paid for the item. Items can increase in value due to the fact that sometimes you might not find replacement property discounted on sale again. The idea is to price things as if you were replacing and purchasing everything in one day with a limitless credit card. You need to include taxes, warranties, and even delivery fees. Your

insurance company will ask you to estimate the age of items in order to determine depreciation. You need to know that an item's age does not directly affect its value. Your insurance company will argue that point, but they cannot win this one. Don't accept depreciations that exceed 30% of the items' overall value, and understand that depreciation is negotiable.

Depreciation

Depreciation is a tool designed to dissuade deliberate losses. This discourages a person from deliberately causing a loss to collect insurance money. There is no established rule as to how much value an item should retain or lose to depreciation. In most cases the depreciation that is recoverable is based on your policy terms. Either completing repairs or replacing the item can recover the amount taken in depreciation. If you do not repair or replace the item, you will lose the amount held in depreciation. If you repair or replace for less than the estimated value, you will subsequently forfeit the depreciation. In these circumstances price shopping could actually hurt you. In fact, this is probably the only time in anyone's life that trying to save money will end up losing you money. This process is a tool used by slick adjusters to suppress the value of your claim. Sometimes, if a policyholder is pushy, the adjuster will give into his or her demands, but then turn around and aggressively use depreciation to suppress the value of the claim. Always question the amount of depreciation withheld in any part of your claim.

Right of Salvage

The term "right of salvage" is commonly used for items with very high values such as cars and boats. Simply, if an item is damaged beyond it's usefulness and you regard it as a damaged item, your insurer has the right to pay you and then retain the items. If you claim items in your home are damaged and your insurer happens to disagree with you, demand they pay the replacement cost and allow them to take the item under the "right of salvage". This policy condition is put in place so insurance companies can liquidate damaged items for a price to lessen their loss. This is not talked about often, if at all, but it is a viable solution if an insurer insists a damaged item still has a value.

Beware that the vendors an insurance company surrounds itself with will often insist that items can be cleaned and restored to a pre-loss condition. This is generally hard to do because the ash a fire produces has acidic properties. If the ash remains on your property for more than 24 hours, it is likely your items have been permanently damaged, even microscopically. This is always a concern when an adjuster working for your insurance company demands their vendors are a part of your recovery (see the section labeled "Experts"). Sometimes, if you insist on using your own services, your insurer will want their vendors to offer opinions. This is incredibly dangerous, especially if their vendor did not get the job or your money. It is likely whatever service provider your insurer and their adjusters suggest will render an opinion that will support whatever your adjuster wants it to be. I suggest you acquire professional help.

Chapter 4: Dispute Resolutions

Appraisal

Your insurance policy has some hidden treasures in it. The claims process is very much like a game of chess. There are very specific rules in your insurance policy, but past that, things really boil down to who has a better strategy and approach. Before you run to a lawyer, please know that insurance policies have a less aggressive approach built into them to handle any kind of dispute regarding the “*amount of the loss*”. This is what the “appraisal” provision is for. This is required of either the insurer or the insured before suing over an “amount of a loss”. Untrained lawyers will not know this, and can end up wasting valuable time and money while learning the property claim process. You will find this provision towards the back of your policy in bold print next to “Suit Against Us,” you will see “Appraisal”. Take the time to read it because it can be a potential game changer in your claim. This is an alternative dispute resolution designed exclusively to avoid lawsuits. Disagreements that involve “coverage” are not a part of appraisal, but are rather a reason to sue. Lawsuits are necessary in specific situations to handle matters not related to determining the amount of your claim. Lawsuits are only worth pursuing if you were denied coverage or treated poorly to the extent of worsening your hardships after the fire. In Louisiana, the insurance commissioner has a registry of all appraisers. You will need to look for someone who represents policyholders, not insurers. I urge you to check references and qualifications before deciding on your appraiser.

