

Most advice is before a storm. This is what to do after. Please spread it around.

These are general guidelines and are intended to help you when filing a claim for your business or your home.

Below is some information that we hope you find helpful.

After Disaster Strikes

You should contact us or the insurance company as soon as possible after a disaster strikes. Provide as much detail as you can about damage to your property. Pictures are worth a thousand words. After a natural disaster, insurance companies may communicate the proper procedures for filing a claim via local newspapers, radio or television.

If your insurance company does not have representatives on the scene available to help you, call the company directly and ask for the claims department. You can make a claim or contact your insurance companies claim department directly from our website www.johnbwright.com. The company's contact number also should be listed in your policy or can be obtained through the Department of Insurance. Be sure to provide all phone numbers where you may be reached, especially if your business or home is uninhabitable. Your insurance company will need to contact you.

In order to take charge of your situation, it is very important that you fully understand your rights and responsibilities. Recognize that after a disaster strikes you may be emotionally distressed. This is normal. Have a trusted friend or family member assist you. If your insurance policy has been lost or destroyed in the disaster or if you are confused about the policy benefits or exclusions, ask us exactly what coverage's you have purchased. Ask for a copy of the policy.

Temporary Repairs

To protect your property from further damage, you should make all necessary temporary repairs, such as boarding up windows and patching holes in walls or roofs, as soon as possible--even if you have not yet seen the company representative. Listed below are some tips on making temporary repairs to your property.

- Contact your insurance company if you need emergency money to help make temporary repairs.
- If possible, take photographs to show the way things looked before you began cleaning and making repairs.
- It is your responsibility to mitigate against the possibility of further damages. This may include contacting your utility providers (i.e. water, gas, electric) to have utilities discontinued if necessary.
- **Keep all bills and receipts from repairs. Open a separate bank account to facilitate claim payments.**
- Do not dispose of items you believe may be a complete loss until the company representative has examined them.
- Board up windows and holes in the walls or roof.
- Cover Inventory, Equipment furnishings with heavy-duty plastic or tarps, or store elsewhere.

- Be sure to get prior agreement from your insurance adjuster before you contract for repairs.
- Be cautious when signing repair contracts. Deal with local, reputable contractors. Contact the Better Business Bureau or the Attorney General's Office to check on a contractor's reputation. Discuss payment terms before you sign any contract.
- If there is a lot of water in your home or business, try to get it out and ventilate your property to allow for drying. Clean and dry furniture, bedding, rugs, and carpet as soon as possible.
- Try to prevent metal objects (Equipment, tools, appliances, drapery rods, etc.) from rusting by drying and rubbing or spraying with oil.
- Have electrical equipment checked by a professional before use.
- Take small valuables (Laptops, jewelry, silverware, etc.) to a safe place.

Services Provided by Your Company

An adjuster from the company may come to your business or home and prepare a written damage estimate for the company. Be sure to get the name and telephone number of your adjuster in case you need to contact him/her or provide information to the company. You should obtain a copy of the estimate report, and do not hesitate to ask questions if you don't understand it. If you have questions or need additional assistance regarding your adjuster or company, contact the Department of Insurance.

You can also hire a public adjuster to help you with a claim. Public adjusters are usually hired by the consumer to help settle a complex or difficult loss negotiation with an insurance company. Generally, the public adjuster receives a percentage of the settlement reached (usually 10% of your claim.) Choose a public adjuster carefully. Be sure you understand what services the public adjuster will provide and the fees he/she will charge. New Jersey law requires public adjusters to be licensed with the Department of Insurance. Contact our Department to verify a public adjuster's license. Please note that some Public Adjusters commonly mishandle claims. Choose one wisely as there are public adjusters with great reputations.

The Claim Process

The claim process may begin in one of two ways: your insurance company may send a claim form, known as a "proof of loss form," for you to complete; or a claims adjuster may contact you before you are asked to fill out any forms. A claims adjuster is a person who is professionally trained to assess the damage. He/she may be a company employee or work under contract with the company.

Your policy divides your claim in two separate parts - one for the building or dwelling itself and one for the personal property or contents. You may also be entitled to reimbursement for additional living or loss of income expenses. The check or draft payment for the contents will be made out to you. However, the check or draft for the house or building may be payable to you and your mortgage holder if there is a mortgage on your property.

