



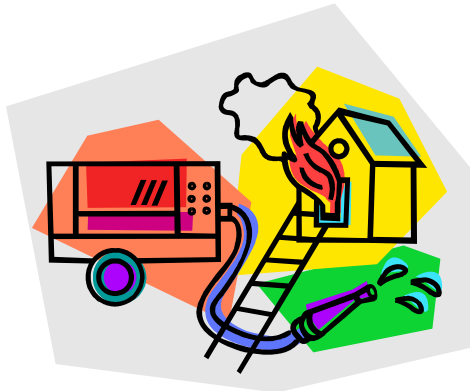
DEPARTMENT OF

Professional &
Financial Regulation

STATE OF MAINE

- OFFICE OF SECURITIES
- BUREAU OF INSURANCE
- CONSUMER CREDIT PROTECTION
- BUREAU OF FINANCIAL INSTITUTIONS
- OFFICE OF PROF. AND OCC. REGULATION

Homeowners Insurance – Making the Claims Process Easier



The insurance claims process can sometimes be confusing and overwhelming under the best of circumstances. Understanding how to properly file a claim will help ensure that your claim can be handled in a timely fashion and that you will receive all the compensation due to you under the policy. The Maine Bureau of Insurance offers these recommendations to make the process as smooth as possible:

Know your policy. Before a loss ever occurs, be familiar with your policy and understand what it says. The policy is a contract between you and your insurance company. Know what is covered, and be aware of policy deductibles and what

is not covered.

File claims as soon as possible. Notify the company's claim hot line or your agent as soon as you are able after a loss has occurred. Generally, policies require you to give prompt notice of a loss.

Provide complete and correct information. Giving incorrect or incomplete information will only delay the processing of your claim. Be sure to give your insurance company all the information it needs.

Document your claim interactions. Whenever you communicate with your insurance company, keep a copy of all records and correspondence. Keep a log of your telephone calls and in-person contacts, including the date of the conversation, the name and title of the other person, and a summary of the discussion. Also keep a record of your time and expenses.

Take steps to protect property. Make temporary repairs to protect property from further damage. Homeowners policies generally will cover the cost of temporary repairs; keep a record of their cost. Permanent repairs must wait until the insurance adjuster has had a chance to inspect the damage, or the claim may be denied. If possible, take photos or videos of the damage before making any repairs.

Document your loss. If you have damage to your personal property, such as household contents, make a list of the damaged items. Making and maintaining a household inventory that is stored safely off premises before a loss occurs greatly simplifies this part of the process. Otherwise, you may have to rely on memory to list and describe your belongings. The company will need brand names and model numbers of appliances, electronic equipment, and tools, as well as when and where each item was purchased and its approximate cost.

Don't forget seasonal clothing, sports equipment, and holiday decorations in addition to your everyday items. Generally, the more information you can provide, the faster your claim can be settled.

Do not dispose of damaged items. The adjuster will want to see the damaged property first. Make sure the company no longer needs to review the property before you dispose of it.

Keep your receipts. Even if you purchased Replacement Cost (RC) coverage, your policy will initially pay on an Actual Cash Value (ACV) basis, with depreciation applied. This means you receive the

amount your property was worth when it was damaged, not what it costs to replace it with new property. If you have RC coverage, you can be reimbursed for the additional amount it cost to repair or replace the property, after the repair or replacement is completed. The receipts and other documentation will be needed to verify the additional amount.

Document your living expenses. When your home is unlivable due to a covered loss, most homeowners and renters policies will cover Additional Living Expenses (ALE). This requires you to document your normal household living expenses (mortgage/rent, utilities, heat, groceries, etc.) as well as the additional expenses resulting from the loss (hotel/rent, food, increased transportation costs, etc.). Some of your normal expenses may not continue or may be reduced during this period. Generally, the coverage is for the amount that exceeds your normal living expenses.

Ask questions. If there is a disagreement about the claim settlement, ask the company for the specific policy language that is in question.

Determine if the disagreement is due to different policy interpretation, the scope of repair, or the cost of repair. The cost of repair differences can be addressed by invoking the appraisal option of the policy. Scope of repair issues may be addressed by having the adjuster meet your contractor to discuss the damages that are covered by the policy. In some cases, there may be some damage not covered by the policy or the parties may disagree about the method of repair. If the disagreement is related to a policy interpretation that results in a claim denial, the company must give you a written letter explaining the reason for the denial and giving the specific policy language under which the claim is being denied.

Appraisal provision. If you are unable to reach agreement on the amount of the loss, either party may invoke the appraisal clause of the policy. Each party is responsible for the cost of its appraiser, and the parties share the cost of an umpire to make the final decision if the two appraisers are unable to agree on the amount.

Contact the Bureau of Insurance. If you have a dispute about the terms of the claim settlement or there is a claim denial, the Bureau of Insurance may be able to assist you.

Although the Bureau can provide general insurance information, and help when violations of insurance law have occurred, the Bureau cannot:

- *Force an insurer to satisfy you if no insurance laws have been violated.*
- *Act as your lawyer or give legal advice.*
- *Resolve a dispute when the only evidence is your word against the word of the company.*
- *Make medical judgments.*
- *Determine the amount of your loss or what is covered by your policy.*
- *Resolve a dispute involving interpretation of coverage.*



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