



INSURANCE RESTORATION

EVERYTHING YOU NEED TO KNOW

ROOFING MANUAL VOL.3

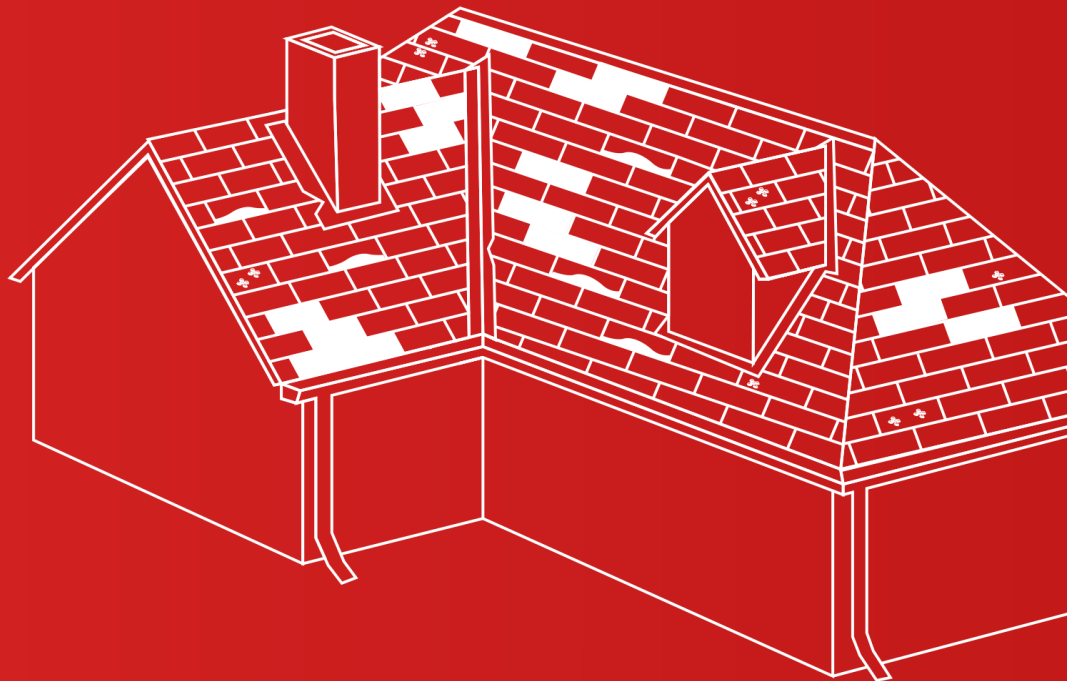


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Introduction

Welcome to the Restoration Industry

Throughout North America, severe weather brings wind, rain, ice, snow, and fires that impact homes – often when property owners least expect it. The costs of property losses from storm damage to homes is high. For example, damages from 2021 weather-related disasters totaled approximately \$145 billion. The costliest 2021 events were Hurricane Ida (\$75 billion), the mid-February winter storm and cold wave (\$24.0 billion), and the western wildfires (\$10.9 billion).

In order to deal with catastrophic loss, modern society developed a useful sharing model called property insurance. Homeowners pay for property insurance, yet may never file an insurance claim, while others less fortunate are able to tap into the collective pool of funds to help pay for their losses. In other words, insurance is a communal system which takes care of those affected by disaster, taking the worry of financial hardship out of the equation when it comes to catastrophic loss.



Purpose of The Manual

Note: In this manual we will touch on all claim types, but we will be **PRIMARILY** focusing on **HAIL** and **WIND** damage related to **ROOF RESTORATION**.

This manual is designed to help roofing company personnel better understand the insurance restoration industry. It can serve as a guide to teach roofing professionals about the insurance process and the opportunities to assist clients impacted by destructive weather events and other unexpected property loss.

Roofing professionals who demonstrate a strong understanding of the insurance claims process can help homeowners feel confident in getting through the stresses and uncertainties of “what’s next” after their property has been damaged by a storm. Knowing the step-by-step processes involved in insurance-related roof repair and restoration can easily translate into establishing or elevating a company’s insurance restoration division, making it lucrative as well as beneficial to homeowners.

DISCLAIMER: Some areas prohibit soliciting homeowners regarding insurance claims. The language in this manual is geared towards areas where solicitation is not restricted. This manual is an **INTERNAL** training tool to educate staff on the Restoration Industry and is not directly used to solicit homeowners.



INSURANCE RESTORATION



INTRO



Introduction to the **RESTORATION INDUSTRY**

State of the Industry

The Restoration Industry is Trending Upward

Professional restoration and remediation is a growth industry— \$210 billion and growing, due to the increasing intensity and occurrence of natural disasters, the advancing age of homes and infrastructure, and technologies that better detect certain restoration needs. Hurricane Katrina in 2005 changed the industry demonstratively. New regulations came into effect and the restoration business model was significantly refined. It is now very well organized and prepared to respond to disasters.



\$210 BILLION+
RESTORATION & REMEDIATION

Technology



Technology is also adding to the growth which the industry is enjoying. For example, mold remediation is one of the biggest drivers of the restoration industry's growth. It is not that more mold exists in the world, but that advancing technology has made mold easier to detect. Since mold poses serious health hazards to susceptible individuals, the need for mold remediation is at an all time high. Adding to mold remediation needs is a higher frequency and increased destructive force of storms.

Evolution of Materials



Restoration equipment such as air movers, dehumidifiers, and other tools of the trade have become more innovative and widely available. Plus, as many companies move toward sustainable solutions, and property owners are also more environmentally conscious, the restoration industry has adjusted accordingly in terms of the products used to carry out restoration processes. Contractors are now using a variety of naturally-based restoration products which do not contain harmful chemicals common to traditional cleaning, drying, odor-eliminating, mold remediation and restoration products.



Future Outlook

From vast wildfires in the western U.S., to sudden violent tornadoes in the midwest and eastward, to mammoth tropical storms and hurricanes in the southeast, there is little doubt that the restoration industry will continue to expand, and great opportunities are out there for restoration professionals with the right tools and training.

Restoration Statistics

Based on data compiled by the National Severe Storms Laboratory (NSSL), there are approximately 100,000 thunderstorms in the United States each year. A tenth of these storms are severe enough to produce winds of at least 57.5 mph, hail of at least one inch, or tornado conditions.

According to the Insurance Services Office, in 2020, 6 percent of insured homes had a claim in 2020. Property damage, including theft, accounted for 97.7 percent of homeowners' insurance claims in 2020.



Causes of Homeowners' Insurance Losses

Each type of homeowners loss categorized in the chart below, from one year to another, is influenced by fluctuations in the frequency and severity of weather-related events, such as hurricanes and winter storms. In the five-year period, 2016-2020, 5.8 percent of insured homes had a claim. Wind and hail accounted for the largest share of claims, with 2.9 percent of insured homes having such a loss, followed by water damage and freezing with 1.6 percent of homes having a loss.

Cause of loss	2016	2017	2018	2019	2020
Wind and Hail	34.1	47.0	40.0	38.1	45.5
Water Damage and Freezing	28.7	18.3	23.9	28.4	19.9
Fire and Lightning	26.0	26.6	26.2	22.4	23.8
Theft	1.8	1.0	0.9	0.9	0.6
All Other Property Damage	5.7	4.7	6.5	7.1	7.9

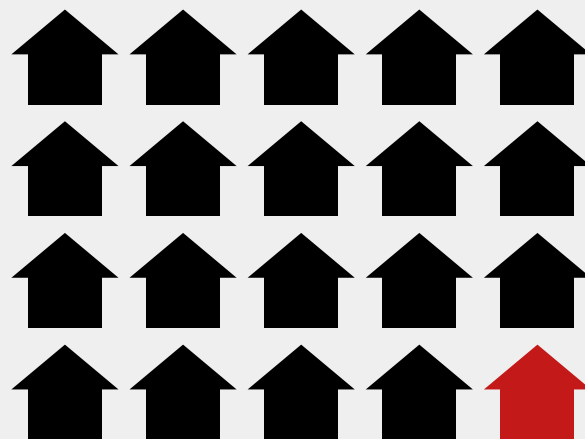
Restoration Statistics

As a roofing contractor working with homeowners on insurance related projects, it's important to have a good understanding of how insurance companies work. An important trend to keep in mind is the rise in home insurance premiums in high risk states—3.1% since 2018, for example.

It's important to educate homeowners on these trends and on how important it is to use their insurance appropriately to protect their biggest investment— their home.

Homeowners Insurance Claims Frequency

- Each year, about one in 35 insured homes has a property damage claim related to wind or hail.
- Each year, about one in 60 insured homes has a property damage claim caused by water damage or freezing.
- About one in 385 insured homes has a property damage claim related to fire and lightning.
- About one in 525 insured homes has a property damage claim due to theft each year.



About 1 in 20 insured homes has a claim each year.

Highest Insurance Premiums

Rank	State	Avg. Premium
1	Louisiana	\$1,987
2	Florida	\$1,960
3	Texas	\$1,955
4	Oklahoma	\$1,944
5	Rhode Island	\$1,630
6	Kansas	\$1,617
7	Colorado	\$1,616
8	Mississippi	\$1,578
9	Nebraska	\$1,569
10	Massachusetts	\$1,543



Why are rates so high in these States?

- Due to the hurricanes (LA and FL) and consistent hail storms (TX), insurance companies rate these states as higher risk.
- The rise of fraud in some of these states lead to insurance providers charging double the cost of insurance compared to other lower risk states.
- More complex state code and legislation will also lead to premium increases.

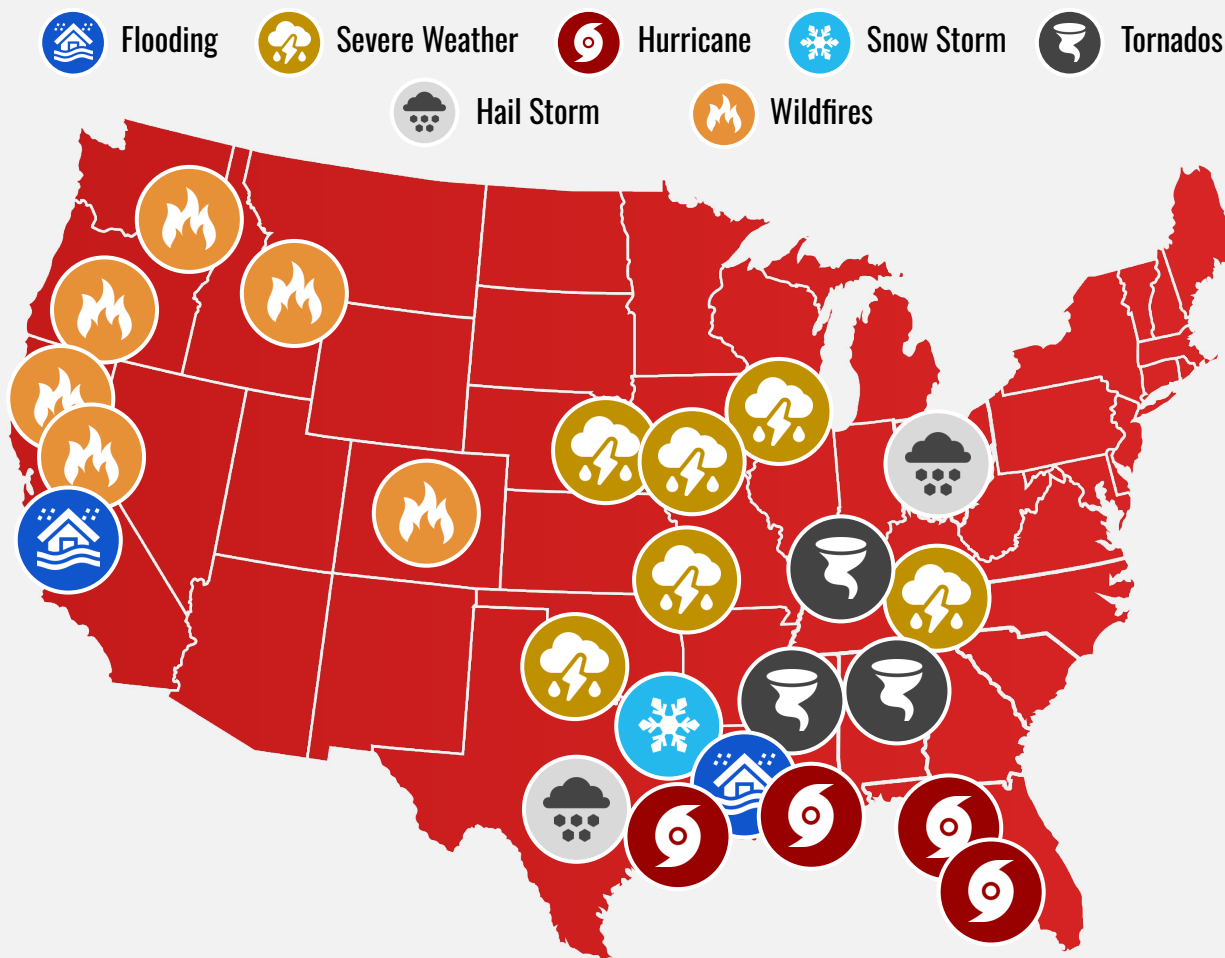
Natural Disasters

Rising in Occurrence and Intensity

Severe storms caused about \$6 billion in property damage based on a study done by the Environmental Protection Agency back in 2016. It's a phenomenon that has been consistent for several years and shows no signs of decreasing. As a result, fire and water damage professionals have been in high demand.



2021 Billion-Dollar Weather Disasters



Damages from the 2021 disasters totaled approximately \$145 billion. The costliest 2021 events were Hurricane Ida (\$75 billion), the mid-February Winter Storm / Cold Wave (\$24.0 billion), and the Western wildfires (\$10.9 billion).

Adding the 2021 events to the record that began in 1980, the U.S. has sustained **310 weather and climate disasters** where the overall damage costs reached or exceeded \$1 billion.

Information provided by climate.gov

Industry Issues

Trends in the Restoration Industry are leading to more crackdowns on contractors acting unprofessionally and a lack of trust by homeowners. Below are some examples of issues in the Restoration process.

Frivolous Lawsuits

When the contractor provides sufficient evidence of roof damages due to covered events, most insurance claims are resolved efficiently. But, as opportunities flourish and unqualified storm chasers enter the scene, along with a growing number of public adjusters and plaintiff's lawyers, more and more claims are ending up in lawsuits! Insurance companies will sometimes settle frivolous lawsuits because it's less expensive than going to trial.

Bad Actors in Roofing

Following a big storm event, a community may have an influx of roofing contractors come from out-of-town to work the storm. There are some bad-faith actors in the industry that travel through impacted communities offering to perform roof repairs or replacements. They prey on homeowners who are anxious and vulnerable and who may easily believe a roofer when he tells them their property has suffered damage.

