

## Questions & Answers on Hurricane Ian Property Insurance Claims

Citizens Property Insurance Corporation's Chief of Claims, [Jay Adams](#), provided both general insurance company practices as well as Citizens-specific practices in the handling of Hurricane Ian insurance claims before an audience that included agents and local homeowners in Fort Myers on October 4, 2022.

**What's an Initial Claim?** You have to notify the insurance company that you have a claim so that they're aware of it. This is the initial claim. If you're not sure you have a claim because you haven't been able to access your home, turn in a claim anyway so you can get the process started. Policies often include payment of additional living expenses, such as temporary lodging and storage of household items. Citizens uses outside adjusters to supplement its in-house staff to help handle the increased claim volume from the storm.

**What is the claims process?** Once you file your initial claim, you'll be contacted to schedule an inspection of your property, followed by a call from a desk adjuster with a formal estimate, and then a check will be sent to you in the mail. Or, with technology today, we have developed an application that we can go out and program a phone to have a questions set that you answer yourself. Once those questions are answered, it will produce a damage estimate on our side of the claim system. Customers can also do assessments and include pictures they take on their own smartphones. We also have aerial imagery of every structure in a storm zone and can tell down to the shingle, what damage occurred, although it doesn't show the sides of the house.

**What is an insurance estimate?** An estimate is just our best guess at the time of what we owe you to cover damages. Cashing the check has nothing to do with the settlement of your claim or the acceptance of the settlement of your claim. So if you get a check, cash it and put it to work immediately. Cashing the check is not the end of the claims process. If you discover more damage, you can file a supplemental claim. Don't panic and get an attorney or a public adjuster or someone else. Contact your insurance company and tell them they missed additional damage - all reasonable insurance companies will agree to work with you.

If you find more damage and more things happen throughout the entire two years' statute allowed in the state of Florida, we are obligated to continue to reimburse you until we put you to your pre-loss condition, less your deductible, or we reach your policy limit.

Citizens and repair contractors use a software estimating tool called Xactimate, which provides accurate estimates of the cost of repairs, including labor and materials. But the estimate you get at the time, may be more expensive 90-120 days down the road when the contractor is actually available to begin your repair work. Contact your insurance company and they'll adjust the estimate to the fair market value of the repair at the time.

**What if I'm approached by a public adjuster or an attorney?** Remember that they don't work for free. They will charge you. That money comes out of your settlement from your insurance company. Are you willing to give the public adjuster \$10,000 of your \$100,000 settlement, and now you have \$90,000 and they didn't do anything? Give your insurance company a chance to fail before you contact an attorney or public adjuster. We're not in the business of not wanting to pay claims. We want to reimburse you and we want to pay a fair price. The bottom line to all of this is to work with your insurance carrier. They will help guide you through the process.

**Should I sign an Assignment of Benefits (AOB) from the contractor?** An AOB is a [contract](#) between you and your contractor that allows them to file the claim directly with your insurance company on your behalf and receive direct payment – without your further involvement. It's also known as a post-loss agreement. By signing, you have transferred all rights on your claim to that contractor. So what does that mean? It means that we're going to pay the contractor. You're not going to get the money. There's nothing to stop the contractor from taking your money and going bankrupt or leaving town or leaving the job unfinished, and you will get nothing. It happens all the time. There is no reason that you need to sign any documents like that without talking to your insurance company adjuster first.

Just like dealing with a public adjuster or an attorney, there is a cost involved in an AOB contract with a repair contractor. Anytime you sign some of these things, somebody's promising to give you something for nothing. If somebody says they'll waive your deductible if you sign an AOB, it's a red flag - stay away from it. They are going to take advantage of you.

**What if I have both wind and flood damage?** When there is a question as to which of those perils caused the loss, each insurance company makes its own interpretation. There is no homeowners policy in the Florida market that covers any type of flood or storm surge. So rising water or flood are all excluded from an all-risk homeowners policy. Those perils would be covered under a FEMA National Flood Insurance Program (NFIP) policy, better known as federal flood insurance, if you have such a policy.

