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# NAVIGATING A MAJOR HOME INSURANCE CLAIM

Tips to Get the Payout You Paid For

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# THE FIRST STEPS

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Major insurance claims are **frustrating and complicated**. To make things worse, most homeowners aren't experts.

The average homeowner deals with **one** major home insurance claim in their life.

Unfortunately, insurers take advantage of your **inexperience**.

**We can help you get the payout you paid for.**

- 1) Secure the Scene**  
Contact emergency services if necessary. Protect yourself and loved ones from immediate danger.
- 2) Call your Insurer**  
Your insurer explains the next steps. The sooner you contact your insurer, the sooner the claim process begins.
- 3) Contact a Restoration Contractor**  
Emergency contractors work 24/7. Contractors secure your property and prevent further damage.
- 4) Take Photos and Document the Damage**  
Your insurer needs proof of the loss. Take photos and videos of damaged property.
- 5) Wait for the Restoration Contractor to Complete the Project**  
The contractor restores your property to pre-loss condition.



## WHAT HOME INSURANCE COVERS AND DOES NOT COVER

You assume home insurance will be there when you need it most. Unfortunately, that's not always the case.

COVERED	NOT COVERED
Fire ✓	Floods* ✗
Smoke ✓	Earthquakes* ✗
Wind ✓	Nuclear Accidents ✗
Theft / Vandalism ✓	Termites, insects, rats, mice, and pests ✗
Tree damage ✓	Wear and tear ✗

\* Flood and earthquake insurance are available through FEMA in some areas.

# READING YOUR DECLARATIONS PAGE

## HOME INSURANCE DECLARATIONS PAGE

For Bob & Mary Smith (Sample)

**\$939.00**

Term: 12 month term

Down Payment: \$78.25

Policy Period: January 1, 2022 to December 31, 2022

**SIMON  
FRASER  
INSURANCE  
CO.**

Company Contact Information:

123 Main Street  
Springfield, TX 75247

Your declarations page explains your coverage and how it works

### INSURING AGREEMENT

Simon Fraser Insurance Co. will provide home insurance as described in this policy in exchange for the premium. The homeowner must comply with all applicable policy provisions.

### NAMED INSURED

Policy effective date: January 1, 2022  
Policy Period Begins: 12:01am CST  
Name: Bob Smith & Mary Smith  
Date of Birth: 12/12/1970 / 01/01/1971  
Home Phone: (555) 123-4567  
Address: 789 Evergreen Ave  
City: Dallas  
State: TX  
ZIP Code: 75247

### RESIDENCE

Residence Type: Primary  
Year Built: 2016  
Occupancy: 1 family  
Construction Type: Type III-B  
Roof Type: Asphalt/Composition  
Protection Class: 5  
Primary Heat Source: Central - Gas

- Not more than 100' from fire hydrant
- Not more than 5 miles from fire department

It also lists certain risks and features of your home.

### COVERAGE / ENDORSEMENTS

Deductible: \$1,250  
Dwelling: \$200,000  
Other Structures: \$30,000  
Personal Property: \$125,000  
Loss of Use: \$50,000  
Personal Liability: \$500,000  
Medical Payments: \$10,000

### BILLING & DISCOUNTS

Total Premium: \$939  
Monthly Rate: \$78.25  
Down Payment: \$78.25

- Loss-free discount
- Bundling discount (home + auto)
- Security system discount
- Safe driver discount

This is the total amount you owe your insurer over the policy term.

Discover coverage limits included in your policy, as well as any endorsements (additional coverages).

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# ESTIMATING DAMAGE

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Your insurance company's adjuster **estimates damages**:

- The adjuster **surveys** your property to assess damage
- You **must cooperate** with the adjuster during the survey
- The adjuster creates a **report** based on the survey

Based on the adjuster's report, you could receive **10% to 100%** of the payout you deserve.