Insurance Fraud

Insurance fraud is an unfortunate scenario that tarnishes the reputation of contractors, not only in the roofing profession, but in other building and restoration fields. Dishonest roofing contractors succumb to the temptation to submit two separate invoices: a lower-cost version to the homeowner, and a significantly higher cost version to the insurance company. Contractors who engage in this practice sometimes win projects by telling homeowners that they will reimburse their insurance deductible, forecasting that by over-billing the insurance company they will have the funds to cover such a reimbursement.



How does this hurt homeowners?

- Settlements drive up their insurance premium.
- The insurance company may drop them from the policy.
- Some insurance companies will even leave a market that is over aggressive with claims.

How does this hurt homeowners?

- Bad actors may collect your deductible, or even the insurance payout, and leave town without doing any of the work.
- In some cases, the bad actors may create damage to the roof to get the claim. This leaves the homeowner with roof damage and a financial burden.

How does this hurt homeowners?

- Bad actors will work the claim to the full payout and then perform the replacement cheaply in order to pocket an unfair margin, leaving the homeowner with shoddy workmanship that won't hold up.
- Not paying the deductible is FRAUD. If a contractor offers to waive it, it's a sign that they may be cutting corners on the project in other ways. A contractor guilty of this scheme can be prosecuted.

Law & Policy

Regulations pertaining to property insurance and storm damage restoration practices vary state-to-state. There is no national governance over roofing contractors. Requirements are different in every state and even local jurisdictions. Some states require a specialty contractor license, others a registration, and still others have no requirements at all.



Law & Policy Trends

In each U.S. state, Attorneys General are tasked with the job of protecting consumers during all stages of a disaster. Attorney General offices often address the following consumer protection challenges in the wake of natural and manmade disasters:

- Fraud
- Price gouging
- Dishonest or crooked contractors or repair services

Of late, wildfires, hurricanes, disastrous floods, tornadoes, and snowstorms have all taken their toll on the industry. In states such as Florida and Texas, where storm conditions can be extremely severe, including hurricanes and tornadoes, roof repair schemes by untrustworthy contractors are rampant. In addition, some unethical attorneys are tied into that runaway litigation—insurers' claims expenses are increasing faster than the general inflation rate due to increased litigation costs, legal defense costs, a higher percentage of verdicts favoring plaintiffs, and sizeable jury awards (20% uptick in punitive award frequency over the period 2016–2021).

Due to bad actors in the industry, more and more laws are being passed in regards to insurance solicitation. Certain states more prone to fraud are being targeted first, but these trends are expected to trickle into more and more states, becoming federal policy.



Waiving of Deductibles

One selling point bad contractors often use is offering to waive or absorb the homeowner's deductible. The contractor then cuts corners, uses lower quality products, or inflates the bill sent to the insurance company to cover the difference.

In Texas, recent state laws make it clear that it's illegal for a contractor or roofer to waive an insurance deductible. After a major storm, contractors acting in bad faith are quick to arrive on the scene. This leads to shoddy repairs, fake contracts, and other problems. Under the new law, it is illegal for contractors or roofers to offer to waive a deductible or promise a rebate for all or part of a deductible. Violators could get up to a \$2,000 fine and up to six months in jail.



Disaster Relief Scams

FEMA, the Federal Emergency Management Agency offers disaster relief to eligible victims through various programs. Be wary of anyone who offers to fill out, assist with or expedite your disaster relief application with the Federal Emergency Management Agency, as they may be seeking access to your personal information.

- No state or federal disaster relief agency will call you for your financial information
- State and federal workers carry identification and will not ask for or accept cash



Code of Ethics

OUR PROMISE

- I. We promise to always act in the best interest of homeowners and their property.
- II. We promise to recommend repairs or replacements honestly.
- III. We promise to never misguide a homeowner into filing a claim in bad faith.
- IV. We promise not to cut corners with labor and materials to wrongfully increase profit on an insurance payout.
- V. We promise to follow industry standards for restoration work.
- VI. We promise never to report our inspections inaccurately to drive up the claim payout.
- VII. We promise to communicate consistently with clients throughout the process.
- VIII. We promise to educate our clients on the best roof systems to serve their needs.
- IX. We promise to treat our clients, their insurance company, and involved adjusters with respect.
- X. We promise to make the claims process as easy and seamless as possible for our clients.
- XI. We promise to educate our clients on the claims process and how it will realistically affect their premium.
- XII. We promise to leave properties we service in better condition than we found them.
- XIII. We promise to elevate the restoration industry and its perception with our actions.



About Us

Training Worksheet

Every company is different in their restoration approach. During training, take the time to fill out this worksheet with the specific products, systems, and more that our company uses.

How long have we been in business?

What areas do we serve?

What are our core values?

What makes us different?

What certifications or local affiliations do we have?

Notes

About Us

Training Worksheet

Every company is different in their restoration approach. During training, take the time to fill out this worksheet with the specific products, systems, and more that our company uses.

What percentage of our business is Insurance Restoration work?

Are there any local laws related to storm restoration we should be mindful of?

What natural disasters are we vulnerable to? What have we faced in the past?

What are the most common types of storms that affect homeowners in our area?

What are we doing to promote ethical practices in the Restoration Industry?

My Role

Training Worksheet

Every company is different in their restoration approach. During training, take the time to fill out this worksheet with the specific products, systems, and more that our company uses.

What is my title?

Who is my supervisor?

What is my main goal?

Job Duties

Daily Tasks

Notes

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INSURANCE RESTORATION



PART.1



Everything you Need to Know **RESTORATION BASICS**

Introduction to Insurance Restoration

History of Homeowners Insurance

The idea of Homeowners' Insurance materialized in England in 1666, due to the massive property loss from the Great Fire of London which affected nearly 13,000 homes. In the early 1730s, insurance came to the United States and in the 1750s it started to become popular when **Benjamin Franklin** founded the Philadelphia Contributionship which originally focused on losses from fires but blossomed into the full fledged property insurance provider it is today.

Today, virtually all of the nearly 70,000,000 single-family, 1-unit homes in the United States, are protected by homeowners insurance. Now, damage from a storm or other acts of God no longer mean financial ruin to an individual, like it was before Benjamin Franklin was around!



What is Insurance Restoration?

Insurance restoration is when an insurance company pays for the repairs by construction professionals on a home or business in the event of specific types of damage, often severe weather-related, as opposed to damage from normal, expected wear-and-tear.



Hurricanes,
Tornados, or Strong Winds



Hail
Damage



Heavy Snowfall &
Ice Damage



Fallen Trees &
Storm Debris



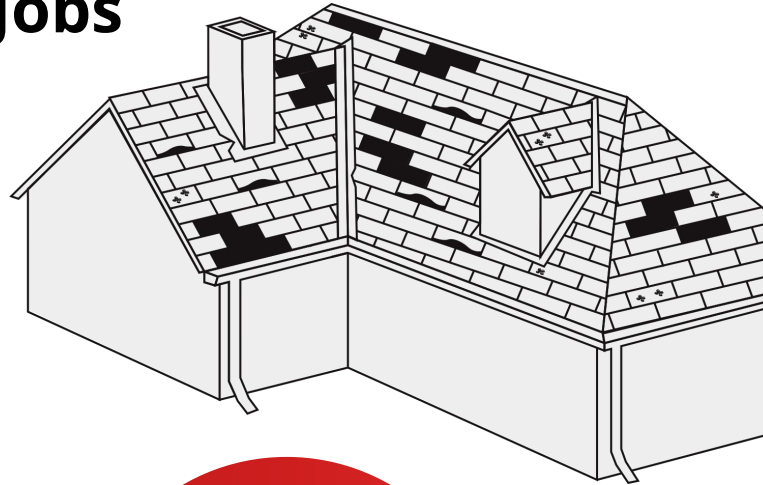
Water
Damage



Fire
Damage

Insurance Jobs vs Retail Jobs

Roofing contractors often group their revenue into two broad categories; Commercial vs Residential. But, another common approach to defining revenue goals is by Insurance versus Retail. Making this distinction between these types of jobs helps foster knowledge, expertise, and sales and marketing strategies to capitalize on insurance-related work.



Retail Jobs

Retail jobs typically consist of roofing repairs and replacements caused by general wear-and-tear of a roof over the years. This type of damage is usually not covered by insurance and restoration work is the expense of the homeowner, not an insurance company. Most homeowners will choose to, or need to finance the restoration of their roof, therefore more and more contractors are offering financing options through providers like Service Finance, GreenLeaf, Enhancify, ProFund, AccuFi, or other specialty home improvement finance partners.

- Roof work not covered by insurance
- Higher degree of competitive bidding
- Property owner pays full cost of project
- Financing options appeal to property owners



Insurance Jobs

Insurance jobs are typically those pertaining to damages caused by a storm or natural disaster. If the homeowner has a good home insurance plan, this damage should be covered by the insurance provider, but it must be documented and reported following a formal insurance claims process. It's becoming more tedious and difficult to get claims fully covered, but when proper documentation and reporting is performed by an adjuster along with the help of a capable roofing contractor, the process is made easier and payouts end up more adequately accounting for the full extent of damages.

- Roof damage covered by homeowners Insurance
- Tornado, hurricane, hail, storm, fire, "acts of God"
- Public adjuster assesses the damage which insurance provider will pay
- Property owner pays deductible

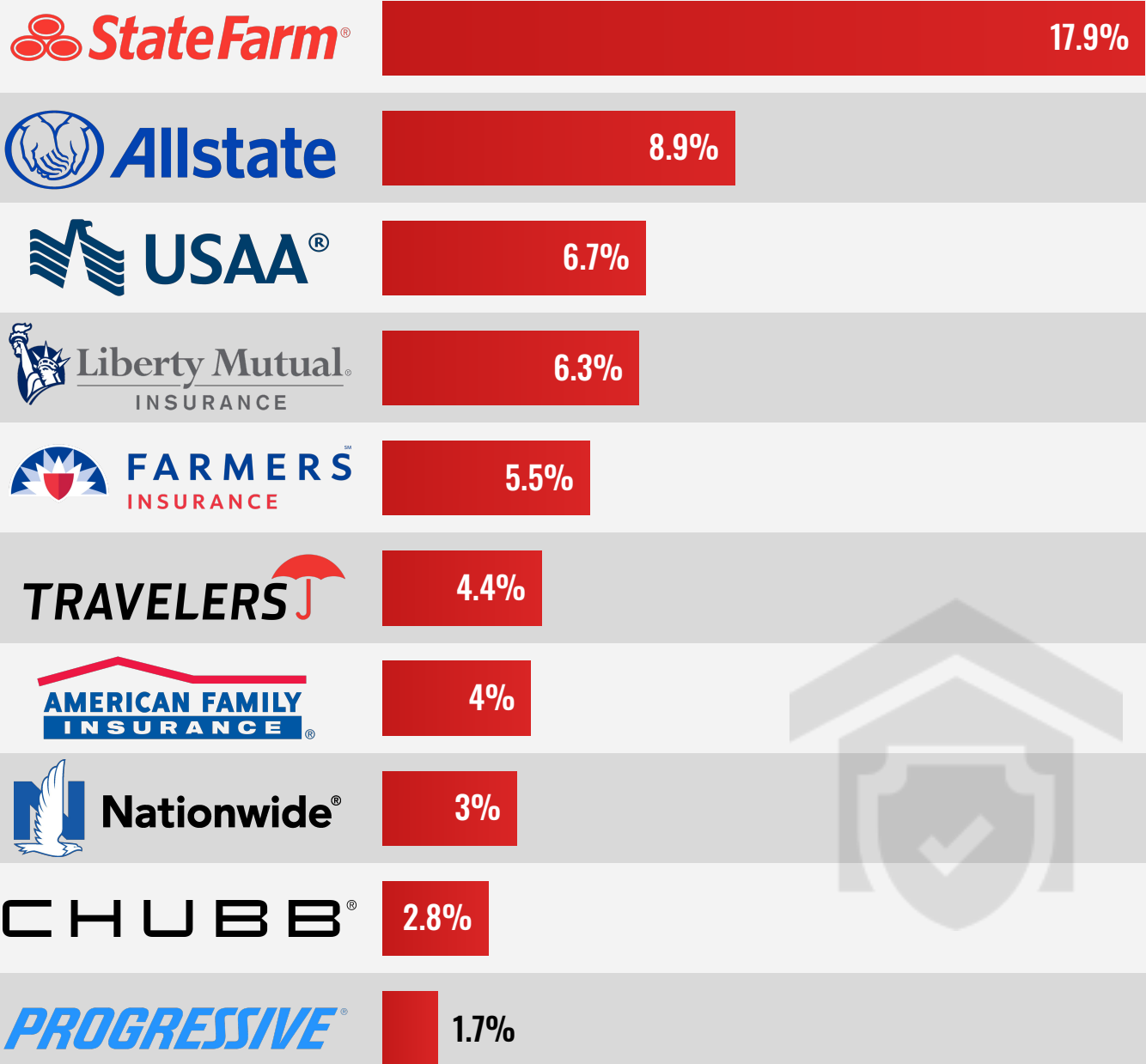
Insurance Companies

Leading Home Insurance Companies

According to the Insurance Information Institute, about 93.0% of households have homeowners insurance. The supply of homeowners insurance by industry operators varies across geographic regions in the United States.

The market size of the homeowners insurance industry in the U.S. is \$121.0 billion and the industry is expected to increase 1.5% in 2022. The industry in the US has grown 3.0% per year on average between 2017 and 2022.

Home Insurance Market Share



0% 2.5% 5% 7.5% 10% 12.5% 15% 17.5% 20%

Insurance Policy Types

Insurance Policy Basics

Homeowners insurance policies generally cover destruction and damage to a residence's interior and exterior, the loss or theft of possessions, and personal liability for harm to others. In this manual we will primarily cover destruction caused by hail and wind to the exterior.



Typical Coverage Levels



Actual Cash Value

ACV is the basic level of coverage. In simple terms, the insurance company pays out the value of what was damaged based on what it was currently worth, not how much the property owner paid for them. Claims under this policy have the depreciation deducted.



Replacement Cost Value

RCV is the more popular policy because it covers the ACV without deducting depreciation. This policy is recommended because it doesn't just cover the value of the home, it provides coverage to rebuild your home up to the original value.



Guaranteed Replacement

Guaranteed (or extended) replacement cost/value is the most premium, inflation-proof policy. It's similar in structure to the Replacement Cost coverage, however this policy pays out whatever it costs to rebuild the home, even if it's more than the policy limit.

Flood Damage



Depending on the area you live in, flood insurance *might* be included. Typically, standard homeowners insurance doesn't cover water damage caused by storm surge—that's where flood insurance comes in. If you live in an area prone to flooding, it is recommended to upgrade the policy to include flood-related water damage and loss.