The appraisal provision is like a three-party binding arbitration. Both you and your insurer will hire and pay for your own appraisers. Once you notify your insurer in writing that you are triggering the appraisal provision and submit your appraiser’s contact information to your insurer, your insurer will then need to name their disinterested appraiser within 21 days. This person should not take directions from your insurer. The two nominated appraisers are given 16 days to find a suitable third-party person called an umpire, who will work unbiased for both parties. If an umpire cannot be agreed upon mutually, a local judge will appoint an umpire for them. Meanwhile, each appraiser will draft opinions on the disputed amounts. After working together to agree on these values, they can call in on the umpire to give a third opinion on questionable issues and costs. The umpire is not a judge but simply a third opinion. The umpire fee is split between both the insurer and the policyholder. Any two out of three signatures will establish the award amount. An appraisal award is irrefutable unless fraud or collusion is discovered.

Because the appraisal process is designed to avoid the legal system, it is not always handled correctly. Unfortunately, the more savvy insurance companies have been able to corrupt this system by “*interfering*” in the process. This then wrongly makes the system biased and therefore, useless. The appraisal process is intended to bring fresh eyes and new opinions, a second look by separate disinterested people. An experienced team can help guide you through this during all the stages.

Lawyers

Attorneys and lawyers are commonly used when policyholders run into trouble while dealing with an insurance claim. As unpopular as they are to some people, you may feel the need to hire an attorney. Louisiana allows policyholders up to two years to resolve disputes on property claims and one year on auto claims. This is called a prescription period. In some cases even if you conform to the terms of your policy, you can find that your insurer still refuses to deal fairly. In certain circumstances hiring a lawyer is a good option. Keep in mind that a good attorney will simply find experts to counteract the opinions of the experts hired by your insurance company's adjuster. This is something you can do entirely on your own. When seeking a lawyer, look for someone who advertises "property casualty law". Be very careful with who you hire. I recommend you do your homework and ask him or her how many times they have successfully resolved property claims. Many times, lawyers take on cases only to experiment for a possible paycheck. After all, they only stand to lose minimal amounts of profits while you could lose valuable recovery money. Ask the lawyer whom they intend to use as their team of experts and what referrals they have accumulated. Doing your homework early on and checking whom you are working with will save you a lot of headaches.

Your insurer deals in this industry daily. They have numerous experts and lawyers at their disposal to counteract your actions and those of your family. Some insurers understand if they make recovery hard, most policyholders will probably give up on the claim process out of frustration. Insurance companies anticipate that you will go away if they make the process difficult, and they also understand that policyholders will find it even more challenging to find caring and competent lawyers. It is essentially just a game designed to wear you out. In the long run, it is likely you will get a small amount of additional money if you hire only a lawyer. It is common to see an inexperienced lawyer leave large amounts of your recovery money behind while taking a large fee on what little new money is recovered.

It is critical that you follow the conditions of your policy because no lawyer can help you there. Without documented markers, even the best property casualty lawyer will not be able to help you. Many times, insurance companies anticipate that you will not be able to fulfill your duties mainly because they are poorly defined and confusing. Often times, even if you meet your policy terms and conditions, the adjuster assigned to you could deliberately or ignorantly mislead you. Hiring the wrong lawyer could also hurt you and your recovery, as previously discussed. Your insurance company will research the lawyer you hire to profile him. With a few quick key strokes they will know what kind of law the lawyer is proficient in and know if the lawyer litigates or makes a habit of settling out of court. Once the insurance company discovers the true nature of your lawyer, they will continue to work against you by overcoming your lawyer. Sadly, handling a claim is not easy. You should surround yourself with experts to help you avoid amateur mistakes, especially because you ultimately decide your disaster recovery's fate.

Proof of Loss

Most homeowners do not understand the seriousness of handling a claim. The origin of the insurance policies and their terms and conditions are based on “*contract law*”. Your insurer can at any time demand you fill out what is known as a “*proof of loss*,” if this happens, they are basically accelerating the claim. This document would force a policy holder to give a brief affirmation they did not intentionally cause the loss and to give an amount of what you thought they owed you in all categories of coverage. You will be expected to compile this data in 60 days of the written notice. This document will need to be notarized.