Insurance adjusters use the **cheapest** cost estimates. They want to pay you **as little for your claim** as legally possible.



# FIRE DAMAGE RESTORATION COSTS

**Restoring fire damage** can cost anywhere from \$1,000 to \$100,000. If you need to rebuild your home, it could cost over \$100,000.

The average policyholder pays around \$22,000 to restore fire damage.

## Average cost of fire damage restoration

National Average Cost <sup>3</sup>	\$5,000 to \$70,000
Water Damage Cleanup (After Fire)	\$1,000 to \$4,000
Soot Removal and Cleanup	\$2,000 to \$6,000
Removal of Damaged Items	\$50 to \$100 per pound
Duct Cleaning	\$200 to \$500
Deodorizing Costs	\$200 to \$1,000

# HOUSE FIRE CLASSES & CATEGORIES

## Types of fire damage by class.

Fire Class <sup>2</sup>	Type of Damage
Class A	Ordinary materials (like cloth or wood)
Class B	Flammable liquids (like alcohol or solvents)
Class C	Electrical equipment (like appliances or bad wiring)
Class D	Combustible metals (like aluminum or magnesium)
Class K	Kitchen substances (animal oils, fats, or deep fryers)

Restoration companies **rate fires** based on Class.

The cost of fire damage restoration **varies** based on water damage, soot removal, smoke cleanup, and miscellaneous cleanup costs.

<sup>2</sup> (US Department of Labor, 1996)

<sup>3</sup> (Angi, 2021)

# SMOKE AND SOOT DAMAGE

Homeowners know the destructive power of fire. Smoke and soot, however, can be **more devastating**.

Smoke and soot **spread** throughout your home during the fire.

Remediating smoke and soot damage **adds thousands** to an insurance claim.

## Average cost of smoke and soot damage restoration.

National Average Cost <sup>4</sup>	\$2,000 to \$6,000
Smoke Restoration Costs	\$200 to \$1,000
Furniture and Texture Deodorizing Costs	\$200 to \$1,000
Thermal Fogging	\$200 to \$600
Ozone Smoke Removal	\$200 to \$400

## DID YOU KNOW?

Public adjusters force your insurance company to pay the full amount for your fire, smoke, and soot damage.

Public adjusters:

- Analyze damages ✓
- Negotiate with your insurer for higher payouts ✓
- Oversee restoration ✓

A good public adjuster can increase your insurance settlement by 700% or more.



# WATER DAMAGE RESTORATION COSTS

## Average cost of water damage restoration in the United States

Water can cause **visible and invisible damage** to your home.

Some water damage is obvious. Other damage is hidden behind your walls or underneath your floors.

National Average Cost <sup>5</sup>	\$3,000 to \$15,000
Cost by Area	\$3.75 to \$7 per square foot
Category 1 (Clean Water)	\$3.75 per square foot
Category 2 (Grey Water)	\$4.50 per square foot
Category 3 (Black Water)	\$7 per square foot
Mold Restoration and Removal	\$2,000 to \$5,000

# WIND DAMAGE RESTORATION COSTS

## Average cost of wind damage restoration in the United States

National Average Cost <sup>6</sup>	\$3,000 to \$20,000
Full Asphalt Shingle Roof Replacement	\$1,700 to \$8,400
Siding Repair	\$1,200
Broken Windows	\$100 to \$600 per window

Windstorm damage is **unpredictable**. Some windstorms cause extensive losses.

Your insurance **covers** roof repair, tree removal, water extraction, and structure repairs after a windstorm.

<sup>5</sup> (Home Advisor, 2021)

<sup>6</sup> (HomeAdvisor, 2021)

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# REPAIRING VERSUS REBUILDING YOUR HOME

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Deciding whether to repair or rebuild your home is a **life-changing decision**.

Your policy impacts your decision: you may have a **replacement cost policy** or an **actual cash value (ACV) policy**.

Your insurer always pushes for the **cheapest option**, which may not be the **best option**. Prepare to negotiate.