Hurricanes



The term "hurricane insurance" is a bit misleading. There is no specific coverage addressing damage caused by hurricanes. But most homeowners insurance offers coverage for wind damage. For contractors working in a hurricane-prone area like Florida, a standard homeowners insurance policy covers wind damage, including that inflicted by named storms.

Most Common Claim Types



Wind & Hail

The top request for insurance restoration work comes as a result of wind and hail. Wind and hail damage accounts for 34% of insurance claims. Wind and hail damage is the result of destructive hurricanes, tornados, and winds that occur during severe thunderstorms. The average claim runs about \$10,000, but while it is the most common claim, it's not the most costly— that dubious honor goes to damage from fires which average 5 times that of wind and hail!



Water Damage & Freezing

Freezing causes pipes to burst which can lead to costly damage. Water damage is the second most common claim accounting for 29% of all claims. The average restoration claim runs about \$11,000. Homeowners insurance can even cover a refrigerator or other appliance that leaks and causes serious damage. Every policy is slightly different and most don't cover the repair or replacement of the appliance itself, just the cost to repair the water damage caused by a leak.



Fire & Lightning Damage

It seems like brush fires are more common now than ever, due in part to questionable land management practices. But whatever the cause, fires (many caused by lightning strikes) are the most costly disasters of all. Out of all claims filed, 25% relate to fire damage and the subsequent damage from the water or solvents used to put out fires. The average value of a fire restoration claim is almost \$79,000— the highest of any type of homeowners claim.



Random Accidents

There are lots of unfortunate events beyond our control that can damage property and result in a claim... a huge branch falls onto a home, a U-Haul backs into a carport overhang, the list goes on... These miscellaneous incidents and accidents account for 7% of claims averaging about \$6-7,000 each.

Other Claim Types

Theft

This is another type of loss covered by homeowners insurance. Naturally, this is not related to restoration work that roofing and building contractors take on. Only 1% of claims are for theft. The average payout is just over \$4,000.

Liability

It doesn't happen often, but liability claims come into play when someone is injured on the property of the insured. The affected individual may have medical costs. Liability insurance covers the homeowner in such an event. Another type of liability relates to damage done to others property by activity on the property of the insured. The average cost for a liability claim is \$30,000, but these only account for 1% of claims.

Insurance Claims Glossary

Act of God

Natural occurrence without human involvement that could not have been prevented. Example: lightning, tornadoes, hurricane.

ACV Check

Insurance companies are expected to pay for the damaged items and cover costs to replace the roof. They will take the roof's age into factor and give the homeowner an initial check for the ACV (Actual Cash Value) to replace the damaged roof. Actual Cash Value = Replacement Cost – Depreciation.

Air Mover



Also known as turbo dryers, fans, blowers, and air dryers, air movers are specialized fans that promote evaporation.

Appraisal

Appraisal is a separate evaluation between two appraisers in which the two sides try to come to an agreement on the differences. If they cannot come to an agreement, a neutral third party “umpire” will determine the final ruling.

Arbitration

Arbitration may be used to settle an insurance dispute between an insurance provider and a policyholder. Instead of filing a lawsuit, the insurer and the policyholder both present their case to the arbitrator. The arbitrator reviews the facts and comes to a decision about how to resolve the dispute.

Builders Risk Insurance

A variation of property coverage specifically applicable to construction projects. It is commonly written as an amount to cover the value of the structure when completed. The premium charged takes into account that values at risk increase gradually over the term of the policy.

Deductible

This is the portion of your insurance claim that the homeowner is responsible for, assuring representation and quality assurance through the claims filing and management process.

Depreciation



The term depreciation refers to an accounting method used to allocate the cost of a tangible or physical asset over its useful life or life expectancy. Depreciation value is often determined by the Property Loss Research Bureau, a third-party organization that performs all research related to insurance claims and loss.

Debris Removal

A consequential coverage, which pays for the insured's expenses to remove debris of covered property caused by a Covered Cause of loss.

Declarations Page

Commonly the first page of a policy containing the name of the insured, the address, and the dollar amount of coverage provided, a description of the property, and the premium cost.

Endorsement

An attachment to an insurance policy that adds to, removes, or changes the original terms.

Exclusions

Certain causes and conditions that an insurance policy does not cover.

Exposure

Measure of vulnerability to loss, usually expressed in dollars or units.

Insurance Claims Glossary

Indemnify

Placing the insured back into the same financial position they were in prior to the loss occurring.

Insurance Claim

The insurance claim is a way for your insurance company to pay for the problems you've had and make sure everything's covered.

Insurance Coverage

Certification of Insurance Coverage is a statement of coverage issued by the company that insures your home. It serves as verification that your home is indeed insured

Letter of Representation

The LOR is a formal notice to the insurance company that a 3rd party (attorney or public adjuster) will be representing the homeowner on the claim.

Mediation

Mediation is a casual, non-threatening administrative proceeding designed to allow you to put facts on the table and hopefully come to a settlement with the insurance company.

Moisture Content

The amount of moisture inside a material, relative to the actual material. Certain materials can sustain a greater moisture content before mold growth occurs.



Moisture Meter

A moisture meter is a specialized tool that measures moisture content. It's one of several tools restoration technicians use to find and repair water damage.

Loss

The dollar value of property damage or physical injuries.

Non-renewal

The refusal by a company to renew the policy when it expires.

Offer

The amount an insurance adjuster proposes to pay property owner for losses.

Peril

An event that causes a loss to home and property such as fire, windstorm, and theft. Policies have two sets of perils: covered and excluded.

Personal Property

Articles owned, worn or used while on the property premises, also known as contents. Examples: clothing, furniture.

Premium

The amount of money paid for an insurance policy.

Pre-Loss Condition

Pre-loss condition is the state of a home or property before the damage. Insurance companies use this term to describe the extent of the repairs they will cover.

Proximate Cause

The event which, in an unbroken sequence, results in direct physical loss under an insurance policy.

Insurance Claims Glossary

RCV Check



Replacement cost value (RCV) is the amount it costs to replace a property with a new property without deducting for depreciation. If the homeowner has an RCV policy, they can get an additional check for the difference between the ACV and RCV check.

Remediation

Mold remediation is the action of a professional restoration/remediation specialist going to an infected area and fully assessing, containing, removing, and treating the affected areas.

Roof Age

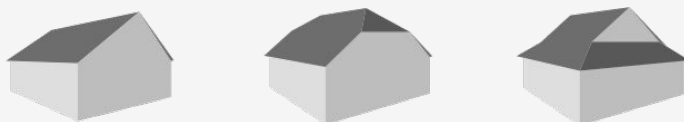
A home with a newer roof earns property owners lower rates and discounts. Roofs which are 20 years old or older may be difficult to get insured.

Roof Condition

The better condition a roof is in, the less cost in homeowners insurance. Insurance companies might overlook 15–20-year-old roofs in excellent condition, showing few visible signs of wear and tear.

Roof Shape

Roof shape can impact insurance rates. Gable roofs and hip roofs are the most common shapes. Gables are generally more at risk for wind damage and cost more to insure than hip roofs. Homes with flat roofs are typically the most expensive to insure.



Roof Type

Insurance companies also consider roof materials when setting rates. Metal roofs are the most stable, so insurance coverage is cheaper. On the other hand, cedar shake roofs are known to be riskier since they're not always fire-resistant. Insurance providers in fire-prone areas may refuse to cover them.

Scope of Work

A construction project scope of work, sometimes called a statement of work, establishes the work plan for a project. It includes the work to be done on a project, how the workers should complete the job, and who on the team is responsible for completing the different tasks on the project.

Reservation of Rights

This is insurer's notification to an insured that coverage for a claim may be denied coverage for part or all of the claim (this may even be issued while the company is investigating)

Supplementing

Homeowners can request supplemental damages to make up for any additional expenses. The repair work must be related and due to the event that triggered your initial claim, however.

Xactimate

Xactimate is a software system for estimating the cost of repairs and reconstruction for residential and small commercial structures.

Underwriting

The process by which an insurance company selects and classifies risks according to their degree of insurability.

Types of Adjusters

Roofing contractors will encounter different adjusters as they handle insurance jobs and help property owners through the claims process. Payouts are stricter now than in years past, as insurance companies are handling more and more claims and tightening the reins. Sometimes the process can get adversarial. Understanding different adjusters' responsibilities and motivations can help contractors better work with insurance representatives.



Licensing and Surety Bonds

Most states require public adjusters to be licensed. Licensing requirements vary by state and can be based on experience, testing and passing exams, and being bonded under a Surety Bond. A surety bond is a contract between a state's insurance authority, an insurance adjuster, and a surety (an insurance company). A Surety Bond creates a financial guarantee that the adjuster will obey the law and operate ethically.

Parties in a Surety Bond:

- Obligee - State insurance authority
- Principal - The adjuster
- Surety - The insurance company

The bond is essentially a financial guarantee that the adjuster will obey the law and conduct business ethically.

Insurance Adjuster

Insurance company adjusters or staff adjusters work for insurance companies as full-time employees. Insurance companies genuinely want restoration jobs done right so they are not faced with another claim later on by the same claimant. Most language in the claims process puts the responsibility on the homeowner to find a skilled contractor, putting them at fault for hiring someone that performs substandard workmanship.

Responsibilities

Insurance adjusters investigate claims by interviewing the claimant, gathering damage repair estimates, consulting records, and inspecting property damage to determine the extent of the insurance company's liability. Company adjusters are responsible for clearing dozens of claims that come across their desks each month, all without spending undue amounts of the insurer's money or shortchanging claimants.

Independent Adjusters

The limited number of insurance company staff in an area and/or high demand, as in the aftermath of a bad storm, or the need for a specialized adjuster are factors which lead insurance companies to appoint independent adjusters instead of a company adjuster. Independent adjusters work for independent adjusting firms and are hired by insurance companies on a contract basis. Insurance companies hire independent adjusters to help them process claims more efficiently. These adjusters are only allowed to work for insurance companies.

Responsibilities

When a homeowner files a claim, the insurance company will assign an independent adjuster or a company adjuster to assess the damages and figure out how much shall be covered. Keep in mind, these types of adjusters may not be completely impartial since they are indirectly working for the insurance company.

Types of Adjusters

Field Adjuster

A field adjuster, as opposed to a desk adjuster, travels to the claim location to perform a physical inspection.

Responsibilities

Field adjusters are responsible for identifying the cause of loss, taking photos, documenting all damages and drafting reports. In order to practice inspections responsibly, a field adjuster often holds a safety certification demonstrating he/she understands the safety precautions involved in some of the physically demanding work they do.

Desk Adjuster

Desk adjusters work from an office to process claims. When a property owner consults his/her insurance company to file a claim, they are handed over to a desk adjuster who interviews the claimant in order to determine the damage. They may also request that the claimant submit photos of the damaged portion of the roof or other affected part of the property.

Responsibilities

After gathering input and documentation for a claim, the Desk adjuster would evaluate the case and makes every effort to handle it from the inside.

Public Adjusters

Public adjusters are freelancers or else they work for public adjusting firms and are hired by policyholders on a contract basis. Certain titles are used interchangeably but shouldn't be. For example "independent adjuster" and "private adjuster" are mistakenly used to describe a public adjuster. Try not to get confused!

Responsibilities

A public adjuster's tasks are similar to those of a company or independent adjuster—reviewing reports, examining damages to a property, and checking out the provisions and fine print of a policy. The main difference is that a public adjuster represents their client's interests making sure the insurance company treats the property owner fairly. Public adjusters are often compensated based on a percentage of the payout amount or settlement.



Restoration Basics

Training Worksheet

Below are the most popular home insurance companies. Based on our experience interacting with these companies, fill out the table. Popularity = Low, Medium, High. Rating and notes = Good, Fair, Poor.

Insurance Company	Popularity	Rating
State Farm		
Allstate		
USAA		
Liberty Mutual		
Farmers		
Travelers		

Restoration Basics

Training Worksheet

Below are the most popular home insurance companies. Based on our experience interacting with these companies, fill out the table. Popularity = Low, Medium, High. Rating and notes = Good, Fair, Poor.

Insurance Company	Popularity	Rating

Restoration Basics

Training Worksheet

Every company is different in their restoration approach. During training, take the time to fill out this worksheet with the specific products, systems, and more that our company uses.

What is the most common home insurance in our area?

Is there a certain Insurance Company/Policy we may recommend to a homeowner?

In our experience, what is the most common coverage level and deductible cost?

Do we recommend homeowners add flood insurance to their policy?

Are there any additional insurance terms we should review?

What type of adjusters do we typically deal with? Do they need certifications?

Notes

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Notes

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Notes

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INSURANCE RESTORATION



PART.2



Everything You Need to Know **RESTORATION PROCESS**

Restoration Process Overview

The Roofer's Model

In this section we will cover the insurance process in cases involving a roofing company working with a homeowner and an insurance company ONLY. To see other models that include a Public Adjuster, supplementing, and more see Part 3: Alternative Strategies.



Insurance Process

Roofing Contractor Process

In this model, the roofing company is assisting with gathering all the documents for the report including the inspection, scope of work, photos and more. With the right training and attention to detail, companies are able to successfully process the majority of insurance jobs.



Basic Claim Process

Customarily the process of storm restorations (without a Public Adjuster) follows this high-level sequence:

Inspect and File

When a roof is damaged, the homeowner will have the home inspected and then call his/her insurance company to file a claim.

Adjust and Approval

An adjuster representing the insurance company comes out to the property to conduct an evaluation to compare to the roofer's report and estimate.

Work Begins

If the claim is approved, the homeowner will pay their deductible and hire the contractor to perform the repairs or full replacement.

Cycle of a Claim

The claims process varies from customer to customer and, more so, depending on the insurance company that they are using. Typically when a claim is filed it follows the phases below:



Damage Estimate

The claim is filed and an accurate estimate of the damage is made by the insurance adjuster.

Settlement Offer

Typically, the insurance company is obligated to make a decision within 90 days.

Negotiation

The claim is negotiated through appraisals and mediation to get the best final settlement.

Payout

The final settlement is paid out to the appropriate parties and the repairs can begin being made.

