

# **Floods: Making Claims**

Whether you're filing for insurance, seeking assistance, or claiming a casualty tax deduction, you will need proof of your losses. This includes both before and after a disaster.

## ***Keeping a Household Inventory***

An up-to-date household inventory is a valuable resource. Before a disaster, the inventory will help you determine if you have enough insurance to cover the contents of your home. After the disaster, the inventory will help prove for insurance or tax deduction purposes the value of the possessions that are damaged or destroyed.

An inventory consists of a:

- Description of each item (include model and serial numbers)
- When you bought it
- How much it costs

It is highly recommended to have photos or a video to accompany your inventory.

Do not forget less expensive items, such as towels and clothes. It will be costly to replace them entirely. Be thorough. Do not forget lawn furniture or tools in the garage. Keep the inventory up to date.

The University of Illinois Extension Service provides an excellent online guide and relevant forms for conducting a household inventory: <<http://www.ag.uiuc.edu/~vista/abstracts/ahouseinv.html> >

Computer software programs such as a database or spreadsheet can also be used, but make sure you keep an up-to-date copy in a safe place -- and not only in electronic form. Keep a printed hard copy in a safe place as well.

## ***Protecting Valuable Records***

The key to an easy claims process and a smooth recovery is documentation. Secure your valuable papers in a waterproof, fireproof container.

Table 1 is a list of the valuable papers that need to be in a safe location outside your home, such as in a safe deposit box. This could be in the care of a lawyer, the administrator of wills, business associates or trusted family members residing outside of your home.

Table 2 is a list of valuable papers that need to be in your possession at home at all times in a waterproof, fire-proof locked box. This includes those documents that need to be readily available after a disaster when you may not be able to reach copies that are located in your other safe location.

### ***Table 1. Valuable Papers to Keep in a Safe Deposit Box or Other Secure Location.***

*Property*-- Property records (deeds, titles, leases)

- Household inventory
- Home improvement records
- Automobile title and bill of sale
- Copies of insurance policies

#### *Financial*

- Income tax returns
- Copyrights and patents
- Contracts (including promissory notes)
- Copies of insurance policies
- Certificates for stocks, bonds, etc.
- Important receipts and bills of sale
- Supporting documents for years of large transactions, unusual losses, or deductions

#### *Identification*

- Social Security cards
- Citizenship papers
- Passports

- Birth certificates
- Death certificates

#### *Other*

- Divorce decrees
- Adoption/custody papers
- Military service records
- Retirement papers
- Religious records
- Copies of your and your partner's wills
- Trust agreements, living wills, powers of attorney, and health care powers of attorney

### **Table 2. Valuable Papers to Keep at Home in a Waterproof, Fire-proof Locked Box**

#### **General**

- Safe deposit box key
- Safe deposit records and inventory of items
- List of emergency contacts (doctors, vets, financial advisers, clergy, reputable repair contractors, and family members)

#### **Property**

- Rental property records
- Guarantees and warranties
- Appliance manuals
- Copies of insurance policies

#### **Financial**

- Income tax returns
- Current bank balances
- Loan payment books
- Employee benefits
- Bank account, loan, credit card, investment account numbers

#### **Identification**

- Social Security numbers
- Driver's license numbers
- Copies of citizenship papers
- Copies of birth certificates
- Copies of marriage certificates
- Educational records

#### **Health-- Health records**

- Copies of immunization records
- Copies of prescriptions for medicines and eyeglasses
- Copies of veterinary/vaccination records
- Health, dental, or prescription insurance cards

#### **Making an Insurance Claim**

By having your household inventory and records, it is easier to make an insurance claim should the need arise. There are six steps in making a claim.

#### **Step One: Contact Your Agent Immediately**

- Give your name, address, policy number, and the date and time of your loss.
- Make sure to tell them where you can be reached, especially if you are unable to stay in your home.
- Follow up the call with a letter detailing the problem. Keep a copy of the letter.
- Your insurance agent will arrange for an adjuster to visit your property and assess the damage. Be sure the adjuster is properly licensed. You can call your state's Department of Financial Services or Insurance Commission to do a licensee check.

See below regarding hiring your own adjuster.

### **Step Two: Carefully Document Your Losses**

This step is especially important if you failed to make an accurate inventory beforehand, or if the inventory you made was lost.