Every claim has to be adjusted based on the merit of the loss and an investigation will determine which damage is covered and which is not. In the case where there is both flood and wind damage, we look at physical characteristics of the structure in determining the cause. Flooding leaves watermarks on the outside and/or the inside of the structure. Damage below that waterline would be the responsibility of a flood policy, and speaking only for Citizens, there is a responsibility for us to cover above the flood line for any wind damage may have occurred. Damage from a hole in the roof in which the rain poured in during the storm and created flooding would be covered under the homeowners or windstorm policy.

Specifically for a Citizens policy, if there was only a slab left behind, we are going to pay for wind damage and cover that loss if there is no determination that surge caused the loss. If we can't determine that, we're going to pay the claim. I do not know whether any other insurance company will make that decision.

**If my property has been declared unsafe to enter, how is an insurance company adjuster going to be able to inspect and adjust my claim?** That will vary by insurance company. Some companies will do an aerial-only adjustment or phone adjustment. In the case of a tree on the roof, the tree would need to be removed and the insurance company should pay to remove the tree. When the tree is gone, the conditions improve to allow an in-person adjustment. If the conditions don't improve, you continue to take the building apart until it's in a safe condition. We may hire an engineer to put together a protocol of how you would deal with that. But if the house is not safe, it is probably a constructive total loss. In the state of Florida, if 51% or more of your home is damaged, under an NFIP flood policy, it could be considered a constructive total loss (called substantial damage) and you should with check with local building offices to determine next steps.

**Might FEMA and an insurance company be looking to the other to be responsible for their own respective damage?** There is no collaboration between FEMA and a homeowners insurance company.

The same for a private flood insurance company. Each carrier independently adjusts the loss. So the flood carrier says okay, I owe this much. Citizens is not going to deduct that amount from the wind estimate. The wind adjuster is going to come in and say we owe you this much. So you will have an estimate and claim from each carrier that you get to put together for your total loss.

**How do you determine if the water damage is from rising water versus a hole in the roof that let rainwater in?** If there's no watermark, it probably wasn't rising water. Most insurance policies are going to require that the envelope of the house be destructed by covered perils such as wind.

**How do you determine where the water line is and what damage goes with which carrier if you don't do a visible inspection?** We would need to do a visible inspection. Our aerial photos are limited to showing the roof and not the sides of a structure.

**If I have no covered damage, does my policy's living expense allowance apply?** To evoke any coverage, you have to have a covered cause of loss. If you had storm surge and flooding, your policy never kicked-in, so there is no additional living expense or loss of use, or anything available. You've never activated the policy.

**Does Citizens Property Insurance have a managed repair program?** Yes, Citizens is setting up a "Contractor Repair Program" with Contractor Connection (the Crawford Contractor Connection). There are 168 contractors in this program, effective today. It's called an affinity program. We'll be sending information to policyholders soon. You can learn more by calling toll-free, 844-665-9348.

The program provides licensed, insured, and bonded repair and restoration contractors who have partnered with Citizens to give you a five-year workmanship warranty. So if you have any problems, you call Citizens and we handle it. Citizens has had this program in place for a while for regular water claims.

**What if my home is severely damaged and unlivable?** Call the Citizens Resolution Team at 866-411-2742 and tell them you have a major loss and the house is unlivable. They should be able to get someone in touch with you within two days

**I live in a condominium but haven't returned. What do I need to do?** We have aerial images of every house and building damaged in this state. We can at least tell you if your building is standing. Your homeowners association will submit a claim on the condo building and you will submit a claim on your unit owner's policy for any damage you may have within your individual condominium. Citizens also has a Catastrophe Response Center at Lakes Regional Library, 15290 Bass Road, in Fort Myers, open from 9am-6pm.