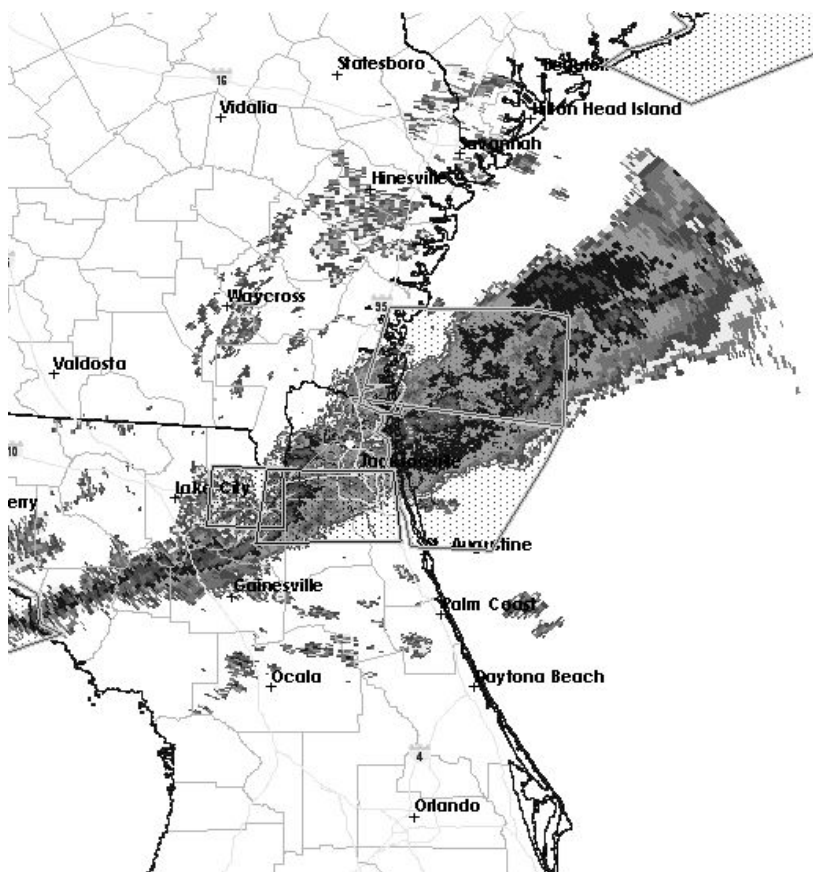
Locating Affected Areas

Storm Tracking

Technology can give roofing contractors a tremendous advantage when it comes to identifying, in real time, areas affected by hail or wind events. Hail and wind verification reports provide a thorough accounting of hail and other weather variables after a storm has occurred.

Today, hail and wind maps, continuously updated meteorological monitoring, and hour-by-hour hail and wind analysis are all at contractors fingertips.

Software applications integrate with other technologies to assist contractors in canvassing hail and wind-struck areas for potential customers in need. Roofing businesses can manage customer information and seamlessly proceed through the processes of surveying damage, creating a roof inspection report, constructing an estimate, obtaining sign-off on work orders, and even ordering needed materials to accelerate the commencement of roof work.



Benefits of Storm Maps

Fast Response



Storm and hail maps provide instant storm reports that are frequently updated with current hail sightings and extreme weather events. Contractors can receive storm notifications to maintain continuous awareness of the latest hail events and weather damage.

Expand Coverage



Restoration professionals can take time to analyze storm data and can observe historical trends in weather patterns. This enables them to act proactively and identify regions to expand their service footprints by adding additional locations in high risk areas.

Important Data



Tracking maps can provide alerts with hail impact metrics, such as Housing and Population affected by various size hail. There's also historical data including hail maps, effective for finding hail damage from previous storms still within the valid claim date window.

Claim Evidence



Hail and storm maps also provide great evidence to share with an insurance company to verify impact. Many times, adjusters may report roof damage as wear-and-tear not related to a storm. With impact maps, the contractor has proof that that home was directly damaged by a storm.

Storm Response: Day 1

Speed is Key!

If a storm rolls into a nearby town, a roofing contractor's response should be **immediate**! The next day, or even that afternoon if it's a morning event, the team should be door knocking in the storm-impacted area.

Immediate Storm Response

Day 1 Strategy

The main goal immediately post-storm is **SELLING** the Roof Inspection, not the roof! Focus on the inspection offer at this point— get on roofs, and focus on **VOLUME**.

1 Introduction

- Introduce yourself, our company, and why you are out meeting with homeowners. Keep a **service-first** mentality.
- Connect with the homeowner. Depending on the intensity of the storm, they may be overwhelmed. Ask them how they are feeling and have them discuss the events so far.

2 Inspection Offer

- Take note of any ground-level signs of damage, like cracked siding, or collateral damage such as small clusters of dents on their car.
- Report to the homeowner what you have noticed at the ground level and why a roof inspection is recommended.
- Educate them, including the fact that the roof inspection is a free service you are performing to check for early signs of damage to prevent leaks and further water damage. The goal is to walk them through the best option for their home, whether that be a repair, a replacement, or just another check up at a later time.

Door Knocking Objective

- Create relationships in our community by going directly to the homeowners.
- Identify storm damaged areas and proactively build market presence by educating our community on common property issues in our area: weather, wear-and-tear, updated building codes, etc.



3 Gather information

- Once they have accepted the inspection, gather as much information from the homeowner as you can. This should include their insurance company, details and history of the roof, their contact info, and the mortgage company information.

Storm Response: Week 1

Week 1 Strategy

After a storm, a community can be a high traffic area for roofing contractors. Homeowners may have already gotten an inspection (or a few) and even signed with a contractor at the point you are knocking on their door. Here are some tips for meeting with homeowners that have already been solicited.

1 Introduction

- Follow the same strategy as Day 1. Make sure to reference the storm date.
- Gather more information pertaining to what stage the homeowner is at in the claims process, currently.

2 2nd Opinion

- If the homeowner has already had an inspection, still follow the process and offer your services as a second opinion to ensure that a claim is really required.



3 Handle Objections

- If the homeowner has already signed or chosen another contractor, still introduce yourself and leave behind some high value branded materials.
- Educate the homeowner. If they have any issues with their current contractor during the claim process, they are not bound to use them for the repair or replacement. Your company can step in if needed.

First Meeting Tips

- A clean, polished, professional look goes a long way in gaining the trust of homeowners. Even if you are doing back-to-back inspections, make sure to freshen up between appointments and give a good first impression.
- Arriving at the appointment with a branded uniform, vehicle wrap, and presentation materials is a great way to leave a strong impression.
- Mirror. A great way to easily relate to the homeowner is to match their level of urgency. If they seem fast-paced or busy, speak quickly and deliberately. If they are more casual and slower paced, match their speed and take time to explain yourself.



Pre-Inspection

Prior to an inspection, there are several points to consider to help identify if the project qualifies for an insurance claim. These questions may have been qualified by the office team, but it is important to verify them onsite, as well.



What storm is the damage related to?

- Identifying in advance what storm the damage is related to already pinpoints what type of damage to be searching for when performing the inspection.
- If the damage found is not congruent to the most recent storm, or if the storm wasn't recorded as affecting that area it may be rejected by the insurance carrier.

What is the date of the damage?

- The date of damage will allow an inspector to know whether the damage found was done during the storm or if it happened prior.
- The date of the damage is also important because, if it's too far passed the date of the storm (2-3 years usually), the claim window for that event may be closed.

Qualifying if the claim is an Insurance Job:

- Homeowners insurance covers the structure of a home, including the cost of roof replacement or repairs necessary due to sudden damage. When a roof is damaged by fire, heavy winds, hail, severe thunderstorms, or fallen tree limbs from a lightning strike, homeowners are likely to be reimbursed for the costs of a new roof.
- If a roof was damaged due to poor maintenance or general wear and tear, insurance companies are unlikely to cover roof replacement or repairs. Coverage is also limited for roofs older than 20 years old. Older roofs are typically insured at their actual cash value, though a lesser payout may be possible based on an older roof's depreciated value.

Coverage: Renter vs Owner

- For those who own homes, homeowners insurance can cover the home and its contents. If a home is mortgaged and not yet fully paid off, such insurance is usually required by the lender.
- If the owner rents the home, he or she (the landlord) would insure the property, while the renter normally must carry the contents insurance.

Inspection Toolkit

The roof inspection forms the basis of a repair or replacement estimate, and is required in the insurance claims process. Certain tools greatly facilitate performance of a proper, thorough, and successful roof inspection.



Measuring Tools Many contractors today use software to measure roofs from satellite or aerial imagery. This can be a safe and accurate means to determine roof measurements, but a conventional tape measure is always good to have on hand. During a careful inspection, contractors examine the roof by getting atop it and scrutinizing the conditions. Manual measurements are often taken at that time.

Chalk Roofing technicians use chalk to mark up damaged spots, such as hail strikes. Chalk is also used for outlining test squares (SQs) which are 10' X 10' areas of a roof.

Moisture Meter Moisture meters help find roof leaks. Using the principle of electrical resistance, pin-type meters use the board as an element in a circuit by driving two pins or electrodes into it. When moisture penetrates a roof system it can cause mold, dry rot, and serious structural damage. Great for attic inspections.

Laser Pointer The roof inspector will always find a laser pointer useful for showing homeowners precisely where damage exists.

Smartphone with Apps Smartphone apps can be great time savers for contractor. Besides the camera feature, smartphones usually have compass and measuring apps, as well, that assist with documentation.

Ladder and Safety Equipment Ladder leveling is very useful with extension ladders positioned on slippery or uneven surfaces, like lawns or driveways. Roofing is one of the deadliest jobs in America, so it's very important to make sure to follow safety guidelines and wear a harness.

Anti-Slip Footwear Just like a mountain climber, roofers spend time on sharp inclines. Shoes that can grip the roof slope are essential as a key safety "tool."

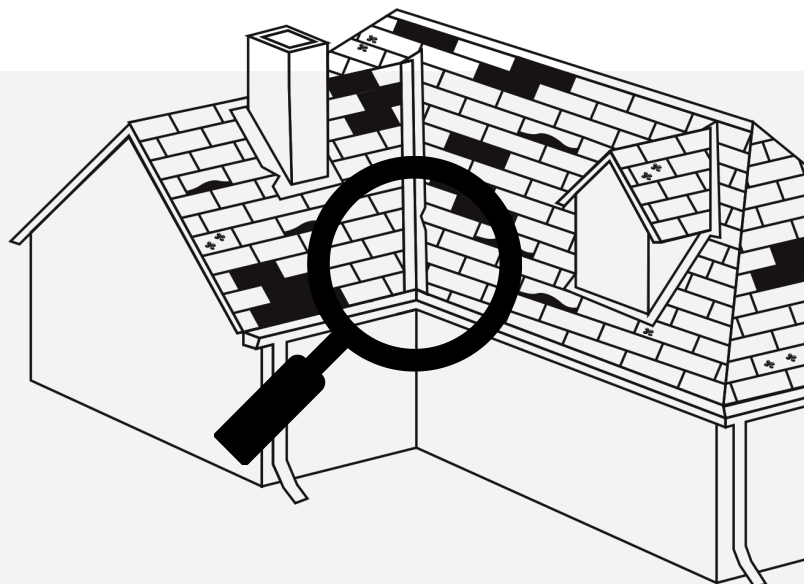
Roof Inspection

For retail jobs, an inspection is provided to customers to educate them on any issues that need repairs or replacement in the short term, or what the property owner should look out for in the near future. For insurance jobs, the inspection is the biggest piece of evidence for the claim.

Performing a roof inspection involves careful procedures and documentation, almost like a forensic investigation. In this section we will walk through the major inspection points related to inspecting the roof and other parts that help determine if there is storm related damage.

Purpose of the Roof Inspection:

- A roof inspection report is evidence of the structural and cosmetic issues related to a roof.
- The report recommends the course of action needed to restore a roof or preserve its existing condition - if in good shape.
- The report is what is used to determine if the damage qualifies for an insurance claim.



Collateral Inspection Checklist

Sometimes, claims get denied because the insurance adjuster will say the damage to the roof is the result of wear-and-tear and not a storm. To build a strong case it's important to notate collateral damage, as well as roof damage. Adding this to your report is more proof that the damage is consistent with a hail or wind storm.

- Paint Chipping
- Dents in Window Cladding
- Holes in Window Screens
- Dents, Cracks, and Holes in Siding
- Damage to Downspouts and Gutters
- Dents in Vehicles at home during time of incident
- Dents in Exterior Equipment like AC Units, Satellite Dishes, etc
- Outdoor Materials and Furniture Damage
- Dents in Garage Door
- Mailbox Dents
- Fence and Additional Property Damage



Performing an Inspection

Material Inspection

The exterior roofing material is what takes the most abuse from the elements. The inspection report describes the state of the material. See the following wind and hail inspection guides for more information on material damage.

- Are there missing, broken, or poorly aligned shingles?
- Are there any areas of stains, moss, or rust?
- Are all seams well-insulated?



- Are all parts of the roofing secured in place?
- Is flashing and caulking around sidewalls and chimneys intact and sealed?

Structural Inspection

The structural inspection is important because it reveals if there are signs of wear that aren't as visible as the top layer of material. Structural issues are an indicator that the homeowner may need a full replacement.

- Are there signs of sagging and uneven roof planes?
- Does the chimney show signs of storm damage?
- How many layers are on the roof?



- What is the condition of the decking? Does the roof base seem spongy under your feet?
- Are there any other signs of water penetration?

Drainage Inspection

Poor drainage can lead to many costly repairs, including mold removal or an entire re-roofing procedure. If the drainage is not directing water away from the building correctly, it may also cause problems with its foundation and basement areas.

- Are drain pipes directing the water away from the building's foundation?
- Are there granules or other signs of storm related damage accumulating in the gutters?



- Is there trash and debris blocking drainpipes and gutters?
- Are drain pipes securely attached to the gutters and the walls?

Performing an Inspection

Ventilation Inspection

Chimneys, vents, and air ducts are vulnerable components of a roof system, as they penetrate the roofing and insulation materials. If these contact points are not insulated well, the building may be subject to water leaks and poor thermal efficiency.

- Check to see if vents are obstructed and ensure that air flows freely through them
- Check if ventilation structures are fitted with storm caps
- Check if the flashing around the protruding structures fits well
- Take note of any signs of moisture, which can indicate vent failure



Workmanship Inspection

When examining the roof it's important to note if the previous installation is up to code. Some areas have laws that require the insurance company to approve funds for upgrading the roof to meet local codes.

- Was the roof recently repaired?
- Was the repair or previous replacement performed up to reasonable standards? (This may hurt the insurance claim if not.)
- Is there discontinued or outdated materials on the roof that need replacement?
- Does the roof meet the local code requirements? Are there needs for upgrades?



Attic/Interior Inspection

A roofing inspection examines the roof's underside — the attic. Thoroughly inspecting the interior provides a complete picture of the roof's condition. Sometimes, leaks and other damage might not be visible on the exterior but can be identified inside.