In most cases if your insurer demands a proof of loss, they will likely supply you with a form, sometimes filled out by what the adjuster wants you to accept as the amount of the loss. Other times the adjuster will want you to fill it out on your own. You can also find one online. This document represents your claim in a summary. It highlights the policy number, claim number, date, named peril, and amount you are claiming in every coverage category. This is a tool much like a queen in chess; it’s multi-directional. If you are asked to fill one out, you have to. Insurance companies use this document to be clear on the amount your claiming but also affirms a persons official statement and intent. This document can be used to deny a claim if it misrepresents the claim. Your insurer will likely deny a claim if they feel fraud was committed. So be very careful and truthful when dealing with your insurer. If your insurer thinks your actions were criminal, they have the option to report you to the attorney general and let them prosecute you for insurance fraud.

An expert claim handler uses this document once an established amount in any of the available coverages is known. The name of the game is getting it in as soon as possible. My personal approach for people or businesses is to establish a plan and submit the cost for any additional living expenses or business relocation. This helps the policyholder get stable. Then, I prepare the structure estimate. Lastly, we submit the contents claim. There is no real order for when to turn these in. But once any coverage amount is known submit the supporting documents with a proof of loss. Calendar 30 days and call your adjuster several times to remind him he owes you an official position of payment. He can disagree on an amount (see the section labeled “appraisal”) and issue an “undisputed payment”. The proof of loss puts power in your hands to also accelerate a claim. Without a proof of loss your insurer can take as long as they want to provide you an answer on your claim. If you have given the proof of loss and supporting document and your insurer fails to respond, you are primed to see a property casualty lawyer. You may find your insurance company has “*breached contract terms*” or worse, committed an act of “bad faith.” A team of professionals can make sure you have done your part and keep your insurance company honest.

Examination under Oath vs. Recorded Statement

There are two times in a claim you are obligated to talk openly and directly to your insurance company; the “*examination under oath*” and the “*recorded statement*.” All other times we recommend a written form of communication. Your calls are always

recorded and always available if you happen to misspeak or were lead to say something out of context. However, the phone recordings are the property of your insurer and not always available to policyholders' legal teams if a claim of "*unfair claims handling*," is alleged. A written journal and paper trial is always good to have when you need to prove something was said either way. Bad adjusters are *less* prone to mislead or misrepresent a matter if it is in writing. Always force your adjuster to a written communication.

Recorded statements are very common after a fire. Your insurance company has no clue of the facts surrounding the loss so they will generally take a recorded statement. Sometimes it is done in person with a recording device and other times over the phone. Generally, these are calm, soft moments but mind you they are establishing a trail of evidence. This is a normal, expected situation and unavoidable if they request it. Your policy has a condition that requires you to "cooperate with their investigation." "Failure to cooperate" is grounds for a denial of your entire claim. Be honest and you will do fine.

On the other hand, Examination Under Oath or E.U.O. is an additional condition you agreed to; found in the policy under "duties of the insured". An examination is essentially a deposition. You actually have fewer rights with the E.U.O. than you would in a deposition. If an E.U.O. is asked of you, it is likely your insurer has serious questions. This is generally a form of an interrogation. It is unavoidable if asked of you. At this time you will be asked to provide substantial documents and you have to provide them. They can ask for bank records, credit card ledgers, tax information, and phone records; virtually anything they want. A lawyer they hire will formulate questions around the area of interest. Lots of times they will have had an investigator do research and fieldwork on you and have answers to questions already; again, a time to say, "I GOTCHA!!!" and deny the claim. The easiest way around all the problems is to be honest from the beginning and answer everything truthfully. Get some expert help.

Release

Whatever you sign, please do not sign a release! It is what it says it is; a release! In very rare circumstances will a release be reversed. Just avoid it at all cost. If you are asked to sign one, call a property casualty lawyer first and get some advice. Also, call a professional if you receive any checks from the insurance company that state "*full and final payment*."