You may receive an advance check immediately after the disaster to cover such items as additional expenses. It is important for you to keep receipts for all items purchased with this money because when the claim is finally settled, these expenses will be deducted. For example, clothing and personal property receipts will be deducted from the amount allowed for contents; operating or living expenses (i.e. motel bills or temporary structures or housing expenses) will be deducted from the amount allowed for additional living expenses.

Business Contents and Personal Property Damage

It is beneficial for you to have an inventory, description, and replacement cost for your damaged items. You will need to list where you bought each item, how much you paid for it, and how much it will cost to replace. It may also be helpful to include brand names and model numbers if you know them. The more information you can supply, the better your adjuster will be able to assist with your claim. Do not throw out damaged furniture or other items of value. The adjuster will want to see them.

If you do not have or cannot locate a complete inventory, try to picture the contents of every room and then list and describe all the damaged or destroyed items. Include tools, displays, furniture, major appliances, electronics equipment, pictures or accessories in each room, as well as hobby items, tools, other maintenance items and seasonal items such as holiday decorations and outdoor furniture. Finding out replacement costs may help speed up the settlement process.

Building Damage

Obviously, you should not endanger yourself your employees or your family. If your home or business appears to be unsafe to live in or work in, report this fact to the insurance company and reside elsewhere. You should make a list of all structural damage to property that you want to bring to the adjuster's attention. If the company representative agrees the house or building is structurally unsafe, the company may hire a structural engineer to inspect your building or home. Your insurance provider may pay for the inspections.

However, if you and your contractor cannot agree with the company's determination, you may have to pay the costs of a mutually agreed upon structural engineer to inspect the building or house. If possible, get written bids from reliable, licensed contractors. The bids should include details of the materials to be used and prices on a line-by-line basis. This information should make the claim process faster and easier.

If the structural engineer determines that the building or dwelling is repairable, the insurance company is obligated only for the repairs. If the building is not repairable, the company will adjust your claim in accordance with your policy limits and will reimburse you for the cost of the inspections.

If Your Company Does Not Respond to Your Claim

Insurance companies will most likely give top priority to critical facilities such as hospitals, police, and fire stations, and then to homes and businesses that were entirely destroyed. Depending upon the severity of your property damage, it may be some time before the company representative contacts you. In the meantime, you should take temporary measures to protect your property from further damage and begin listing all damaged items that you plan to report.

If it is necessary to vacate your building or home, be sure to report the address and phone number where you can be reached.

Personal Property Replacement

The type of policy you have will determine the replacement of contents and other personal property. Most insurance policies pay the actual cash value - an amount equal to what the items were actually worth at the time

they were damaged or destroyed. For example, it might cost \$1,000 to replace your computer at today's prices. If the average useful life of a sofa is 5 years, and your computer was 2 years old on the day it was destroyed, the company would pay you \$500.

If you paid an extra premium which most likely you did with us, for replacement cost coverage on your personal contents, the company will first pay you the actual cash value as described above. Once you have actually replaced the items and submitted your receipts, the company will then pay you for the difference. Using the above example, the company would initially pay you only \$500 for your damaged computer. After you buy the new one for \$1,000, the company would then reimburse you another \$500 - the difference between the actual cash value and the replacement cost. Some companies also use replacement services that will locate certain items, such as appliances, for you.

As you begin replacing damaged items, be sure to keep all receipts. It may be advisable to submit accumulated receipts to the company every two weeks or so, rather than sending them in one at a time. Most policies require that you replace the contents within a specified time period from the date of loss. If you cannot meet this time period, ask your company representative for an extension. You can also submit a claim for storage costs that you incur until your home is ready for occupancy.

Valuables - Antique Furniture, Valuable Paintings, Expensive Jewelry, Etc.

Most policies place specific dollar limits on items such as tools, money, jewelry, paintings, and silver, and will only pay the actual cash value of equipment (which may or may not be equal to their appraised prices). If you own these items and they are worth more than the basic policy limits, you have to purchase additional coverage to fully insure these items. If you have not done so, they may not be fully covered in your regular homeowners policy.