- Check for dark spots or swelling on wooden beams, signifying moisture penetration
- Check for water spots or bubbling in the walls
- Check for mold or condensation
- Check for signs of rodents, insects, or birds
- Ensure that pipes, ventilation elements, and wiring are well-insulated



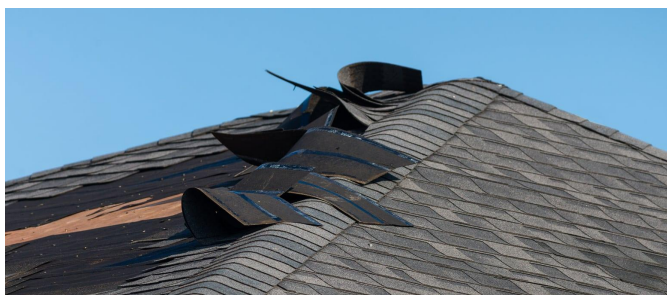
Wind Damage Guide

What to Look Out For

Asphalt shingle roofing material has a tendency to flip upwards as extremely strong gusts of wind, especially straight line winds, penetrate underneath edges of the material, sometimes cracking older, somewhat brittle shingles. Newer shingles may curl and remain disformed, while other shingles may become completely dislodged as wind uplifts the material from its adhesive stripping and even rips away from the capped roofing nails along the highside of the shingle. Heavy winds and torrential rain can also cause asphalt shingles to suddenly shed their coarse, granular surface. This compromises the shingles ability to refract sunlight and heat, which will shorten the lifespan of the material. In addition, loose granules flow into the home's gutter system, adding to leaf litter and other debris likely to clog the gutters and cause water to back-up. The wind can wreak havoc on the gutters themselves, pulling them off their anchorings to the fascia. Parts of the roof deck might also come apart under heavy winds. Metal roofs may become loose or come apart from strong winds, as well as break their waterproof seams. Tile roofs can become loose, go missing and even crack other tiles.



SHINGLE CRACKING & CURLING



DISLODGED SHINGLES



METAL PANEL DAMAGE



MISSING SHINGLES



MISSING AND CRACKED TILE



DAMAGED GUTTERS

Hail Damage Guide

Hail is notorious for damaging everything in its path. The size of hailstones can vary greatly. Everyone has marveled at images of baseball-sized ice chunks which homeowners have found on their roof or patio after a big storm. But much smaller hailstones can easily inflict damage to a roof and other property subject to outside elements. Round indentations on a roof surface aren't always the result of hail. It should be fairly obvious if other objects are causing abnormal wear to a roof such as falling acorns. That's not something homeowners insurance covers, nor are acorns as destructive to a roof surface.

Hail claims have been on the increase in the U.S. From 2018 through 2020, claims increased 2% from 832,377 to 849,033 and questionable claims (QC) submissions increased 34% from 1,462 to 1,958. Severe storms, including those packing hail are occurring with more intensity and affecting more areas of the country. While debates go on about why so many storms are occurring, the extensive property damage they inflict is clear. The property damage can be as minimal as a few broken shingles to total loss.



There were 4,611 major hail storms in 2020, according to statistics gathered from NOAA—the National Oceanic & Atmospheric Administration. In 2019, 5,382 major hail storms occurred.

Technical Definition of Hail Damage:

Once a shingle has been bruised, a progressive deterioration ensues and culminates with a hole in the shingle. A puncture or "bruise" affects the water shedding capability and the long-term serviceability of a roof and, therefore is considered damage. Hail impacting a cedar roof can cause damage if the hailstones are large enough and have sufficient density, hardness, and impact velocity to split the wood they strike. If a shingle (or shake) does not split when it is impacted, it is not hail-damaged.

Haag Engineering

Hail Size Comparison

SEVERE LEVELS

Pea ¼"



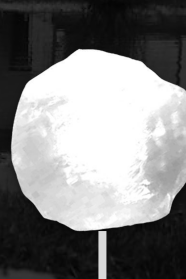
Nickel 7/8"

Quarter 1"



Golf Ball 1.75"

Tennis Ball 2.5"



Softball 4"

Hail Damage by Material



Shingle Damage

When hailstones slam into an asphalt shingle roof covering they cause indentations that can lead to pin holes allowing water and moisture to penetrate down onto the underlayment and potentially passed it, to and through the roof decking itself! Hail strikes also compromise the granular coating of shingles which affects the ability for the roof covering to regulate surface temperatures. When that happens, the asphalt material underperforms and decreases a roof's lifespan.

- Pin holes through the shingle causing moisture penetration
- Displacement of granular surface coating



Metal Damage

The speed at which hail falls from the sky can exceed 100 mph! Hail pelting down at even much lower velocity can leave small dents in a metal panel roof, adversely affecting the roof's future ability to resist rusting. The dimples and dents caused by hail compromise certain coatings that keep metal roofs from corroding and from absorbing heat from the sun's UV rays.

- Dimples and dents increase vulnerability to rust
- Breaches in metal roof coatings
- Reduction of heat-resisting qualities of coated metal roofs



Tile, Slate, Shake Damage

Tile, slate, and shake are somewhat more forgiving when it comes to hail strikes. Hail is no match to a stone of ceramic surface unless the hailstones are extremely large and compact. The surface of real cedar shake roofs recoil slightly when struck by hail, usually returning to normal form, instantly.

- Tile/slate/ceramic hard surfaces withstand hail well
- Wood shake has a give-and-take quality, cushioning the hail strike and preventing serious roof damage
- Splitting of a wood shingle by a large hailstone(s) is unlikely but possible

How to Perform Test Squares

An insurance adjuster may request that a test square be performed to support a damage claim related to roofing. This usually occurs when the claim is for hail or wind damage. As all roofers know, a roof square (SQ) is a 10-foot by 10-foot area. When a test square is done, there is damage noted in it.

1 Choose Areas

Pick a spot on the slope on which hail strikes or wind damage is clearly evident. Make sure to mark up varied elevations on each side.

2 Draw the Square

Draw four corners of the roof square (10×10 foot square.) Use a chalk color that stands out from the roof material and shows up well in the photos.

3 Label Location

Mark the test square with a N, S, E, or W (North, South, East, or West) that represents the direction that slope faces. Most smartphones have a compass app built in to help you orient yourself if you are not sure.

4 Identify Damage

With chalk, circle several of the hail dents. If the claim is for wind damage, draw a slash mark on each affected shingle. Show areas where shingles may be missing, too. Raise a tab of the shingle to show it is not sealed or has debris underneath it. Take a close-up photo of each hail hit or wind-damaged shingle for back-up.

5 Calculate Hits

Add up all the hail hits or wind damaged shingles within the test square and write that number next to elevation/location of the square, i.e., N,S,E, or W (i.e. W=13 hail strikes).

Business 411 ©



6 Photo Document

Snap an overview photo of the test square before moving on to the next slope. If you have 15 hail hits on the north slope, you should have a total of 16 images for that slope (1 overview image and 15 pictures of the hail strikes). Apply a descriptive name to each photograph in order to help others clearly understand which slope the hail hits are on.

IMPORTANT: Roofing contractors need to think like an insurance adjuster during the test square process. Contractors may be asked by insurance representatives to verify the hits provided in the photos on site.

Brittleness Test

On roofs that have borderline hail or wind damage, it is important to perform a brittle test in order to determine whether or not the roof damage is repairable. In a case where the damaged shingles cannot be repaired, the roof must be replaced. Performing this diagnosis is another reason homeowners need an experienced insurance adjuster and or a roofing specialist to advocate for them when the initial inspection takes place by a field adjuster sent out by the insurance company.

The positive identification of brittle areas of shingle may result in reaching the threshold for damage from the peril (wind or hail) to qualify for a total roof replacement (i.e., over 25% of the roof unrepairable). To be deemed valid, a brittle test must be random, representative, and repeatable.



Performing the Brittleness Test

1

Document

With chalk, outline the shingles you will be performing the brittleness test on. As it is with a test square, it's good to notate the direction of the slope and mark it BT (Brittleness Test) for documentation purposes.

2

Release Adhesion

During a brittle test, shingles are loosened at their lower edge. You can either use a shingle that has already lifted by wind damage, or you can release a shingle. Do not release the shingle by pulling it up by the corner, that will negate the BT. Instead, use a sharp trowel to get underneath the shingle and release the adhesion. The BT is not to see if the shingle is lifted, it's to see if it is in good enough condition to be resealed.

3

Lift Shingle

The edge is lifted and flexed to a 45-degree angle 2-3 times. If the roofing material shows visible cracks and seams, it is beyond the repair stage and, if enough of the test area shows similar fragility, a total roof replacement may be necessary. However, if the shingle remains flexible, the roof could have a longer lifespan without repairs or replacement.

Like with most procedures in the insurance claims process there is no real industry standard for brittle tests for asphalt shingles (or asphalt pavement, BUR, modified bitumen, or anything else made from asphalt.) Each adjuster may have a different method for performing and judging the tests, so it's best to have a strong understanding of the roof material you are evaluating.

Photo Documentation Guide

More is More!

When preparing photo evidence for the claim make sure to document everything you see. There is no such thing as too much evidence when it comes to insurance claims. These photos are the proof of all damage and everything that is reported in the damage report should be clearly visible here as well.



Documentation Example



3

North Slope - Missing Shingles

4

Indicated area is missing entire strip of shingles. Strip above is also lifting.

1

Photo

- Clear, good resolution photos of the roof accurately representing the description of damage. Photos can be taken with a good quality smartphone, professional camera, and/or drone.

3

Location/Title

- Indicating the direction of the slopes affected is a good practice when dealing with wind or hail claims. This helps prove the damage is congruent with the direction of the most recent storm.

2

Mark Up

- Take the time to mark up damaged areas, either onsite with chalk or digitally with your smartphone. Not all photos will require highlights and arrows, but it is a good tool to emphasize key areas.

4

Description

- Although not always necessary, a good description can help with representing information not clearly visible in the photos. For example, some photos are taken to show what *isn't* there—like code violations or missing roof parts.

Photo Documentation Guide

1 Before Photos

Although not always available, photos from BEFORE the storm event are extremely helpful to prove the damage is a direct result of the storm. If the homeowner has any photos from when they purchased the home, or last had it inspected, make sure to include them in the report. If not, try to see if Google Earth or a third-party imaging provider has before photos. Google photos may not be high resolution, but in this example we can clearly see there are no missing tiles on this roof before the storm event.



2 Perimeter

Perimeter photos help orient the other more detailed, close up photos. Checklist:

- Each exterior side of the home, documented with North, South, East, and West.
- Any additional structures on the property. (Detached garage, shed, etc.)



3 Slopes

Like perimeter photos, full slope photos orient the other more detailed, close up damage. Checklist:

- Each roof slope, including dormers and chimneys, documented with North, South, East, and West.
- Roof slopes of additional structures on the property.



Drone photos help with this part of the process. With a drone you can get additional photos like a top view of the roof that you mark up with key damage areas. With permission, you can take photos of neighbors homes with similar damage, strengthening the claim.

Photo Documentation Guide

4

Details

Now that we've taken all the orienting exterior photos, we can start to document damage slope by slope. Checklist:

- To help with organization, work one slope at a time documenting damage areas.
- When documenting a lifted shingle, make sure to slightly lift it with your hand to show the adhesion failure.
- When documenting hail, make sure to circle the hits and test squares.
- Indicate areas of lifted shingles with a dash (--) in the bottom left corner.
- Highlight missing shingle areas with digital mark up tools, if needed.
- Document Shingle Gauge on the shingle and identify the type of shingle.
- Document tarped areas (the homeowner can be reimbursed for tarping costs).
- Document areas that are not up to local code with a description including the specific code.



5

Accessories

Accessories also will show signs of storm damage and often need to be replaced. Checklist:

- For hail damage, shade affected areas with a contrasting color chalk to clearly show impact areas.
- For wind damage, check accessories for detachment and take photos.
- Make sure to document all roof vents, satellite dishes, roof pipes, flashing, etc. for signs of damage or failure.
- Take note of the number of vents and make sure they are up to code for the area and size of roof. If not, document it.



Photo Documentation Guide

6 Gutters

Like accessories, gutters will also show signs of damage from the storm. Checklist:

- Document gutters and downspouts that have dislodged shingle granules.
- Document dents and cracks along the gutters, shading with chalk when necessary.
- Document separated gutters, loose nails or screws, and signs of gutter failure, such as pooling water or water stains on the exterior.



7 Siding/Collateral

Claims can also include siding replacement, if necessary. Make sure to document this and also additional collateral damage to strengthen the case. Checklist:

- Document dents, cracks, and missing siding pieces, shading with chalk when necessary.
- Record any damage to windows, vehicles, equipment, garage doors, mailboxes, etc. that are congruent with hail or wind damage.



8 Attic and Interior

In the interior, we want to document any signs of water damage due to the weakened roofing system. Checklist:

- Document signs of moisture and mold in the attic and ceiling. This is usually only apparent in homes severely affect by a storm or by homes that has not been repaired months after a storm.
- Document any areas that may be exposed due to the layers of the roof being degraded.



Preparing Documents and Contracts

Preparing an insurance claim with a homeowner is a lot of work. Between the in-depth inspection, detailed documentation, and specialized estimating process, the company is spending potentially months on the project. That's why it's important to have a written agreement, among other documents, with the homeowner before the process begins, confirming that they will be using you to perform the approved work.

DISCLAIMER: The following sample contracts are not for immediate use. Any contracts or documents used in this manual are for training purposes only. Any legal documents used in the insurance claims process should be reviewed by a local lawyer for accuracy and to ensure local regulations are followed.

Service Agreement

A service agreement is a contract between the homeowner and contractor that sets up expectations from both parties in the claims process. It is the first step in securing yourself as the contractor of choice in the claim.

Key Points

It's difficult to enforce that a homeowner use you for a project, and usually not worth the effort. It is your responsibility along the way to continue to sell your company and services and make the homeowner a fan. In a worse case scenario, where the homeowner is trying to pocket the insurance money or just goes with another contractor, at least with a simple contract they are liable for a cancellation fee to recoup some of your time. It is also extremely important to outline the rescission period for cancellation as well.

AOB

Assignment of Benefits, commonly referred to as an AOB, allows the homeowner who holds the insurance policy to sign over their insurance rights or benefits to the contractor. The contractor can then file an insurance claim, make repair decisions, and collect on benefits without the homeowner's involvement.

Key Points

AOB's are prohibited in some states due to bad actors taking advantage of this contract and acting unethically. It's important to check local regulations to see if they are allowed. It's important to educate the homeowner on the rescission period of AOB's, so that if they have signed into one already and are unhappy with the service of another contractor, that they have the ability to break the agreement freely.

Direction of Payment

The Direction of Payment agreement is a document that states the homeowner is giving the insurance company permission to directly release funds for the project to the contractor, public adjuster, etc. working the claim. This is a good safety net for contractors to get payment for the job as soon as coverage is approved.

Letter of Representation

More common with using a Public Adjuster, the Letter of Representation is a formal notice to the insurance company that a third party (attorney or public adjuster) will be representing the homeowner on the claim. Contractors are typically not allowed to formally represent the homeowner.

