

How to Handle Your Insurance Claim After a Home Fire: An Interview with Kim Cary of Quality Claims Management Corporation

By Kim Cary

Tell us a little bit about your experience, company history and the services you offer.

Quality Claims is a public adjusting company formed in 2007, though our team has been in the public adjusting business for decades. We are advocates for homeowners, business owners and mortgage companies who have suffered losses. We represent the insured through the claim process in preparing, presenting their claim and negotiating the best possible settlement with their insurance company.

I am a licensed public adjuster in more than 40 states and have been in this business for 19 years. After 10 years as a public adjuster and claims manager at GMAC, I joined Quality Claims six years ago as the Consumer Claims Manager/General Adjuster. While at GMAC, I had the privilege of managing the disaster team charged with assisting GMAC customers with their insurance claims after Hurricane Katrina. I also represented homeowners who lost their homes in the 2007 wildfires in San Diego.

What tips can you give to help people in Southern California make sure they're properly insured before a potential fire?

Many Californian's are under-insured and don't realize it until it's too late. Homeowners should request an assessment of their coverage from the insurance company in writing. Make sure that the policy limits cover the cost to rebuild the home from a total loss. Building estimates can be obtained from local contractors.

Is there something most people don't know about the claim process that they should know?

Most people do not know that a settlement amount can be disputed if the policy owner thinks payment is too low or if the claim is denied. It is routine to request a supplemental payment for damage repair or replacement that was underpaid or missed during an inspection.

Insurance policies are complicated and insurers require a lot of information to process a claim. Even when a house burns to the ground, insurance companies will not simply pay the policy limits for the home and contents. An insurer will likely pay the depreciated cost of rebuilding the home and hold back the

recoverable depreciation to be paid only when the repair is completed. They will also require an inventory of all lost content items to include the age and cost of each item.

Another surprise is that the mortgage company will be listed on any payments for building repair if there is a loan on the property. The insured will have to turn the insurance check over to the mortgage company who will hold the funds in escrow and pay portions, usually in thirds, back to the contractor and/or homeowner as repairs are completed.

Can you explain what a public adjuster is and how a public adjuster can help homeowners who have experienced a fire on their property?

A public adjuster is licensed by the state of California to represent an insured in handling insurance claims on their behalf. Public adjusters manage the entire claim and navigate the insurance maze to secure a full settlement for their client. They will help the insured find temporary living arrangements, obtain building estimates from chosen contractors, assist in putting together the contents inventory and communicate regularly with the company's adjuster. The public adjuster will ensure the carrier is not incorrectly denying or delaying payment, is paying the maximum amount available under the policy, and they will submit supplemental claims for additional recovery when warranted.

What are the basic steps that homeowners should take after a fire, until their claim is settled?

The most important step after a fire is to make sure that family and pets are located and safe. Then call the insurance company and report the loss. At this point, all contact with anyone involved in the loss and claim should be documented in a timeline. The claim could take months to settle and it will be difficult to keep track of all the discussions with all the different people involved. Also, retain all claim documentation in one place. This is also a good time to consider hiring a public adjuster who would track every discussion with insurance company adjusters, contractors, loan servicers, etc., and review all documentation from the carrier.

After the claim is reported, assess the property to determine if it can be secured by boarding up windows and doors or tarping the roof to protect the property from further damage. This is a requirement in most policies. Take pictures of everything even if it may seem insignificant. It could be important later during the claim and rebuilding process. The insured should also start an inventory of lost contents to include age and cost. The insurance company's adjuster will meet with the insured onsite to inspect the property and begin writing an estimate. The insured should feel free to contact the insurance company's adjuster with questions about coverage or estimates at any point along the way. If a timely response is not received, the claim should be escalated to a supervisor or manager.

What regrets have you seen people in Southern California have when it comes to making an insurance claim due to fire? What advice would you give to help other homeowners avoid this?

One of the most difficult things following a fire loss is itemizing all of the items that were destroyed in a fire to ensure that the homeowner is made whole through their claim. Many clients regret not having documented the contents of their homes beforehand. This can be done by taking photos or videotape a walk-through of the home. All items of value should be documented to trigger the homeowner's memory after the loss. A copy of the video or photos should be stored or backed up on a computer offsite.

Many people who hire us express regret for waiting until late in the claim process to ask for help. We are often called to assist when an insured is having problems with their insurance company that may be impossible to resolve months into the claim process. Hiring a public adjuster in the beginning of the claim process will alleviate problems later on.

Another common regret is not obtaining enough insurance to cover the entire loss. A proactive, written request sent to the broker or agent before a loss to assess the coverage will document the effort to properly insure the property.