

10 Common Mistakes Every Insured Makes

Joseph W. Watkins

Attorney at Law

You have an insurance claim. Times are bad. Something valuable in your life has been damaged or destroyed. Stress is high and it is hard to stay focused. What do you do now?

As an attorney, I deal with other people's disasters every day. The good news is, you will survive. The bad news is, you probably don't have a clue how to proceed from this point forward.

My job is to make sure people do not just survive, but survive well. With an insurance claim, this means getting the most money available to you out of every coverage available in your policy.. In order to do this you have to educate yourself. You have to, if not learn, at least become familiar with a different language, the language of insurance. You will need the right tools to successfully navigate the predicament you currently find yourself in. This is where I come in.

I have been involved in literally thousands of damage claims. Over 100 of those claims have involved the total destruction of homes or businesses. Many more claims have involved major structural and content related damages caused by fire, storm or flooding.

Fortunately, I had been able to resolve the vast majority of these claims in a manner extremely favorable to my clients. Along the way, I have developed a depth of experience which can only be obtained through significant time and effort. Fortunately, you do not have to go through that learning curve. My goal is to pass what I have learned on to you so that you can successfully resolve your claim on your own. We have a number of targeted products to help you achieve your goal, a successful claim resolution. If all else fails, we can at least get you moving in the right direction and on to qualified help.

I have been practicing insurance law for 20 years. In that amount of time, one learns to do a lot of things right. You can also learn how to do a lot of things wrong. In going back through file after file to prepare these materials, I was able to identify 10 common mistakes my clients make. These are the same kind of mistakes that I made as a young lawyer. My goal is to help you avoid those mistakes.

Before we get to those mistakes, some necessary legalese. Though I have practiced insurance law for 20 years, I am not your lawyer. I have prepared these documents to help individuals like yourself navigate the pitfalls of an insurance claim. This material is not intended to be a substitute for the advice of a qualified attorney in your area if, for what ever reason, you believe you need an attorney. If, after reading these materials, or after reading, listening to or viewing any materials associated with my writings, you still feel confused or in need of help, hire a qualified attorney. Your State Bar Association can be of great assistance in this area. Now that we have the disclaimers out of the way, let's get back to those mistakes.

Perhaps the best way to start on the mistakes is simply to list them in the order they usually appear in a claim. An insurance claim, like all things in life, has a beginning, middle and an end. If you are reading this material, you already know how your claim began. In fact, you may already be

approaching the middle portions of the claim and wondering what to do next. My goal is to make sure that you get the kind of ending you want. To do that you have to avoid these mistakes.

1. You believe the commercials and have placed your trust in your insurance company.
2. You have failed to read your insurance policy.
3. You failed to document every aspect of your damage.
4. You have failed to record your contacts with the insurance company.
5. You did not make a complete, and I mean complete, contents list.
6. You did not obtain your own bids or estimates.
7. You did not follow and observe what your adjuster was doing.
8. You did not ask questions when you needed explanations.
9. You did not challenge the initial amounts offered.
10. When all else failed, you did not get qualified help.

These mistakes are in order. You may not have made any of these mistakes yet, you may be somewhere in the middle of your claim and have made maybe one or two of these mistakes or, you may be wondering why the check in your hands at the end of your claim was so small.

The good news is, even if you've made one, or a number, of these mistakes, the damage can usually be undone. However, before we can begin to fix your claim it is important for you to know a little bit more about each mistake. Specifically, you need to know why it's a mistake and what you can do to either avoid the mistake or repair the damage which may have been done if you have already made the mistake. Let's start at the beginning.

1. You believe the commercials and have placed your trust in your insurance company.

Why is this a mistake? Because, incredible as it may seem, your insurance company may be more interested in making money and keeping it than settling your claim fairly and for the full amount of money you may be owed. We have all seen the commercials. Companies promise to be our good neighbor • , the "good hands" • people etc. etc. etc.

Some of the commercials show agents donning scuba gear to pull your car out of a lake. Others show armies of helpful people parachuting in to fix the damage. One commercial even showed a disaster running in reverse as though the problem "never happened" • . In 20 years of representing clients, I have never seen any of these things actually happen.

In fact, in 20 years of representing clients I have never seen an insurance company pay anything close to the amount of actual damages actually owed the first time around. In order to successfully resolve your claim you need to get into the right mindset. Do not trust your insurance company. Do not trust the commercials. Don't even trust your insurance agent. Your agent may be a great guy or gal, but they have nothing to do with your claim.

Insurance agents sell insurance. Often times, insurance agents do not even work for the company they represent. Agents for companies like State Farm, Allstate, Farmers and many others are actually independent contractors. These individuals do not work for the company and they cannot settle large claims. They are salespeople, plain and simple.

If you have made this mistake, what should you do? The answer is easy. Quit trusting the company!

2. You have failed to read your insurance policy.

Don't feel badly. Almost nobody reads their insurance policy, at least not until they have a claim. The first thing you need to do after securing your property and reporting the claim to your agent is to read your insurance policy. If you don't have, or can't find, a copy of your insurance policy, go down to your friendly agent's office and get one. The insurance policy is your contract with the insurance company. It spells out your rights and obligations. The adjuster assigned to your case may tell you not to worry because he will explain the policy for you. Remember mistake #1. Do not trust your insurance company! This includes the insurance adjusters who, unlike your friendly agent, actually do work for the company.

You need to know what your policy says and what it means. One of the products we offer is a more detailed instructional guide on how to read an insurance policy. However, at the outset of the claim you need to, at the very least, know how much you are covered for, what your deductible is and what your responsibilities are in reporting the claim.