Sample of Service Agreement



Roofing Company Insurance Service Agreement

Owner: _____
 Job Address: _____
 City, State: _____
 Phone: _____
 Email: _____

Representative: _____ Date: _____
 Insurance Carrier: _____
 Date: _____ Claim No: _____
 Type of Loss: _____
 Adjuster/Phone: _____

In this SERVICE AGREEMENT, Roofing Company and the Homeowner/Property Owner agree to the following:

OUR PROMISE:

We agree to inspect the property listed above and act as your general contractor of record to evaluate and discuss the scope of damage to your property. In addition, we will provide you with the following:

1. Travel to and from your property, as needed, to perform inspections and a property damage assessment.
2. Provide all equipment (including safety equipment) necessary to conduct a proper inspection and evaluation of all property damage.
3. Perform an assessment to all damaged building materials reasonably identifiable from a visual inspection.
4. Access weather and satellite data, on weather related claims, to document the cause of your loss and damage.
5. Determine a reasonable method of repair, or replacement if needed, for all damaged property that meets applicable building codes and acceptable industry standards.
6. Estimate the scope of work at a fair market price to return the property to its pre-peril conditions.
7. Report any damaged property that we find to your insurance adjuster or appraiser, answer any questions they have regarding our scope of work or estimate of damages, and answer any technical questions they may have regarding our recommended method of repair.

HOMEOWNER AGREEMENT:

1. In consideration for authorizing us to act as your General Contractor of record for the Property and assisting you in the acquisition of funds to perform all of the work necessary to properly repair/replace your damaged Property, you expressly agree to enter into a Service Agreement with us to perform said work AS SOON AS FEASIBLE after your receipt of funds adequate to perform the Final Scope of Work have been obtained.
2. You agree to forward to us all pertinent correspondence between you and your insurance carrier regarding scope of work and pricing of your claim.
3. You acknowledge we are acting as your General Contractor on this project and as such will be entitled to General Contractor's Overhead and Profit.
4. If you later decide to not pursue the claim OR if you later choose a different contractor to complete the Scope of Work, the Homeowner is liable for time spent in the claims process at a rate of XX per hour.

By signing this Agreement, you agree that you have received, read, understand, and agree with Terms and Conditions of this document and made a part of this Agreement by reference, and acknowledge receipt of a completed and signed copy of this Agreement. IN WITNESS WHEREOF AND INTENDING TO BE LEGALLY BOUND, the parties have executed this Agreement as of the date written below. We agree that we will perform the agreed work and research listed above, per the terms specified in this Agreement upon confirmation of an adequate source of payment for said Work. IF THE FINAL OUTCOME OF YOUR CLAIM WITH YOUR INSURANCE CARRIER IS A DENIAL OF CLAIM, OR IF THERE IS NO OR INSUFFICIENT INSURANCE RECOVERY FOR THE WORK TO BE PERFORMED, WE RESERVE THE RIGHT TO TERMINATE THIS AGREEMENT.

 Owner Signature

 Date

 Representative Signature

 Date

Sample of AOB



Roofing Company Assignment of Benefits

Owner: _____
 Job Address: _____
 City, State: _____
 Phone: _____
 Email: _____

Representative: _____ Date: _____
 Insurance Carrier: _____
 Date: _____ Claim No: _____
 Type of Loss: _____
 Adjuster/Phone: _____

I, the Owner/Agent for the job site, authorized Roofing Company to inspect my property for: wind damage/lift, missing roof components, potential leak areas, and furnish necessary materials, perform all labor necessary to preserve and protect my property from further damage.

AUTHORIZED EMERGENCY REPAIRS: I order the Assignee to perform emergency repairs and/or betterments to the property as: ☐ Tarp(s) ☐ Caulk/Seal ☐ Dehumidifier ☐ Fans ☐ Oust Debris ☐ Remove Tree ☐ Patch

I believe, and understand that in the best judgment of Assignee, these services are likely needed to mitigate further loss or damage to the property. To the extent I made any payments for these services to Assignee, I retain only the right to seek reimbursement under the insurance policy.

TERMS AND CONDITIONS

1. ASSIGNMENT OF INSURANCE BENEFITS: I hereby assign any and all insurance rights, benefits, proceeds, and any cause of action under any applicable policy of insurance to Assignee, for services rendered or to be rendered by Assignee, its subcontractors and/or assignees, including but not limited to tarping, repair or replacement of roofing systems. In this regard, I waive my privacy rights. I make this assignment in consideration for Assignee's agreement to perform labor, services, supply materials, and perform its obligations under this contract, including not requiring full payment at the time of service. I hereby unequivocally direct my insurance carrier(s) to release all information requested by Assignee, its representative, and/or its attorney for the purpose of obtaining post-loss insurance benefits for services rendered or to be rendered. I understand that any portion of work, deductible(s), betterment, depreciation, or additional work requested by me, or otherwise not covered by insurance, is ultimately my responsibility. If I rescind this agreement, then I agree to promptly pay Assignee for all contracted work performed.

2. DIRECT PAYMENT AUTHORIZATION: I authorize and unequivocally instruct direct payment of any benefits or proceeds for services rendered by Assignee to be made payable solely to Assignee and sent exclusively to Assignee.

3. STOP WORK HOLD HARMLESS: In the event Assignee is not allowed to perform its recommended procedures, emergency repairs, to prevent further damage to the property, then I agree to release and hold Assignee harmless, and indemnify Assignee against all claims or actions that may result from such inaction.

Assignee shall provide a copy of this executed agreement to the insurer within three (3) business days after the agreement is executed or the date on which work begins, whichever is earlier.

Assignee shall indemnify and hold harmless Assignor from all liabilities, damages, losses, and costs, including, but not limited to, attorneys fees, should the policy subject to the assignment agreement prohibit, in whole or in part, the assignment of benefits. If I want to rescind this agreement, I must provide a signed written notice of rescission to Assignee during the time period identified in 18pt uppercase and boldface type below.

Owner Signature

Date

Representative Signature

Date

Claim Report Guide

Below is the ideal outline for an insurance claim report. This structure is extensive and if done correctly and accurately will create a bullet-proof estimate.

1 Basic Information

All parties' (homeowner, insurance, mortgage company, contractor, etc.) contact information, policy information, and cover sheet are necessary to the report. Also note the current roof materials installed on the property.

2 Scope of Work

The complete scope with line items of materials and services needed and cost breakdown.

3 Measurements

Include detailed measurement reports of the property, including total SQs and linear foot breakdowns of all roof parts. A roof diagram is also recommended as it is useful to mark-up key damage points.

3 Inspection Report

The inspection report is a thorough explanation of the roof conditions observed by a professionally trained crew. Include recommendations on actions to be taken, including repair or replacement. It is backed up by the photo report.

4 Photo Documentation

A good photo report will include 75+ photos including top view, all sides, and photos of specific damaged areas with thorough documentation (including chalk markers, descriptions, etc.) Each photo should include a description of what damage has been identified.



5 Local Regulation

Local codes and regulations as further evidence of what needs to be done to the roof to meet them.

6 Roof System Info

Information on the recommended roof system to be installed (can be brochure directly from the manufacturer.) There should also be documentation on why this system is best for the area and what additional materials will be needed to ensure this system is installed effectively.

7 Overhead & Profit

Xactimate for Overhead and Profit to present as evidence for additional compensation.

8 Additional Evidence

Additional information may be added depending on the project such as weather reporting, hail map, etc.

Using Xactimate

What is Xactimate?

Xactimate is a paid software that is used by restoration professionals and insurance companies to review claims and estimates. Today 22 of the top 25 property insurance companies in the U.S. and all of the top 10 Canadian insurers use Xactware property insurance claims tools.

Xactimate is built to shorten the claim cycle by allowing professionals to:

- Create detailed line-item estimates in the format Insurance Companies prefer to review.
- Search and utilize current local price lists.
- Mock up roof diagrams for the report.
- Store and manage their ongoing and past claims projects, documents, and images.
- Easily calculate depreciation, waste, labor, and materials on projects.
- Communicate seamlessly with the insurance companies and other restoration professionals.



Xactimate Certification

Xactimate offers certification through their website. The certification is based on navigating the most recent version of the program by creating an estimate. Users can certify at three different levels: Level 1 - Fundamentals, Level 2 - Proficiency, and Level 3 - Mastery.



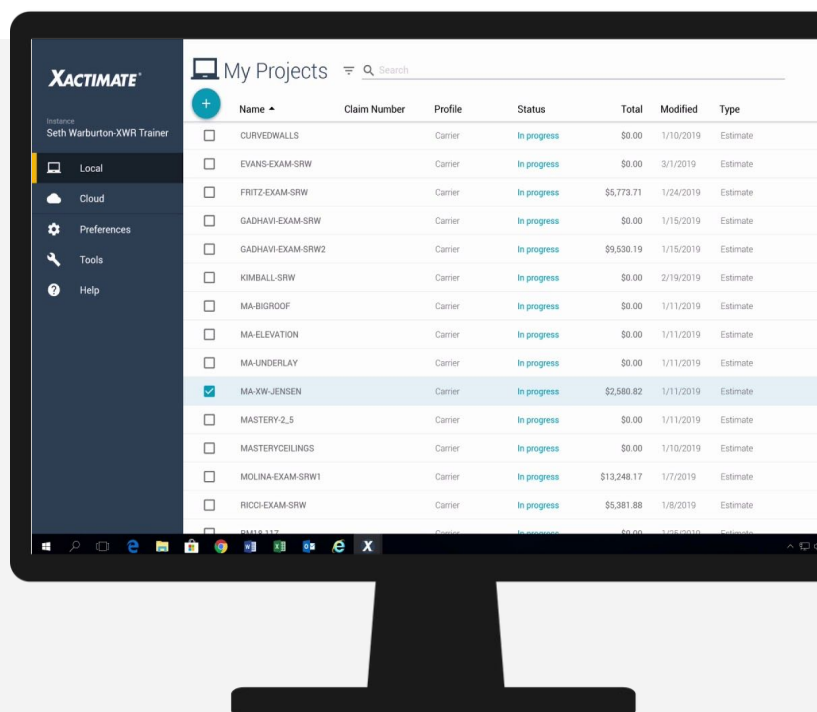
XACTIMATE®

Xactimate Training

In this section, we will not be reviewing the step by step processes of using Xactimate. Xactimate offers training courses online or in person through their website. Many contractors prefer third-party training providers, as well. We will only be reviewing samples of estimates and how they are built to get claims approved faster.

Benefits of being proficient in Xactimate:

- Easily navigate estimate creation, local price lists, and codes.
- Build better communication with insurance companies by creating stronger estimates.
- Shorten the claim cycle and expedite the homeowner's restoration needs.



Building an Estimate

In this section we will review a sample Xactimate estimate for a full roof replacement. There are several ways an estimate can be written, this is a sample of common line items and the purpose behind them. The cover sheet includes the basic contact information for the roofing company and homeowner.

The objective when creating the estimate is to ensure the costs associated with removal and replacement of the current system are covered and the homeowner is restored to pre-storm property value. Start with good correspondence with the insurance company on the cover page.



Roofing Company

Insured:	John Smith	Number:	(987) 654-3210
Property:	1 Main Street City, ST 12345	Email:	johnsmith@gmail.com
Claim Rep:	Joe Roofer	Number:	(321) 456 7890
Business:	1234 Roof Rd City, ST 54321	Email:	joe@roofer.com
Reference:		Fax:	(678) 901 2345
Company:	Insurance Company		
Business:	PO BOX 123 City, ST 98765		

Claim Number: 98-7654-321

Policy Number: 12-3456-789

Type of Loss: Hail

Date of Loss: 9/02/2020 12:00AM

Date Received:

Date Inspected: 10/04/2020 3:45PM

Date Entered: 10/01/2020 2:34PM

Price List: 1A2B3C_JAN01
Restoration/Service/Remodel

Estimate: JOHN_SMITH

Dear Claims Department,

Please find attached an estimate to complete repairs to the insured's property. This estimate reflects an accurate accounting of the known work required to return the insured to pre-storm condition in accordance with local building codes and manufacturer specifications. Should any unforeseen circumstances arise during construction that requires additional work, materials, or costs, you will be notified in a timely manner. If there are any questions or concerns regarding this estimate, please feel free to contact me at joe@roofer.com or (321) 456 7890.

Thank you,
Joe Roofer
Roofing Company

Reviewing Line Items

DESCRIPTION	QTY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
<u>DWELLING</u>							
<u>Main Roof</u>							
1. Remove Laminated - comp. Shingle rfg. - w/ felt	72.00 SQ	63.81	0.00	918.86	5,513.18	(0.00)	5,513.18
2. Roofing felt - 30 lb.	72.00 SQ	34.18	0.00	492.20	2,953.16	(1,771.90)	1,181.26
3. Laminated - comp. Single rfg. - w/out felt	83.00 SQ	209.77	0.00	3,482.18	20,893.09	(8,357.24)	12,535.85
4. Remove Additional charge for steep roof - 10/12 - 12/12 slope	22.00 SQ	26.66	0.00	117.30	703.82	(0.00)	703.82
5. Additional charge for steep roof - 10/12 - 12/12 slope	22.00 SQ	64.51	0.00	283.84	1,703.06	(0.00)	1,703.06
6. Remove Additional charge for steep roof - 12/12 slope	49.00 SQ	33.11	0.00	324.48	1,946.87	(0.00)	1,946.87
7. Additional charge for steep roof - 12/12 slope	49.00 SQ	81.57	0.00	799.38	4,796.31	(0.00)	4,796.31
8. Remove Additional charge for high roof (2 stories or greater)	72.00 SQ	6.41	0.00	92.30	553.82	(0.00)	553.82
9. Additional charge for high roof (2 stories or greater)	72.00 SQ	18.12	0.00	260.92	1,565.56	(0.00)	1,565.56
10. Asphalt starter - peel and stick	591.00 LF	1.83	0.00	216.30	1,297.30	(778.70)	519.13
11. R&R Ridge cap - High Profile - composition shingles	738.00 LF	8.44	0.00	1,245.74	7,474.46	(2,100.64)	5,373.82
12. R&R Continuous ridge vent - shingle-over style	188.00 LF	9.28	0.00	348.92	2,093.56	(638.13)	1,455.43
13. R&R Gable cornice strip - laminated	18.00 LF	12.54	0.00	45.14	270.86	(85.89)	184.97
14. R&R Chimney flashing - large (32" x 60") - copper	2.00 EA	934.85	0.00	373.94	2,243.64	(173.66)	2,069.98
15. Step flashing - copper	130.42 LF	21.28	0.00	555.06	3,330.40	(266.43)	3,063.97
16. R&R Counterflashing - Apron flashing - copper	78.00 LF	12.60	0.00	196.56	1,179.36	(88.95)	1,090.41
17. R&R Flashing - pipe jack	4.00 EA	49.99	0.00	40.00	239.96	(68.23)	171.73
18. R&R Rain cap - 8"	2.00 EA	49.57	0.00	19.84	118.98	(35.78)	83.20
19. R&R Exhaust cap - through roof - 6" to 8"	1.00 EA	92.02	0.00	18.40	110.42	(33.37)	77.05
JOHN_SMITH_02							

Line Items Tips

General

- The replacement estimate should include a waste factor between 10-20% depending on the complexity of the roofing system.
- Roof materials listed should be up to manufacturer installation standards.