**Safety First!** Before entering a building, check for structural damage. Don't go in if there is any chance of the building collapsing. Be careful walking around. Upon entering the building, do not use open flames, since gas may be trapped inside. Instead, use your flashlight to light your way. Keep power off until an electrician has inspected your system for safety.

- Make a detailed list of lost or damaged property.
- Videotape or photograph damaged property before beginning any repairs.
- Do not throw away damaged property without your adjuster's approval.
- Try to document the value of each object lost. Bills of sale, canceled checks, charge account records, and insurance evaluations are good evidence. If you have no such records, estimate the value, and give purchase place and date of purchase. Include this information with your list.
- List cleaning and repair bills, including materials, cost of rental equipment, and depreciation of purchased equipment.
- A list of any additional living expenses you incur if your home is so severely damaged that you have to find other accommodations while repairs are being made. This includes motel and restaurant bills, home rental, or car rental.

### **Step 3: Protect Your Property from Further Damage or Theft**

- Patch roofs temporarily. Cover broken windows with boards or plastic.
- If household furnishings are exposed to weather, move them to a safe location for storage.
- Remember the documentation from Step 2! Save receipts for what you spend and submit them to your insurance company for reimbursement.
- If your home has been flooded, protect your family's health by cleaning up your house right away. Floodwaters pick up sewage and chemicals from roads, farms and factories. Throw out foods and medicines that may have come into contact with floodwater. Dry out water-damaged furnishings and clothing as soon as possible to prevent fading and deterioration. You may wish to take some items to a reliable dry cleaner.

For more information on what can be cleaned and what may need to be tossed, go to [Salvaging After Flooding](#).

### **Step 4: Working With the Adjuster**

- Your insurance agent will arrange for an adjuster to visit your property and assess the damage. (See below.)
- Be sure that you or a trusted advisor is present when the adjuster visits the site.
- Work with the adjuster. It is their job to assist you and review your claim. The adjuster will inspect your list of lost or damaged property. The adjuster will work with you to calculate the value of the items on the list and prepare a repair estimate of damage to the property.
- You and the adjuster need to come to an agreement as to the scope of damage, which is an agreement, without a dollar amount, of what needs to be repaired or replaced.
- Make sure you know what needs to be done to follow up on this agreement and why. If you do not, ask the adjuster for instructions in writing.

Since the adjuster works for the insurance company, there will be an incentive to value your claim at the low end. Householders with significant losses should consider hiring their own adjuster to negotiate with the insurer's adjuster. Having a professional adjuster working for you levels the playing field.

You can find these professionals in the yellow pages, listed under "Adjusters." Their fee is a percentage of your recovery. The recovery that they negotiate will almost always provide a net benefit to the claimant (including their fee) as well as saving the hassle of negotiations.

### **Step 5: Settling Your Claim**

- You may settle personal property and structural claims at separate times, although your adjuster may suggest that you file the claims together. Filing separately allows you to take the time needed to determine the full extent of your losses.
- Don't be in a hurry to settle your claim. Although you may want to have your damage claim settled as quickly as possible, it is sometimes advisable to wait until all the damage has been discovered. Damages overlooked in an early estimate may become apparent later. If you are dissatisfied with the settlement offer, talk things over with your agent and adjuster.
- If you and your adjuster cannot reach a settlement, you may obtain mediation through your state's Department of Insurance. Mediation is an informal process where a neutral third party tries to help the parties resolve the dispute.

### **Step 6: Repairing Your Home**

- You or your insurance company may contract for the repair of your home. See if the contractor holds a proper license by contacting your state department of business and professional regulation.
- Contact the reputable licensed and insured firm to have your damage repaired. Beware of door-to-door sellers. Sometimes undependable workers enter a damaged area, make cheap repairs, and leave before the residents discover that the repairs are inadequate. If your local contractor cannot do the work, ask them to recommend someone.
- Get a written estimate that includes any oral promises the contractor made. But remember to ask if there's a charge for an estimate before allowing anyone into your home.
- Your insurance company may initially pay you a sum equal to the actual cash value unless you request minimal repairs. The company will withhold the balance of the full replacement cost until after you complete the repairs.

### ***Resources Used For This Document***

"Six Steps in Making an Insurance Claim," The National Disaster Handbook, IFAS Extension

"Keeping a Household Inventory and Protecting Valuable Records," The National Disaster Handbook, IFAS Extension

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Compliments of Buchanan County Extension  
2600 Swan Lake Blvd., Suite A  
Independence, IA 50644  
(319) 334-7161  
(319) 334-6641 (fax)