# WHO DECIDES?

Your insurer wants the cheapest option. You want the best option. Who decides?

- Traditionally, you had to rebuild a house of the **same kind and quality at the original location** to receive payment from your insurer.
- Things have changed. More than 20 states have passed laws allowing you to **receive the same compensation** for rebuilding or repairing your home at its original location or elsewhere.
- In most cases, you rebuild your home if the cost of repairing damage is **greater than half the value of the house itself**.
- In some areas, your **local building inspector** decides whether to repair or rebuild – say, for flood-damaged homes in low-lying areas.
- If you have a **mortgage**, your lender has a say.

The decision is complicated, and multiple parties are involved.

## PARTIES INVOLVED IN THE DECISION

INSURER	Pushes for the cheapest option
HOMEOWNER	Pushes for the best option
LENDER	Pushes for the safest option
LOCAL INSPECTOR	Has final say in certain claims (like flood-damaged homes and homes in low-lying areas)

# REPAIRING VERSUS REBUILDING: PROS AND CONS

Choosing to repair or rebuild is a big decision. Both approaches have advantages and disadvantages.

## REPAIRING: PROS & CONS

PROS	CONS
Save money (cheaper option)	May find additional damage during repairs (or leave certain damage unfixed)
May be able to occupy the home during repairs	May be leaving money on the table if you have a replacement cost policy
Ideal for smaller insurance claims	

## REBUILDING: PROS & CONS

PROS	CONS
Ideal if you plan to stay in your home for a long time (reset all wear and tear in your home)	Costs can quickly exceed expectations, and insurance only covers a specific amount
Remove all traces of damage from your home after a major insurance claim	All or nothing (once you start demolishing your home, you can't change your mind)
Ideal for homeowners with replacement cost policies	May need alternative accommodations for months
You get a new home	Insurance does not pay to rebuild the home to its original condition if you have an actual cash value (ACV) policy (unless you paid for an inflation clause)

# REPLACEMENT COST VS. ACTUAL CASH VALUE POLICIES

When buying home insurance, you choose a replacement cost or actual cash value (ACV) policy.

Both policies cover damage to your home and its possessions. However, they cover damage in different ways.

## REPLACEMENT COST

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Replacement cost policies pay to repair or replace damaged property **without deducting depreciation.**

A replacement cost policy:

- Covers the cost of rebuilding your home to pre-loss condition
- Pays out based on the square footage of your home and construction costs in your area
- Is more expensive than actual cash value policies

## ACTUAL CASH VALUE

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Actual cash value policies cover the cost of damaged property **after deducting depreciation costs.**

An ACV policy:

- Does not rebuild your home to pre-loss condition
- Pays out based on the value of your home and possessions before the loss
- Is cheaper than replacement cost policies

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# HOW TO DEAL WITH YOUR INSURANCE COMPANY'S ADJUSTER

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You interact with your **insurance company's adjuster** throughout the claim.

By law, you must respond to your insurance company's adjuster **honestly and promptly**.

A good relationship with your insurance adjuster makes a claim easier. However, it's important to not let the adjuster **push you around** or take advantage of your inexperience.

The adjuster may be **friendly**, but the adjuster is **not your friend**. They want to protect their employer's **bottom line**.



# WHAT TO DO AND WHAT NOT TO DO

Your insurance company's adjuster is doing their job. However, you have a responsibility to protect your financial future.

When dealing with your insurance adjuster, there are things you should do to optimize your insurance claim.

For a smooth claim, follow the tips below.