Chapter 5: Salvage Hints

Several of the cleaning mixtures described in this section contain the substance *tri-sodium phosphate*. *Tri-sodium phosphate* is a caustic substance used commonly as a cleaning agent. It can be found at any hardware store somewhere in the painting department. It should be used with care and stored out of reach of children and pets. Wear rubber gloves when using the substance if you have sensitive skin. Read the label for further information. This substance can be purchased under the generic name TSP.

Clothing: A word of caution before you begin—wash garments normally before using any special treatments, and follow the manufacturer’s instructions. Smoke odor and soot sometimes can be washed from clothing. The following formula may work for clothing that can be bleached:

4 to 6 tbsp. *tri-sodium phosphate*
1-cup household cleaner or chlorine bleach
1-gallon warm water

Mix well, add clothes, and rinse with clear water. Dry thoroughly.

An effective way to remove mildew from clothing is to wash the fresh stain with soap and warm water, rinse thoroughly, and then let dry in sun. If the stain has not disappeared, use lemon juice and salt or a diluted solution of household chlorine bleach.

Cooking Utensils: Your pots, pans, flatware, etc., should be washed with soapy water, rinsed, and then polished with a fine-powdered cleaner. You can polish copper and brass with special polish, salt sprinkled on a piece of lemon, or salt sprinkled on a cloth saturated with vinegar.

Electrical Appliances: Do not use appliances that have been exposed to water or steam until you have a service representative check them. This is especially true of electrical appliances. In addition, steam can remove the lubricant from some moving parts. If the fire department turned off your gas or power during the fire, call the electric or gas company to restore these services—do not try to do it yourself.

Food: Wash your canned and jarred goods in detergent and water. If labels come off, be sure you mark the contents on the can or jar with a grease pencil. Do not use canned goods if the cans have bulged or rusted. Do not refreeze frozen food that has thawed.

To remove odor from your refrigerator or freezer, wash the inside with a solution of baking soda and water, or use one cup of vinegar or household

ammonia to one gallon of water. Baking soda in an open container or a piece of charcoal also can be placed in the refrigerator or freezer to absorb odors.

Rugs and Carpets: Rugs and carpets should be allowed to dry thoroughly. Beating, sweeping, or vacuuming and then shampooing can clean throw rugs. Rugs should be dried as quickly as possible by laying them flat and exposing them to warm, circulated, dry air; a fan will decrease drying time. Be sure the rugs are thoroughly dry. Even if the surface seems dry, moisture remaining at the base of the tufts can quickly cause the rug to rot. For information on cleaning and preserving carpets, call your carpet dealer, your installer, or a qualified carpet cleaning professional.

Leather and Books: Wipe leather goods with a damp cloth, and then dry with another cloth that is dry. Rinse leather and suede jackets in cold water and dry away from heat and sun. Leather goods should be dried away from heat and sun. When leather goods are dry, clean with saddle soap. Stuff items such as purses and shoes with newspaper to retain shape while in storage. Leave suitcases open.

Wet books must be taken care of as soon as possible. The best method to save wet books is to freeze them in a vacuum freezer. This special freezer will remove the moisture without damaging the pages. If there will be a delay in locating such a freezer, place them in a normal freezer until a vacuum freezer can be located. A local librarian also can be a good resource for advice.

Locks and Hinges: Locks (especially iron locks) should be taken apart and wiped with oil. If locks cannot be removed, squirt machine oil through a bolt opening or keyhole, and work the knob to distribute the oil. Hinges also should be thoroughly cleaned and oiled.

Walls, Floors and Furniture: To remove soot and smoke from walls, floors, and furniture, use a mild soap or detergent or use the following solution:

4 to 6 tbsp. *tri-sodium phosphate*
1-cup household cleaner or chlorine bleach
1-gallon warm water

Wear rubber gloves when cleaning with this solution. Be sure to rinse your walls and furniture with clear warm water, and thoroughly dry after washing them with this solution. Wash a small area at one time, starting by moving from the floor up. Then rinse the wall with clear water immediately. Ceilings should be washed last.

Do not repaint until walls and ceilings are completely dry. Do not replace drywall or flooring until proper dehumidification/mitigation is

completed. Check for moisture that can get trapped in the framing and concrete building material.