3. You failed to document every aspect of your coverage.

Damage to your property is traumatic. It's not unusual to feel overwhelmed and powerless. You may very well have forgotten to take pictures and make lists of damage that occurred. This is a big mistake. This one can cost you a lot of money. If you made this mistake, take immediate corrective action. Get at your camera. Get a notebook. Take pictures of everything you can and make a written list which includes what the item is, how long you've had it, and where you bought it. If you can remember the price, put it down.

If you have structural damage to your home, take pictures. Lots of pictures. Take wide shots, medium shots and close-ups. It is imperative that you do your best to document every aspect of your claim. If you didn't do it immediately after the damage occurred, do it now. Better late than never.

4. You have failed to document your contacts with the insurance company.

Start now! I advise my clients to keep a notebook on all contacts with the insurance company or its representatives. This includes adjusters, contractors, any emergency remediation contractors and any other type of contact. Ideally, the documentation should start when you first call in the claim. Why is this documentation important? My goal is to always help people resolve their claim quickly and efficiently. Sometimes, despite our best efforts, we simply can't get the claim settled. In the event you have to prove your claim either to a supervisor or, God forbid, in a lawsuit, this type of information is extremely valuable.

If you become frustrated or unable to work with the first adjuster assigned to the case, or more likely, in the event the insurance company keeps changing your adjuster's, one of their favorite

tricks, the contact log can help you show exactly what you have done to move your claim forward. More importantly, it can show what the company has not done to respond to your needs.

5. You did not make a complete, and I mean complete, contents list.

This is big! Think lots of money going down the drain. If you haven't begun or completed a contents list which includes everything you own which was damaged or destroyed in your loss do it now! People lose more money on contents destroyed in property damage claims than in any other aspect of their loss. Back in paragraph 3, we talked about thoroughly documenting your claim. Obviously, some things, like the contents of your medicine cabinet, probably have it been photographed. Many people think contents are limited to things like furniture, toaster ovens, paintings or pictures etc. Wrong! While all of these things are contents and can be recovered in an insurance claim, these items represent only the tip of the iceberg. I advise my clients to go through each room of their home, including every closet, cabinet and storage area to document every item from toothpicks to toilet paper.

If you have ever moved then you know exactly how much stuff you have accumulated over your lifetime. All of this stuff can be paid for under the contents portion of your insurance policy. We have guidelines and tools to help thoroughly prepare contents lists which are more completely addressed and other areas on this website. Suffice it to say, this is an area where you need to pay attention. If you did not make a complete contents list before, start now.

6. You did not obtain your own bids or estimates.

If you haven't obtain your own bids or estimates, find a good contractor and do it now. We talk about how to find good help and who to look for in other portions of this website. If you don't know somebody, you may need additional help. Remember 1. above. Do not trust your insurance adjuster to completely account for the damage in your loss. It is always preferable to have someone you trust, in your corner, to give you an estimate or bid that allows you to compare and contrast number is against the insurance companies estimate or bids. You are entitled to use your own qualified contractor. The insurance company's numbers will almost always be unreasonably low and based upon the company's approved contractor estimates which are almost always wrong. Remember, any contractor who does a significant amount of insurance work or is an approved contractor for the company has probably negotiated a reduced fee with the insurance company in return for work. These kind of contractors work for them, not you. Remember, you get what you pay for.

7. You did not follow and observe what your adjuster was doing.

I always advise my clients to be present every time an adjuster or insurance representative is on your property. It's always preferable to have at least one witness with you who is not a relative with the insurance company comes calling. If you didn't do this, go back and re-create the visit in your mind and write your memories down in case any issue arises in the future regarding what may or may not have happened at an inspection on your property.

8. You did not ask questions when you needed explanation.

If you reading this document, you probably have questions. You may not have had a chance or you may not have asked questions during conversations or property inspections when you feel you should have. It is easy to be intimidated and forget to ask questions when dealing with insurance

company representatives. The good news is, you can always go back and ask questions later. If something is standing out in your mind about something that was said or done during your claim, pick up the phone and ask the adjuster the questions! Property damage claims can always be reopened and additional work performed. Don't be shy!

9. You did not challenge the initial amounts offered.

This is another variation on #1. The initial amounts or estimates provided by the insurance companies are almost always far too low. I have never handled a single case, in hundreds, if not thousands of claims, where the company did not agree to pay more money if their original estimate was challenged. We've had cases in my office where we have obtained jury verdicts 75 to 100 times greater than the insurance company's initial offer. If you didn't challenge the initial amounts offered, it's not too late. Get someone you trust who is competent and qualified to review whatever the insurance company paid and, if it appears too low, go back and ask for more. We discuss this concept at other places on this website. Putting together a counteroffer can be complicated. If you have questions which go beyond this article, please look at the other resources we offer on this issue.

10. When all else failed, you did not get qualified help.

Sometimes you have to spend money to make money. Getting a qualified contractor or estimator to assist you is one of the best things you can do to support your claim. Another avenue is to use a public adjuster to work for you in the claim process. The good news is, as we discussed above, you can always go back and ask for more. If you didn't get good help, get good help now. Claims can be reopened. Just remember, it's always easier and better to do it right the first time. We have claims handling packages which can assist you in your efforts.

Well, we've covered that ten major mistakes most people make in insurance claims. As I've stated many times above, you can always go back and reopen a claim, though it's much more difficult to do than getting it right the first time. We provide a number of options and products which I believe can help you get it right the first time. Again, if all else fails, get a good attorney. Everybody hates attorneys...that is, until you really need one! Good luck with your claim!