Adding Items to Your Claim

New Jersey insurance regulations do not permit any check or draft from your insurance company to indicate "final payment" or "release of claim" unless the policy limits have been paid or the claim is being disputed. For example, if you forgot to list your Christmas decorations, but have already accepted a check, simply contact the company representative. Unless the company has paid the entire limits of your contents coverage, you are entitled to further reimbursement. It is not unusual for an insurance company to re-open a claim for additional payment. However, it is important that you file an accurate claim in a timely fashion.

Building Repair/Replacement

Repair or replacement of your building or home will depend on the type of policy you have. If your policy pays actual cash value, the company will pay the cost to repair or rebuild your house minus depreciation. Companies use many different factors to determine how much to deduct for depreciation, but with an actual cash value policy, you should not expect to be reimbursed for the full amount of repairs.

Replacement cost policy - If you purchased a replacement cost policy, and have met the company's "insurance to value" requirement (the actual cost in today's market to replace your building or home), the company will first pay you the "actual cash value" as described above. Once the actual repair or rebuilding is completed, the

company will then pay you the difference up to the policy limits. If you choose not to repair or rebuild, the company is obligated to pay you only the actual cash value. Many policies require you to rebuild at the same location, but you may be able to negotiate this requirement with the company representative.

Guaranteed replacement cost policy - If you purchased a guaranteed replacement cost policy, and have met the company's "insurance to value" requirement (the actual cost in today's market to replace your building or home), the company will pay the full cost to repair or rebuild, even if it is more than your policy limits. For example, if your policy limits are \$100,000 and it costs \$120,000 to rebuild your house, the company would pay the entire \$120,000 under this type of policy. Some companies will only pay a certain percentage above your policy's limit (e.g. 25%).

If your home or building costs more to repair/rebuild than your policy allows, you may want to ask representatives at the local disaster application center or the toll free disaster tele-registration hotline if you are eligible for financial assistance.

Building Codes

Your policy may cover the costs of meeting local/state building codes and ordinances when your home is repaired/rebuilt. Check with your agent to determine whether your policy includes a building code endorsement that will pay these expenses. In most cases, homeowners policies do not cover the expense of bringing a house up to code or meeting certain ordinances (including floodplain requirements) if the house did not meet these requirements when it was destroyed. If your policy does not cover these costs, check with the agencies at the local disaster application center to see if you are eligible for financial assistance.

Choosing a Contractor

Be cautious when hiring a contractor - make sure you are hiring someone reputable. Here are some things to consider when looking for a contractor:

- Hire a local contractor. Deal only with established firms or individuals who can provide references and are willing to give you a signed contract.
- Check with the local disaster application center, your local building code department or the Better Business Bureau for guidance.
- Don't rush into signing a contract. Collect a number of estimates for the job.
- Obtain written estimates **before** repairs begin.
- Do not sign contracts for major repairs until your insurance company representative has determined how much damage there is and how much the company will pay.

Payment arrangements with your contractor should be handled carefully. Here are some things to consider regarding payment:

- If the repair work is extensive, the contractor may ask for periodic partial payments as the work progresses, but it is highly **unlikely** that a reputable contractor would request full payment in advance.
- The contract should specify that payments be made as the work is completed.
- If you have a mortgage on your home, the lending institution may also have specific requirements about how the insurance funds are expended.
- If there is a discrepancy over the cost of repairs or the contractor has found hidden damage, you should

first contact the insurance company representative and try to resolve the difference. If you are still unable to resolve your differences, contact the Department of Insurance at one of the numbers listed at the bottom of this fact sheet.

Where can I live while my house is being repaired?

Ask your company representative if you are insured for "Additional Living Expenses." This coverage will pay for costs you incur that exceed your normal living expenses. For example, if you normally spend \$1500 per month for mortgage/rent, utilities, food, and transportation, and these living expenses increase to \$2000 per month because of the disaster, the insurance company will reimburse you \$500. Be sure to save all receipts.

You should also ask your company representative if there are any restrictions on amounts allowed for hotel rooms. If you stay with a relative or friend, the company may require proof of actual payments to reimburse your host for lodging. Extra expenses, such as higher utility bills, incurred by your host would definitely be considered.