Your wallpaper also can be repaired using a commercial paste to re-paste a loose edge or section. Contact your wallpaper dealer or installer for information on wallpaper cleaners. Washable wallpaper can be cleansed like any ordinary wall, but be careful not to soak the paper. Work from bottom to top to prevent streaking.

Wood Furniture

*Do not dry your furniture in the sun. The wood will warp and twist out of shape.

*Clean off mud and dirt.

*Remove drawers; let them dry thoroughly so there will be no sticking when you replace them.

*Scrub wood furniture or fixtures with a stiff brush and a cleaning solution.

*Wet wood can decay and mold, so dry thoroughly. Open doors and windows for good ventilation. Turn on your furnace or air conditioner if necessary.

*If mold grows, wipe the wood with a cloth soaked in a mixture of borax dissolved in hot water. To remove white spots or film, rub the wood surface with a cloth soaked in a solution of ½-cup household ammonia and ½-cup water. Then wipe the surface dry and polish with wax or rub the surface with a cloth soaked in a solution of ½-cup turpentine and ½-cup linseed oil. Be careful, turpentine is flammable, depending on flashpoint.

Money Replacement: Handle burned money as little as possible. Attempt to encase each bill or portion of a bill in plastic wrap for preservation. If money is only half-burned or less (if half or more is still intact), you can take the remainder to your regional Federal Reserve Bank for replacement. Ask your bank for the nearest branch. You can also mail the burned or torn money by “registered mail, return receipt requested” to:

Department of the Treasury:

Bureau of Engraving and Printing Office of Currency Standards
P.O. Box 37048
Washington, DC 20013

Mutilated or melted coins can be taken to your regional Federal Reserve Bank or mailed by “registered mail, return receipt requested” to:

Superintendent:

U.S. Mint
P.O. Box 400 Philadelphia, PA 19105

If your U.S. Savings Bonds have been destroyed or mutilated, you must obtain Department of Treasury Form PD F 1048 (I) from your bank or www.ustreas.gov and mail to:

Department of the Treasury:

Bureau of the Public Debt Savings Bonds Operations
P.O. Box 1328
Parkerburg, WV 26106-1328

****Resources***

United Policy Holders <http://www.uphelp.org/>

United Policyholders is a non-profit organization that is on your side. They give the straightforward information on insurance matters. They can help give some guidance through the claims process. Fight for your rights as a policyholder. They can help answer some questions.

National Association of Public Adjusters <http://www.napia.com>

Public adjusters are experts on property loss adjustments, who are retained by policyholders to assist in preparing, filing, and adjusting insurance claims. They are employed exclusively by a policyholder who suffered an insurable loss. These individuals handle every aspect of a claim, working closely with property owners to secure the most equitable settlement possible. A public adjuster inspects the loss site, analyzes the damages, assembles claim support data, reviews coverages, determines replacement costs, establishes fair rental values for additional living expenses values, and assists in handling all aspects of the content claim.

State Insurance Commissioner (Louisiana) <http://www.lidi.state.la.us>

Commissioner James Donelon phone 225-342-5900

This website will allow you to confirm that any adjuster or appraiser is properly licensed and in good standing with the state. It will also allow you to file a compliant against an insurance company if you feel necessary. They will not enforce any action, but they will lodge the compliant for state records.

Tax Information

Check with an accountant, tax consultant, or the Internal Revenue Service (IRS) about special benefits for people with limited finances after a fire loss.

Summary

At this point if you have read through this pamphlet, you should have a good overall understanding of terms and conditions you are subject to. As I have tried to emphasize, get professionals next to you. The television commercials are really a misrepresentation of the truth when you have to use your insurance.

Your home or business is the most important thing to you, but not as important to anyone else. Corporations certainly have no heart. You are now in a place you are unfamiliar with. You are greatly disadvantaged at the worst possible time when everything is on the line. You are forced to deal with the circumstance and ultimately will live in the future past this claim. Your decisions good or bad will be yours. Do not live in regret; seek competent help.