Line 1

- Identify the existing system, such as 3 Tab, Architectural, Designer shingle etc. The insurance company is required to replace the system with a minimum of what is currently on the home.
- *Like kind and quality clause: "Like kind and quality refers to a condition in property insurance policies that states that the insurer would cover the cost of repairing or replacing a covered loss with property similar to the original in composition and quality."*

Line 2

- Insurance companies will typically only cover 15lb, however 30 lb. felt is applicable to slope pitches 7/12 and above.

Line 4-7

- Include all charges required in order to complete a safe installation on a steep slope roofing system.
- Price varies as slope increases 10/12, 12/12 etc., so do the risk, materials and complexity of installation.

Line 8-9

- Additional charges required for the installation process for a 2-3 story home.

Line 10

- If the insurance carrier is saying they are including starter shingle, or hip and ridge in the waste, make sure it is specified as its own line item to be included correctly.
- Additional upgrades and water protection may later need to be supplemented.

Line 12

- Make sure to document the current vent system, the insurance company needs to match it. To upgrade, you may need to supplement.

Line 13

- Eave returns, cornice returns and strips, gable returns are commonly overlooked items that are not paid for. Make sure to have proper evidence associated for these items.

Line 14

- Remove and replace chimney flashing. This is usually damaged during the tear-off process and needs to be accounted for.
- Ensure that they are paying to remove and replace the flashing and that they have the appropriate size and amount for each job.

Line 16

- Counterflashing, apron flashing etc, along the dormer lines, windows, transitions, behind cladding—line items that are also often overlooked and not paid.

Line 17-19

- Remove and replace all pipe jacks, rain caps, exhaust caps. These typically need to be replaced and they incur costs.

Reviewing Line Items

Main Roof continued

DESCRIPTION	QTY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
20. Dumpster load - Approx. 12 yards, 1-3 tons of debris	2.00 EA	397.50	0.00	159.00	954.00	(0.00)	954.00

Please supply documentation/receipts of additional dumpster pulls for review

21. Material Only Tarp - all-purpose poly - per sq ft (labor and material)	3000.00 SF	0.29	0.00	174.00	1,044.00	(0.00)	1,044.00
22. Roofer - per hour	16.00 HR	115.55	0.00	369.76	2,218.56	(0.00)	2,218.56
Labor to tarp around perimeter of roof to protect from further damage during tear off							

Copper Roofing

24. Roofing felt - 15 lb.	2.76 SQ	64.51	0.00	283.84	1,703.06	(0.00)	1,703.06
25. R&R Copper panel - standing seam 1" - 16oz	276.00 SF	20.42	0.00	1,127.18	97.23	(508.72)	6,254.38
26. Remove Additional charge for high roof (2 stories or greater)	2.76 SQ	6.41	0.00	3.54	21.23	(0.00)	21.23
27. Additional charge for high roof (2 stories or greater)	2.76 SQ	18.12	0.00	10.00	60.01	(0.00)	60.01

CODE UPGRADE

23. R&R Drip edge	591.00 LF	6.41	0.00	3.54	2,077.95	(0.00)	2,077.95
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Code item - paid when incurred

28. Ice & water barrier	276.00 LF	1.43	0.00	78.94	473.62	(0.00)	473.62
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Code item - paid when incurred

Dwelling Totals:			0.00	11,691.04	70,146.47	(14,965.98)	55,180.49
Code Upgrade Totals:			0.00	425.26	2,551.57		2,551.57
Totals: Main Roof			0.00	12,116.30	72,698.04	14,965.98	57,732.06

Line Items Breakdown

Line 20

- Make sure to include dump fees appropriate to the job size. This needs to reflect how many layers the roof has and the size of the roof.
- If there is more trash that needs to be disposed than allotted, make sure to document and supplement later.

Line 21-22

- Properly tarp and protect landscaping, pool, and overall property.
- This is a commonly overlooked line item on a job site but it is required to protect the property from further property damage. We must also include the labor required to properly tarp and protect the property.

Line 24

- Outline all installation areas must have felt installed as well.

Line 26

- Example of a steep slope charge since it is more labor intensive to remove and old roof and replace on a 2 story or greater home.

Line 23 & 28

- Code Upgrade: Items necessary to be paid and covered by the insurance company due to local regulations for the home to be up to code.
- Some insurance carriers may not pay for ice and water if it is not a code requirement, unless the roofing system already had ice and water shield.

Common Roofing Abbreviations

Abbreviation	Description
RFG	Roofing
HIP	Hip rafter
R	Ridge
SQ	Squares
TR	Linear feet of truss
TSF	SF under truss system
GRFW	Squares in a gable roof - user defined waste
LAB	Labor only
SDG	Siding

Abbreviation	Description
SFG	Soffit, fascia, & gutter
TMP	Temporary repairs
WDS	Windows - skylights
R&R	Remove and Replace
D&R	Detach and Reset
O&P	Overhead and Profit
LF	Linear feet
SF	Square feet
SQ	Roof Square

Adjuster Meeting

Start with Good Intentions

The relationship between Insurance Adjusters and Roofing Contractors can be strained at times. Especially when there are disagreements on scope of work and qualification for the claim. During the adjuster meeting, the best way to move forward in the claims process is with good intentions and respect.

1 Before the Meeting

It is recommended that the contractor attend the field adjuster meeting. The adjuster inspection process is not supposed to be a bad experience.

- Review the inspection report, photos, measurements and the estimate. You should be an expert on the case.
- Review local code, those items are supposed to be automatically covered for upgrade.

2 Arrive Early

Differentiate yourself from other contractors by respecting the adjuster and providing support if needed.

- Always show up 15-20 minutes early. This gives you time to set up the ladder before hand.
- The homeowner should also be present for the meeting. Greet them and prep them on how the adjuster meeting works.

3 Adjuster Arrival

- Introduce yourself to the adjuster and build rapport with them. Make sure to trade business cards.
- Since you have an established relationship with the homeowner, take time to introduce them to the adjuster, as well.



4 Adjuster Inspection

The goal of the meeting is to observe the inspection and be there to answer any questions that may come up.

- If necessary, prime the adjuster with some of the case information, like date and type of loss.
- Get on the roof with the adjuster but give them space to review and do their inspection. Take notes of their comments and any approvals.
- If they are inspecting a part of the home that is not up to code, make them aware that you noticed it and made a note of it in the estimate.

5 Post-Inspection

After they have completed their review of the roof and any other affected structures, make sure to check in to see if they have any questions for you or the homeowner.

When everything has been completed, remind the homeowner of next steps while waiting for judgement. The goal should always be to come to an agreement on what is the best outcome for the homeowner. By working positively and fairly with the insurance adjuster, you can build a referral relationship leading to future new business.



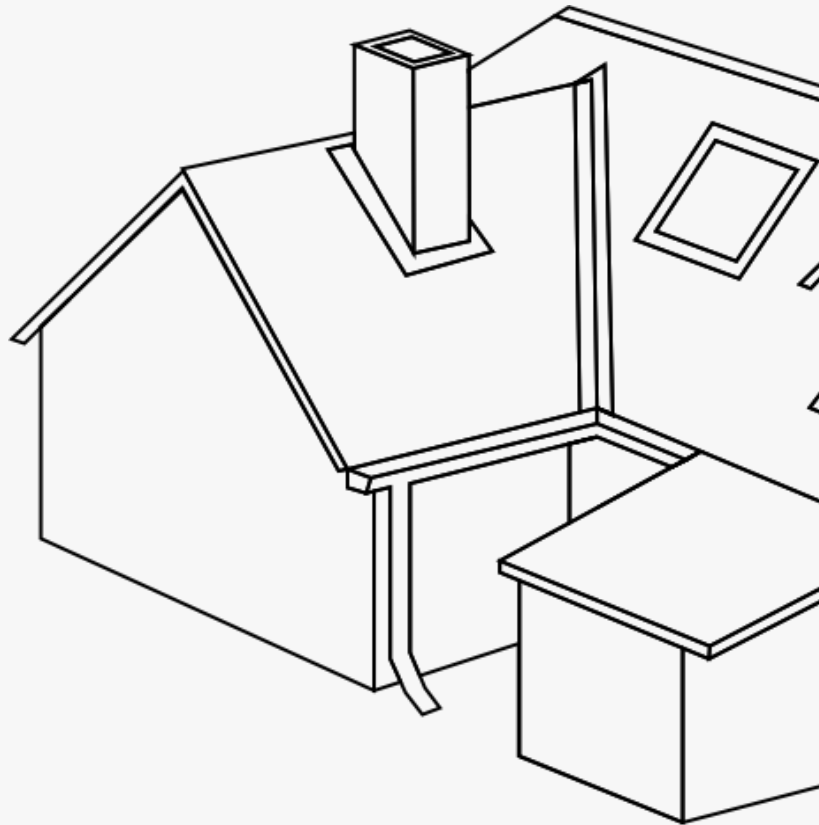
Claim Approval



Fully Approved

If the process is followed through correctly and the claim is filed in good faith, you should get a full approval. Next steps:

- Unredacted copy of insurance documents.
- All specialty estimates ordered or received.
- Discuss with client potential supplements on the claim.
 - Explain the process of supplementing and prepare them for additional funds from insurance company - they are fully covered.
- Ask if they have a mortgage company - if so prepare them for the process of distribution through mortgage company.
 - Documents we need to complete from mortgage company.
 - Mortgage Companies sometimes may delay process for payments significantly.



Releasing Depreciation

To release the remainder of the claim funds, most insurance companies will require a certificate of completion. This can be a contract or they may just ask for receipts proving work was completed, and photo evidence of the repair or replacement. The older the roof, the more money will be held back in depreciation so its important to keep these logs and prove the work was completed.



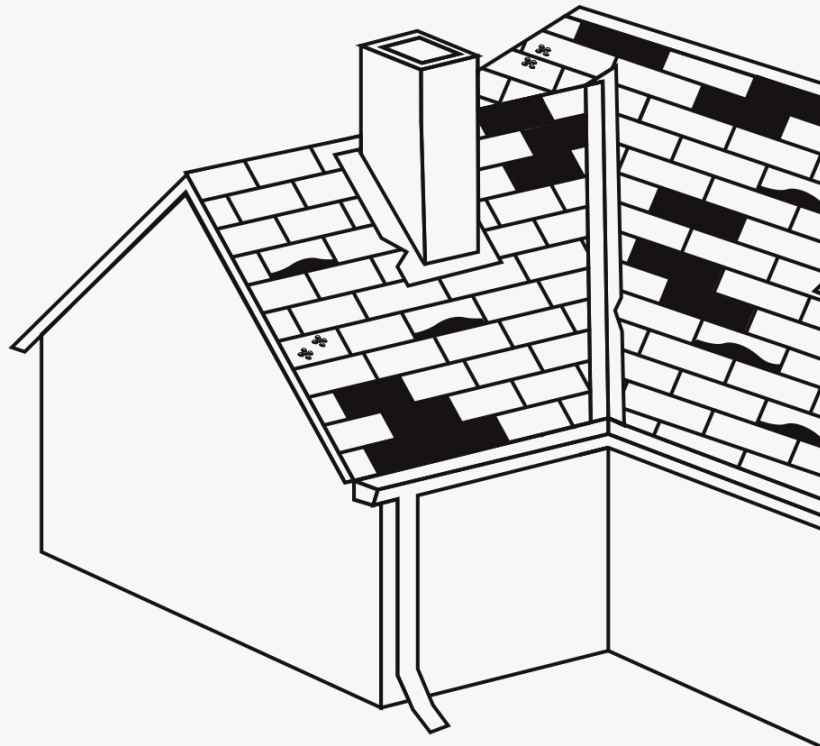
Claim Denial



Partial Approval/Denial

Even when accurate evidence is provided, there is a chance of denial or just partial approval. It's important to educate the homeowner on this outcome in case it does happen and let them know it is not the end! If they really want to fight it, which they should, we can push for re-inspection.

- Recommend the homeowner call their insurance and get a second adjuster inspection.
- Follow up to make sure the insurance adjuster has responded and is scheduled for re-inspection.
- If necessary, escalate the process by having the homeowner call their insurance agent to complain about the denial or partial approval.
- If you haven't heard back from the homeowner, follow up with them and make sure the urgency of the repairs is clear.
- Meet with second adjuster.



Continued Denial

If the insurance company continues to deny the claim, there are a few more actions to take, if the homeowner is willing. They can hire a public adjuster to dispute the claim or sue their insurance company. Both options can add a significant amount of time to the claim since it has already had a previous denial.

Either way, it's important to communicate with the homeowner that their roof damage needs to be mitigated as soon as possible to prevent more serious costly damage. At this point, you may want to lead them into financing options while the claim is being worked on.

Scope of Work

Structural Damage Claim Policy

This estimate is priced based on estimated market pricing for the cost of materials, labor, and other factors at the time of the loss.

Adjustments in market pricing and timing of the repairs may impact the final cost of covered repairs. Should you or the contractor you select have questions concerning our estimate, please contact us. If your contractor's estimate is higher than ours, you should contact us prior to beginning repairs. Insurance Company will work with you and your contractor to determine the actual and necessary cost of covered repairs at the time repairs will be completed, subject to policy terms, conditions and limits.

- We want you to receive quality repair work to restore the damages to your property.
 - We will provide you with a detailed estimate of the scope of the damage and costs of repairs. Should the contractor you select have questions concerning our estimate, they should contact your claim representative directly.
 - Depending upon the complexity of your repair, our estimate may or may not include an allowance for general contractor's overhead and profit. If you have questions regarding general contractor's overhead and profit and whether general contractor services are appropriate for your loss, please contact your claim representative before proceeding with repairs.
 - There may be building codes, ordinances, laws, or regulations that affect the repairs of your property. These items may or may not be covered by your policy. Please contact your claim representative if you have any questions regarding coverage which may be available under your policy.
- 1**

 - Insurance Company cannot authorize any contractor to proceed with work on your property. Repairs should proceed only with your authorization.
 - Insurance Company does not guarantee the quality of the workmanship of any contractor or guarantee that the work will be accomplished within any specific time frame.
 - It is understood that the contractor is hired by you, our insured, and that they work for you - not State Farm.

If you have any questions or need additional information regarding your claim, please contact your claim representative immediately.

