

AFTER IAN: HELPING YOU HELP YOUR CUSTOMERS



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AGENDA

- Understanding Your Insurance Policy
- What to Do When you Suffer a Loss
- The Claims Process
- Assignments of Benefits
- Contracting For Repairs

Understanding Your Policy

- Familiarize yourself with policy: condo, homeowners, commercial can vary significantly.
- Common Exclusions From All-Risk Policies:
 - Earth Movement
 - Flood*
 - Wind*
 - Mold and Fungus
 - Infestation (Bedbugs, Termites, etc.)
 - Loss of utilities
 - Landscaping
- Bottom line: it is hard to make a claim on insurance you do not have.

Understanding Your Policy – Potential Claims

- Compliance with policy
- Protecting property
- Documentation of property condition and ownership
- Hiring contractors preemptively
 - Mitigation vs reconstruction

What to Do When You Suffer a Loss

- 1. Is this a covered loss?
- 2. Prompt reporting to the insurer
- 3. Mitigation of further damage
- 4. Considerations for hiring of a contractor for repair

What to Do When You Suffer a Loss – Cont'd

1. Think about whether you have a covered loss.

- It is not up to the insured to determine coverage
- Generally better to err on the side of filing a claim where significant damage occurs.
 - Many policies require filing a claim even if under deductible – risk non-renewal or denial if this is not complied with.
 - Considerations opposing filing:
 - Deductible (small claims close to or under)
 - Number of claims (lack of coverage)
- Consider what else may cover the same property or type of damage.

What to do When You suffer a Loss – Cont'd

2. Promptly report the loss to the insurer.

- Property policies almost universally require prompt reporting of claims
- Generally consider when the damage is discovered
- Florida laws run from date of loss
- Other factors may include:
 - Repairs
 - Deterioration of condition
 - Other intervening sources of potential damage
- Earlier is generally better

What to do When You suffer a Loss – Cont'd

3. Mitigation of further damage.

- Property policies usually require mitigation of some sort (e.g. tarps).
- Mitigation vs. repair and reconstruction
- Timing of mitigation
 - Earlier is still generally better
- Mitigation and the possibility of creating further damage

What to do When You suffer a Loss – Cont'd

4. Hiring a contractor for repair.

- Is it a contractor you know and trust?
- Assignments of Benefits Contracts
 - New law restricting AOBs
 - Many new contracts prohibit AOBs
- When to hire a contractor
 - Before loss (hurricane)
 - During claims process
 - After claim resolution

The Claims Process



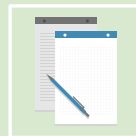
Reporting the loss



The insurer's investigation



Supporting your claim



Post-loss obligations

Reporting the loss

- To whom do I report damage?
 - Insurance broker/agent
 - Insurer directly
 - Police
- What do I say?

The Insurer's Investigation

- Insurers must inspect and adjust
- Acknowledge receipt claim within 14 days
- Adjuster will almost certainly visit property
 - Additional experts or personnel may visit
- Adjusters: Independent vs. field vs. direct vs. desk – who's who?
- ACV vs. RCV
- Should make payment on their estimate

Supporting your claim

Documentation is important (before and after a loss)

- Pictures
- Receipts (repairs, mitigation, ALE)
- Records

Getting a price for your claim

- Who can help?
 - Contractor
 - Estimator
 - Public Adjuster
- Contract vs. Estimate

Supporting your claim – Cont'd

- Do I need a contractor, a public adjuster, an attorney?
 - Contractor can prepare estimates and do work but cannot negotiate
 - Public adjuster can prepare estimates and negotiate
 - Lawyers can assemble support for claim, negotiate, and sue. Generally necessary to pursue claim after negotiations fail.

Post-loss Obligations

- In addition to prompt reporting and mitigation most policies require the insured to cooperate in the insurer's investigation of the claim and require:
 - Access to Documents and Records
 - Sworn Statement in Proof of Loss
 - Examination Under Oath or recorded statement
 - Inspections (and inspections, and inspections...)

Assignments

- Strict rules about assignments to contractors or those doing the repairs.
 - Writing
 - May be rescinded at least within 14 days
 - Assignee must provide copy to insurer
 - Written cost estimate
 - Only work performed by assignee for repair
 - Statutory notice
 - Indemnification
- Intended to apply differently as to a contractor and subsequent purchaser:
- 627.7152(11) This section does not apply to:(a) An assignment, transfer, or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss;

Assignments – Cont'd

- Assignment Rules vs. Assignment Restriction
 - Statute 627.7153 also permitted restriction of assignments in policies.
 - Intended to encompass the assignments outlined in 627.7152
- Check the Policy

Contracting for Repairs

Do I need to repair my property?

When should I sign a contract for repair?

- Right after loss (before claim determination)?
- After insurer determination?

What to look for in contracts?

- Scope and pricing
 - Fixed scope, fixed price
 - Cost plus
 - “as determined by insurer”
- The not-assignment-of-benefits assignment of benefits contract

When should I have my property permanently repaired?

- Time is proportional to risk
- Am I jeopardizing my claim?
- Do I know I will get enough money to do the

Ask the Attorneys



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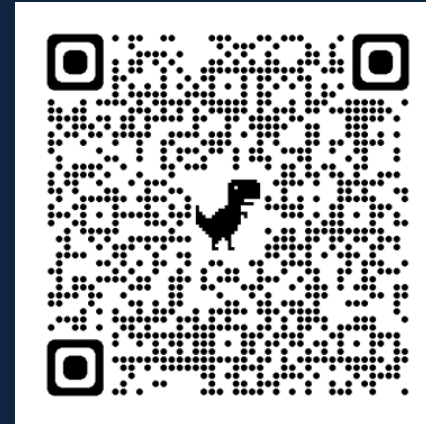
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THANK YOU FOR ATTENDING

Save the Date:
Nov. 10th Lunch and Learn
Permits and Avoiding Closing Delays
Studio 239 in Naples



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