## WHAT TO DO

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To ensure a good relationship, practice the following strategies:

- Respond promptly to the public adjuster's requests. ✓
- Be honest about your loss. ✓
- Submit documents, evidence, and photographs within the time specified by your insurance policy. ✓
- Document interactions and phone conversations, including dates, times, and topics discussed. ✓

## WHAT NOT TO DO

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Certain actions could jeopardize your claim. Avoid problems with the following tips:

- Do not give the public adjuster more details than requested ✗
- Don't be intimidated by your public adjuster. Most public adjusters are normal people doing their jobs. ✗
- Do not sign anything or provide a recorded statement. ✗
- Do not accept the first offer. ✗

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# INSURANCE CLAIM ROADBLOCKS

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Major insurance claims are complex. There's a lot of money at stake, and insurers may **challenge** certain damages.

If the damage came from a legitimate **covered loss**, you have nothing to worry about: the insurer is legally obligated to cover your claim.

However, there may be **roadblocks**. Prepare for roadblocks today to avoid insurance headaches in the future.





# WHY INSURERS DENY CLAIMS

Insurers deny claims when they have a legitimate reason to deny a claim. However, insurers wrongfully deny roughly 10% of all insurance claims.<sup>7</sup> Reasons to deny a claim include:

## Lack of coverage / exclusion clauses

Your insurance policy **does not cover everything**. Your insurer may deny your claims based on exclusions and insufficient coverage.

## Missing the filing deadline

Typically, homeowners have **30 days to 1 year** to file a claim. If you miss the filing deadline, the insurer might deny your claim.

## Non-payment of premiums

You need to pay premiums **on time**. Insurers may deny claims because you did not pay your premiums.

## False statements

Insurers lose billions to **fraud** every year. If you lied about your claim, or if the insurer suspects fraud, the insurer can deny your claim.

## Insufficient documentation

The insurer may require receipts, estimates, photos, videos, and other documents **proving the loss**.

## Wear and tear / poor maintenance

Insurance covers **sudden and unexpected damages**. If you did not maintain your property, then your insurer can deny your claim.

<sup>7</sup> (Insurance Information Institute, 2021)

## HOW INSURERS JUSTIFY LOWER PAYOUTS

40% of homeowners report receiving a **lower-than-expected payout** from their insurer.<sup>8</sup>

The insurer may decide to cover certain damages but not others, for example.

Or, the insurer could use the **lowest possible value** for your possessions, lowering your claim by thousands.

Insurers use several excuses to justify lower payouts. Some are legitimate. Others are **negotiation tactics** to convince you to accept a lower offer.

REASON	EXPLANATION
Wind-driven rain	If strong winds caused water to enter your home, then insurance may not cover damages. Insurance covers windstorm and water damage, but it does not cover wind-driven rain.
Cheap product replacements	When replacing your possessions, insurers use the cheapest possible replacement products they can find.
Flood damage	Insurers may decide that flooding caused certain damages. Windstorm damage is insured, but flood damage is not.
Lack of maintenance	You must maintain your home. If you failed to maintain your property and it leads to a loss, insurers may lower payout.
Failure to limit damage	You must take steps to limit damage after an accident. If you did not place a tarp over the hole in your roof after a windstorm, for example, your insurer might deny your claim.
Other reasons	Insurers use dozens of reasons to deny claims and justify lower payouts. Ask for a written explanation from your insurer.

# STEPS TO TAKE AFTER CLAIM DENIAL

If an insurer denies your claim, it's not the end of the road.

You have legal rights to challenge the claim. Insurers allow you to respond with evidence proving the claim is justified.

Alternatively, many policyholders hire professional help – like a lawyer or public adjuster. If your insurer denied your claim, follow the steps below.

## 1) Say no

You don't need to accept the first offer from your insurance company. Insurers wrongfully deny thousands of claims each year.

## 2) Ask for a written explanation

Few insurers provide a written explanation of the claim denial unless you ask for it. However, you may need this letter when formally challenging your claim.

## 3) Check your policy

Look at your home insurance policy. Does the insurance company have a legitimate reason to deny your claim based on the written explanation?

