

Quick Quiz

If you have a mortgage, and your home is damaged by a covered peril, what two parties will your claim check be made out to?

- A. You and your insurance company
- B. You and your mortgage company
- C. You and your shadow

Answer: B. You and your mortgage company

In the event that the structure of your mortgaged home is damaged, your insurance company will issue a claim check made out to you and your mortgage lender. Mortgage lenders have a financial interest in your home and most require that you have appropriate insurance to protect their financial interest. Claims payments for personal belongings and/or additional living expenses are paid directly to the homeowner.

The need to make a homeowners claim almost always comes at a stressful time for the homeowner/policyholder. The homeowner may have suffered damage to or loss of his or her home or property, or may have caused injury or property damage to others.



Taking Care Of Business

The checklist below will help you get started when filing a homeowners claim. Be prepared to keep good notes throughout the process. Keep all bills, receipts and estimates. Document all discussions with your independent insurance agency, insurance company and claims adjusters, including names, dates and a brief overview of what was discussed.

1. Notify the police if your home has been burglarized or vandalized. Your insurance company will require a police report to accompany your claim forms.
2. Notify your independent insurance agency or insurance company of the loss immediately. Most homeowners policies have a stated time limit for filing claims. Now would be a good time to check your policy for a toll-free number to make the process easier if you ever need to make a claim.
3. Do not discuss your claim with anyone other than the police, your independent insurance agent, or representatives of your insurance company. This is especially important in a liability case where you could unwittingly waive your legal rights or unintentionally accept responsibility.
4. Review your coverages and responsibilities with your agent or a company service representative as soon as possible. Here are some questions to ask:
 - Am I covered for the loss I am describing?
 - What are my responsibilities and what are the time frames for completing them?
 - When will you send me claim forms and what is the time frame in which I must return them. (Time frames for claim forms vary by state.)
 - What is my deductible?
 - What additional, useful coverages does my policy contain (such as living expenses if temporary housing is needed)?
 - When will an insurance adjuster be scheduled to see the damage? (Adjusters work for the insurance company. They inspect the damage to your home and are authorized to make payments to you and others for all necessary repairs.)



5. Make temporary repairs to protect your home from further damage. Do not make permanent repairs until an adjuster has seen the damage or the company may deny your claim.

6. Keep receipts for any money you spend on temporary repairs or other expenses you incur due to the loss, including interim housing. Keep copies for yourself in case the adjuster, your independent insurance agent or your insurance company request documentation of these expenses.

7. Document the loss by making a comprehensive list of lost, destroyed or damaged belongings. If you prepared a home inventory before you had a claim, now is a good time to use it to help ensure that all your belongings will be accounted for, repaired or replaced.

8. Photograph the affected site to document the extent of the loss or damages.

9. Get estimates for repair and replacement from reputable, local contractors. You can use the estimates to gauge the fairness and accuracy of the claims settlements you are offered. Sometimes adjusters will accept your estimates and offer immediate payment. This can help speed your claim to conclusion.

10. Accompany the adjuster during the inspection and briefly document observations and conversations.

11. You have the right to refuse a settlement offer if you do not agree with it. Speak with your independent insurance agent for advice in the event you have trouble getting a fair settlement or need assistance in claims arbitration.

Disaster Planning

In the event of a natural or unnatural disaster, most insurance companies will set up toll-free hot lines and/or send teams of inspectors and specialists to the scene to expedite claims processing. It is still a good idea to follow the steps outlined above to the best of your ability.

Cash On Hand

Once you've accepted a settlement from your insurance company, you should receive a claim check promptly. Mandates defining promptness vary by state. If you feel that you are not receiving prompt attention call your independent insurance agent or your state department of insurance.