

PROPERTY & CASUALTY

# Hurricane & Large Storm Claim Handling Tips For Condo Associations



In the event your condo sustains damage in a hurricane or large storm, Brown & Brown has assembled several tips to help guide you through the claim handling process.

- 1 Assign a single point of contact to communicate with the adjuster and manage the claims process.** There are many parties involved in a large claim and having one point of contact and someone to keep all the claim information together helps ensure there is no miscommunication or duplicate efforts.
- 2 Take a proactive approach to addressing the loss and claim.**
  - Set up an internal accounting string to track ALL loss-related expenses. Keep all invoices and estimates and include them with the claim.
  - Mitigating your losses is a policy requirement. We suggest customers complete emergency repairs or work that is needed to mitigate further damage right away, even if an adjuster has not yet been on-site. Any non-emergency work or items not related to mitigation should be discussed with the adjuster to confirm agreement on the extent of work to be included within the claim.
  - We suggest tasking your contractors with developing the scope of work and pricing based on their site visits and agreements made with the adjuster/consultant. The adjuster will likely put their own estimate together, but having the contractor submit pricing helps to move the process forward and may be required for work to begin.
  - Keep the adjuster/consultant in contact with any contractors/vendors (to the extent the Association does not want to act as liaison). Ask the adjuster to identify any:
    - » Differences in opinion on the scope or pricing of repairs.
    - » Invoice audit requirements upfront, so vendors are aware of adjuster expectations.
    - » Additional information needed from vendors to support invoicing.
    - » Amounts in the agreement for payment, and what is outstanding. This helps keep vendors in the loop on the payment process.
  - Review leases for insurance requirements (tenants, leased equipment, etc.) and notify other parties that may be involved.
  - Contact OEM or servicing vendor to inspect any machinery/equipment with damage (or suspected damage). Ask them to prepare a report of findings to submit to the adjuster.



**3 Flood Versus Wind Coverage.** Oftentimes, condos and Associations in coastal wind areas will have separate policies for wind damage and flood damage. You may have to notify both carriers if you have sustained flood and wind damage. This will likely result in two separate adjustment teams being involved with your claim: one addressing only flood and one addressing only wind.

- Generally, flood includes rising bodies of water (such as oceanic storm surge) or accumulation of water on normally dry land. Damage from this type of activity should be reported to the flood carrier.
- Water damage resulting from wind-created openings in the building envelope is generally considered part of the wind (non-flood) policy.
- The flood and wind adjusters will investigate the property and surrounding area to determine the extent of damage caused by each event.
- If water damage occurs from rain originating at wind-created openings and from a flood, it can be difficult to make definitive determinations on causations. We recommend asking the adjusters to work together in apportioning the damage causation. Otherwise, the Association can be in the middle of a dispute between carriers and potentially be left with a gap in coverage.

**4 After a large loss occurs, there may be several parties involved with the claim.** This could include adjusters for a flood or wind policy, or both. The personnel likely to be involved include:

- **Independent Adjuster**
  - » Assigned by the insurance carrier to investigate the claim on its behalf
  - » Reports findings from site visits and makes recommendations to the insurance carrier
- **Desk or Inside Adjuster**
  - » Responsible for reviewing independent adjuster's report/recommendations, coverage determinations and issuing payment
- **Engineer, Building Consultant or Forensic Accountant**
  - » Insurance carrier may retain a consultant to assist them with determining the cause of loss (wind-driven rain, flood, etc.), scope/cost of repairs or amount of business interruption loss



## Claim Expectations

- Request advance payments early in the process. Keep communication open with the adjuster on funding and provide any documents needed to support payments from the adjuster's perspective. Securing payment can be a lengthy process, with multiple layers of review needing to be completed.
- To the extent possible, the Association should be prepared with funding to cover initial repair expenses while waiting for claim advances or settlement.
- Consistently communicate with the adjuster. If there is a large loss or many moving parts, it can be helpful to have an open standing call scheduled regularly. Keep your agent in the loop if communication slows down or issues develop during the adjustment.

## Pre-Loss or At-Loss Preparation

- Have your independent engineer ready to review damages and/or engineering reports drafted by the adjuster's consultant if there is disagreement. It may be best to have your own consultant involved to help solve any disagreements and to refute any differences. You may also want to have the professionals meet on-site to discuss differences.
- Have a roofing contractor and water remediation contractor ready. Many companies have "preferred" response lists for customers that have agreed to their company's involvement in advance. When the loss does happen, you will know who to contact, and they likely will be more responsive than after the loss occurs and resources are in high demand.
- If you are unable to manage the claim internally, be prepared to hire a professional that can manage the claim. In the event the carrier does not adequately respond to the claim, have a Public Adjuster or attorney that has been vetted ready to help manage the claim.



## How Brown & Brown Can Help

The Brown & Brown Claims team can help you with the following:

- Review carrier coverage positions
- Advocate for customer interest
- Follow up with adjuster(s) (field and desk) to confirm status of claim, monitor progress and discuss next steps in adjustment
- Strategize on loss submission to adjuster
- Facilitate communication when there are issues



**Brown & Brown**

Find Your Solution at [BBrown.com](https://www.brownandbrown.com)

*Brown & Brown, Inc. and all its affiliates, do not provide legal, regulatory or tax guidance, or advice. If legal advice counsel or representation is needed, the services of a legal professional should be sought. The information in this document is intended to provide a general overview of the topics and services contained herein. Brown & Brown, Inc. and all its affiliates, make no representation or warranty as to the accuracy or completeness of the document and undertakes no obligation to update or revise the document based upon new information or future changes.*