## 4) Get professional help

Insurance companies aren't charities. They're for-profit businesses that want to maximize profit. But they shouldn't do it at your expense. If the insurer has wrongfully denied your claim, then consider getting professional help:

- Hire a public adjuster
- Hire an insurance attorney
- Contact your state's Department of Insurance

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# HIRING PROFESSIONAL INSURANCE CLAIMS HELP

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You're not an insurance expert – and that's okay.

When you need an insurance expert, you have two options:

- **Hire an attorney**
- **Hire a public adjuster**

Both professionals play a similar role. In fact, many public adjusters are attorneys and vice versa.

However, depending on the stage of your insurance claim, you may want to hire one or the other.



# PUBLIC ADJUSTERS VERSUS ATTORNEYS

Public adjusters and attorneys play similar roles. They help policyholders overturn denied claims and receive higher payouts.

PUBLIC ADJUSTERS	ATTORNEYS
Provide expert assistance for claims	Provide expert assistance for claims
Have a legal and/or insurance background	Have a legal background
Can manage your claim from start to end	Help with denied claims issues late in the process
Negotiate and obtain higher payouts	Negotiate and obtain higher payouts
Work on a contingency basis	Charge hourly or on contingency

## HOW MUCH DO PUBLIC ADJUSTERS COST?

You don't pay until you accept your insurer's final settlement. This is called a contingency fee agreement.

Public adjusters:

- Charge a pre-arranged fee of 10% to 15% of the final payout
- Depending on your agreement, could charge on the total claim or only the additional amount awarded
- Are motivated to obtain highest possible payout from insurer to receive higher commissions

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# HOW PUBLIC ADJUSTERS HELP

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Public adjusters lend their expertise to your insurance claim. This expertise can put more money in your pocket when you need it most.

Public adjusters can:

- Increase final payout by **700%**<sup>9</sup>
- Solve tricky insurance **disputes**
- Overturn **denied** claims
- Walk you through **every step** of the claim process

When you hire a public adjuster, you get a certified insurance claim expert on your side.



# TOP 3 THINGS PUBLIC ADJUSTERS DO

No two insurance claims are alike. Public adjusters approach each case differently and optimize your insurance claim via several roles.

## 1) Assess your claim to determine fair compensation

A public adjuster works on your behalf. A public adjuster uses their decades of insurance industry experience to assess your claim and determine fair compensation.

## 2) Negotiate with your insurer

Public adjusters negotiate the insurer to obtain the optimal payout. They use their experience and industry knowledge to force insurers to pay you the money you are rightfully owed.

## 3) Guide your insurance claim from start to finish

Policyholders feel relieved after hiring a public adjuster. The public adjuster performs countless tasks while expertly guiding your complex insurance claim from start to finish.

### BENEFITS OF HIRING A PUBLIC ADJUSTER

Hiring a public adjuster comes with little risk. You benefit because you:

- Get a second opinion on your insurance claim
- May get an increased payout by up to 700%, overturn denied claims, and get the payout you paid for
- Pay nothing until you accept your insurer's final payment offer
- Get a free consultation with zero risk

As a policyholder, you have little to lose by hiring a public adjuster.

# FAQS

## FREQUENTLY ASKED QUESTIONS

Question	Answer
What is a public adjuster?	A public adjuster is a licensed and certified insurance industry professional who manages your claim, negotiates with your insurer for a higher settlement, and solves insurance claim disputes.
What do public adjusters do?	Public adjusters analyze your insurance claim and negotiate with your insurer for a higher payout.
How much do public adjusters cost?	Public adjusters set different prices based on their experience. The average public adjuster charges a fee of 7.5% to 15%.



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# GET A FREE CONSULTATION

All new customers are eligible for a free consultation.

Our expert public adjuster:

- Reviews your case ✓
- Recommends the optimal solution for your claim ✓
- Answers your questions without obligation on your part to purchase anything ✓

Contact us today for your free consultation. Get the payout you paid for.

Get help at [claimsmate.com](https://claimsmate.com) | (877) 202-0204



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