

How To Document Property Damage Claims at Your Business or Medical Practice: Asset Protection



**Documenting Property
Damage Claims at your
Medical Practice or
Business
Liability Insurance**

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As we've seen across the United States over the last year, severe weather, disasters and even intentional acts of vandalism can cause financially devastating property damage. Below are tips on how to document and pursue claims with your insurance company to enforce your rights under your property and casualty policy.

• Step One: Actually having adequate insurance

Check on your property damage dollar limits to make sure they are adequate for the actual value of the building (and its contents) and make sure you understand important policy details like the difference between *replacement cost* (the dollar amount needed to replace a damaged item with one of similar kind and quality, without depreciation) and actual *cash value* (which pays only the amount needed to replace the item at its current market value).

• Step Two: Document everything — this is now a legal issue

As is reasonably possible, document the damage to your structure including an inventory of any damaged items you can immediately spot, including medical equipment, fixtures, signage, and office equipment, as well as documenting any appointments that had to be cancelled and other loss of revenue opportunities related to the damage. Write it

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ASSET PROTECTION UPDATE – ATTORNEY IKE DEVJI

down at the time so your recollection is fresh and accurate, and support that writing with pictures, video, etc. If you have a smart phone you have the ability to do this at all times.

• Step Three: Protect the property

Most policies have language that requires you to take reasonable measures to prevent further damage after it has come to your attention. This may include addressing covering damage in roof, walls, doors, and windows with temporary shelter. Your insurance policy may exclude further damage to your property if you have not taken reasonable steps to secure the property. Your insurance company will generally reimburse you for all reasonable costs to protect your property, so document everything and keep receipts for all expenses. Avoid any possible permanent repairs and major expenses until your carrier's claims adjuster has assessed the damage.

• Step Four: Report the claim

Call and report the damage to your insurance agent or representative to start the claim process. Get a claim number issued immediately so you are in the system and have something to refer to on all future calls and correspondence; without a claim number you do not exist. It is *vital* to document everything. Keep a written log of all phone calls and correspondence, including the names of the people you spoke to, their telephone extensions and e-mail addresses and make copies of all correspondence sent to or received from your insurance company. Many insurance carriers intentionally obfuscate contact numbers and provide an endless maze of dead-end fax and phone numbers, in an effort to delay timely processing of claims, or "paperwork you away." So if an insurance company employee or adjuster gives you such numbers to use, try to get them in writing.

• Step Five: Demand an adjuster and complete any forms they require

Your insurance company may use a "proof of loss" form or will simply have you make a formal verbal statement on the phone that may be recorded. You are not a contractor; so don't give opinions on the scope of the damage, costs, and etc. It will likely be used against you later, if you do. Report the damage you've been able to see, any remediation you've had to perform, and any help you need with further remediation. Inform them you've documented the claim with a list and photos. The adjuster should perform a thorough evaluation of the damage, so check their inspection report, when it happens, against your own list to make sure they haven't intentionally or accidentally omitted any losses. If the adjuster is unable to complete a thorough inspection due to time constraints he may be forced to "scope the loss." This is a brief inspection of the damage with a second visit necessary to complete the inspection.

If your carrier gives you the run around on any issues, does not timely respond, or most likely, fails to make you an adequate settlement offer, report the issue to a claims manager and support your case with documentation, estimates, and the photos you took. You have specific rights under the laws of the insurance codes of your state; know them. They are typically easy to find on every state's department of insurance website and will spell out your rights and the carrier's legal obligations in plain English.

This article originally appeared at www.physicianspractice.com where Ike Devji has written over 135 articles on business law, risk management and asset protection for doctors.

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