Our company's goal is for you to receive quality repair work and restore the damages to your property in an expeditious manner. Attached I have supplied you with a detailed itemized estimate of the covered damage to your property. The listed work to be performed was based on local accepted industry standards for restoration practices. This estimate was prepared based on local material and labor rates for your region. Therefore amounts allowed should be acceptable to numerous reputable restoration contractors in your area. Because the estimate is itemized and detailed, if any changes need to be made to restore your property they can be added after contacting us for review.

You may select a contractor of your choice to perform the listed repairs. It is important that you provide the contractor with a copy of this estimate. If your selected contractor has any questions/concerns regarding the work to be done or the cost allowed they should contact me prior to starting repairs. Any additional or hidden damage discovered during the course of repairs should be reported to me immediately.

Reviewing Scope of Work

Insurance Company

Insured:	Smith, John	Estimate:	12-3456-789
Property:	1 Main Street City, ST 12345	Claim #:	98-7654-321
Type of Loss:	Other	Policy #:	12-3456-789
Deductible:	\$1,000.00	Price List:	1A2B3C_JAN01

Summary for Dwelling

Line Item Total:	2		\$5,953.10
Material Sales Tax:		@ 10.00% x 1,520.00	_____
Subtotal:			\$6,105.10
General Contractor Overhead:	3	@ 10.00% x 6,105.10	\$610.51
General Contractor Profit:		@ 10.00% x 6,105.10	_____
Replacement Cost Value (Including General Contractor Overhead and Profit):	4		\$7,326.12
Less Depreciation (Including Taxes):	5		(\$832.50)
Less General Contractor Overhead & Profit on Recoverable & Non Recoverable Depreciation:			(\$166.50)
Less Deductible:	6		_____
Net Actual Cash Value Payment:	7		_____

Maximum Additional Amounts Available If Incurred:

Total Line Item Depreciation (Including Taxes):	5	\$832.50	
Less Non Recoverable Depreciation (Including Taxes):	8	_____	
Subtotal:			\$312.50
General Contractor O&P on Depreciation:		\$166.50	
Less General Contractor O&P on Non Recoverable Depreciation:		_____	
Subtotal:			_____
Total Maximum Additional Amounts Available If Incurred:	9		_____
Total Amount of Claim If Incurred:	10		_____

Reviewing Scope of Work

This scope of work is a sample and is provided for reference only. This paperwork may vary in language from each insurance provider.

Scope Breakdown

1 Homeowner Responsibility

Insurance companies will emphasize to the homeowner that it is the homeowners sole responsibility to hire and authorize the right contractor to do work on the property. This is why it is extremely important to educate the homeowner on why you will be delivering the best service.

2 Line Item Total

Total value of all items in the estimate plus possible adjustments for labor minimums. Labor minimum is to cover a certain minimum number of hours for drive-time, set up time, and applicable administrative costs and repairs.

3 General Contractor's Overhead and Profit

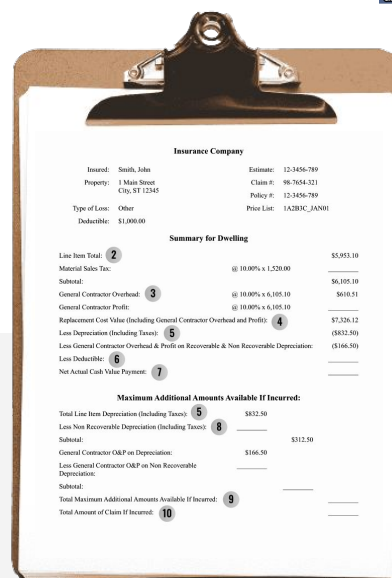
General contractor's charge for coordinating your repairs.

4 Replacement Cost Value (RCV)

Estimated cost to repair or replace. Replacement cost value (RCV) is the amount it costs to replace a property with a new property without deducting for depreciation.

5 Depreciation

The decrease in the value of property over a period of time due to wear, tear, condition, and obsolescence. A portion or all of this amount may be eligible for replacement cost benefits.



Insurance Company

Insured: Smith, John Estimate: 12-3456-789
 Property: 1 Main Street Claim #: 98-7654-321
 City, ST 12345 Policy #: 12-3456-789
 Type of Loss: Other Price List: 1A2B3C-JAN01
 Deductible: \$1,000.00

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Less Depreciation (including Taxes): 5		(\$832.50)
Loss General Contractor Overhead & Profit on Recoverable & Non Recoverable Depreciation:		(\$166.50)
Loss Deductible: 6		—
Net Actual Cash Value Payment: 7		—

Maximum Additional Amounts Available If Incurred:

Total Line Item Depreciation (including Taxes): 5	\$832.50
Loss Non Recoverable Depreciation (including Taxes): 8	—
Subtotal:	\$312.50
General Contractor O&P on Depreciation:	\$166.50
Loss General Contractor O&P on Non Recoverable Depreciation:	—
Subtotal:	—
Total Maximum Additional Amounts Available If Incurred: 9	—
Total Amount of Claim If Incurred: 10	—

6 Deductible

The insurer will pay for losses, up to the policy limits, in excess of your applicable deductible.

7 Net Actual Cash Value Payment (ACV)

The repair or replacement cost or the damaged part or the property less depreciation and deductible.

8 Non Recoverable Depreciation

Depreciation applied to items that are not eligible for replacement cost benefits.

9 Total Maximum Additional Amount Incurred

Total amount recoverable depreciation after actual repair or replacement of the property.

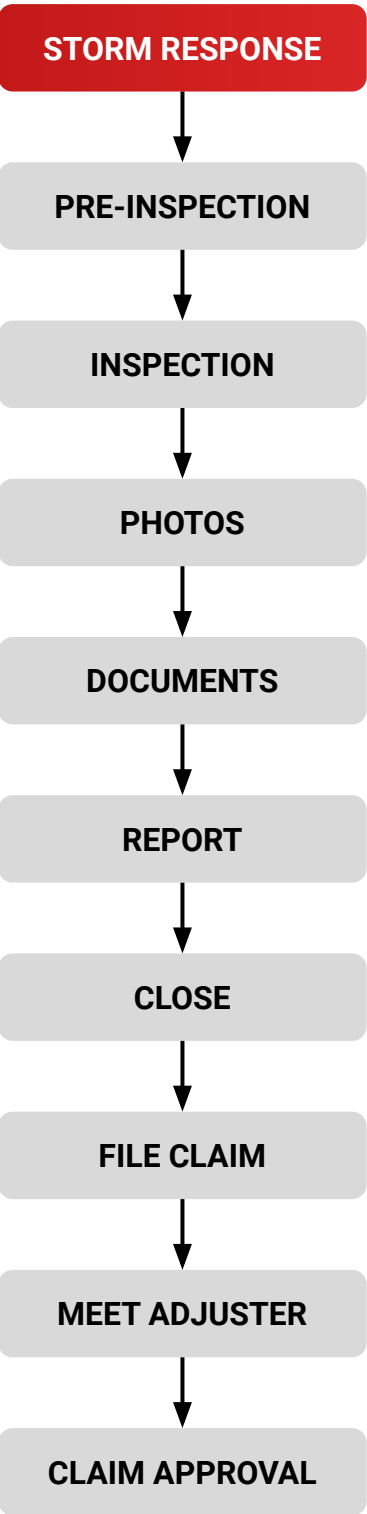
10 Total Amount of Claim if Incurred

Total amount of the claim, including net actual cash value payment and total maximum additional amount available if incurred.

Our Restoration Process

Training Worksheet

Every company is different in their restoration approach. During training, take the time to fill out this worksheet with the specific products, systems, and more that our company uses.



What is our main lead strategy after a storm?

Our standard door knocking script:

How do we differentiate ourselves from other contractors in our pitch?

Our Restoration Process

Training Worksheet

Every company is different in their restoration approach. During training, take the time to fill out this worksheet with the specific products, systems, and more that our company uses.

STORM RESPONSE	What technology do we use to check if an area was affected by a storm?
↓	_____
PRE-INSPECTION	_____
↓	_____
INSPECTION	What is the “claim window” for our area?
↓	_____
PHOTOS	_____
↓	Script to use when the damage is not storm related:
DOCUMENTS	_____
↓	_____
REPORT	_____
↓	_____
CLOSE	_____
↓	_____
FILE CLAIM	_____
↓	_____
MEET ADJUSTER	_____
↓	_____
CLAIM APPROVAL	_____

Our Restoration Process

Training Worksheet

Every company is different in their restoration approach. During training, take the time to fill out this worksheet with the specific products, systems, and more that our company uses.

STORM RESPONSE	What additional items do we need in our inspection toolkit?
↓	_____
PRE-INSPECTION	_____
↓	_____
INSPECTION	Do we use any technology to aid in the inspection process?
↓	_____
PHOTOS	_____
↓	_____
DOCUMENTS	Note any additional inspection points:
↓	_____
REPORT	_____
↓	_____
CLOSE	_____
↓	_____
FILE CLAIM	_____
↓	_____
MEET ADJUSTER	What roof material do we inspect most often?
↓	_____
CLAIM APPROVAL	_____

Our Restoration Process

Training Worksheet

Every company is different in their restoration approach. During training, take the time to fill out this worksheet with the specific products, systems, and more that our company uses.

STORM RESPONSE	Do we use any additional technology to assist with photo documentation?
↓	_____
PRE-INSPECTION	_____
↓	Do we use a drone in our inspection process?
INSPECTION	_____
↓	_____
PHOTOS	Note any additional photo documentation points:
↓	_____
DOCUMENTS	_____
↓	_____
REPORT	_____
↓	_____
CLOSE	_____
↓	_____
FILE CLAIM	_____
↓	_____
MEET ADJUSTER	Where do we upload our photo inventory?
↓	_____
CLAIM APPROVAL	_____

Our Restoration Process

Training Worksheet

Every company is different in their restoration approach. During training, take the time to fill out this worksheet with the specific products, systems, and more that our company uses.

STORM RESPONSE	What paperwork do we typically have the homeowner sign?
↓	_____
PRE-INSPECTION	_____
↓	_____
INSPECTION	_____
↓	Are AOB's permitted in our area? Do we enforce them?
PHOTOS	_____
↓	_____
DOCUMENTS	_____
↓	_____
REPORT	What are main points in our service agreement that homeowners should be aware of?
↓	_____
CLOSE	_____
↓	_____
FILE CLAIM	_____
↓	_____
MEET ADJUSTER	_____
↓	_____
CLAIM APPROVAL	_____

Our Restoration Process

Training Worksheet

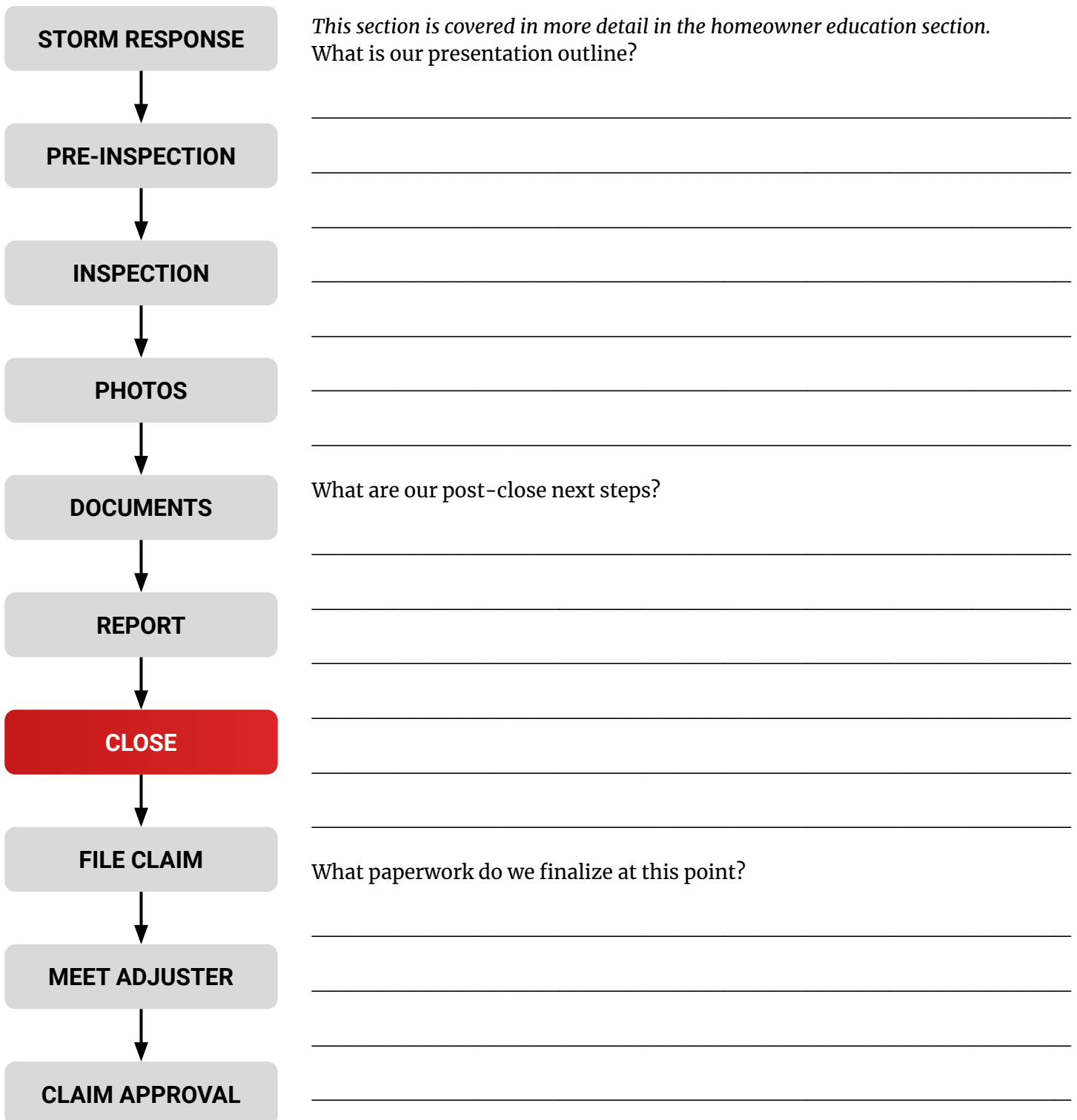
Every company is different in their restoration approach. During training, take the time to fill out this worksheet with the specific products, systems, and more that our company uses.

STORM RESPONSE	What is our preferred estimate structure?
↓	_____
PRE-INSPECTION	_____
↓	_____
INSPECTION	What tools do we use to produce the measurement report?
↓	_____
PHOTOS	What tools do we use for the estimate?
↓	_____
DOCUMENTS	_____
↓	_____
REPORT	What are the major codes and regulations we need to include?
↓	_____
CLOSE	_____
↓	_____
FILE CLAIM	_____
↓	_____
MEET ADJUSTER	What additional evidence do we typically include?
↓	_____
CLAIM APPROVAL	_____

Our Restoration Process

Training Worksheet

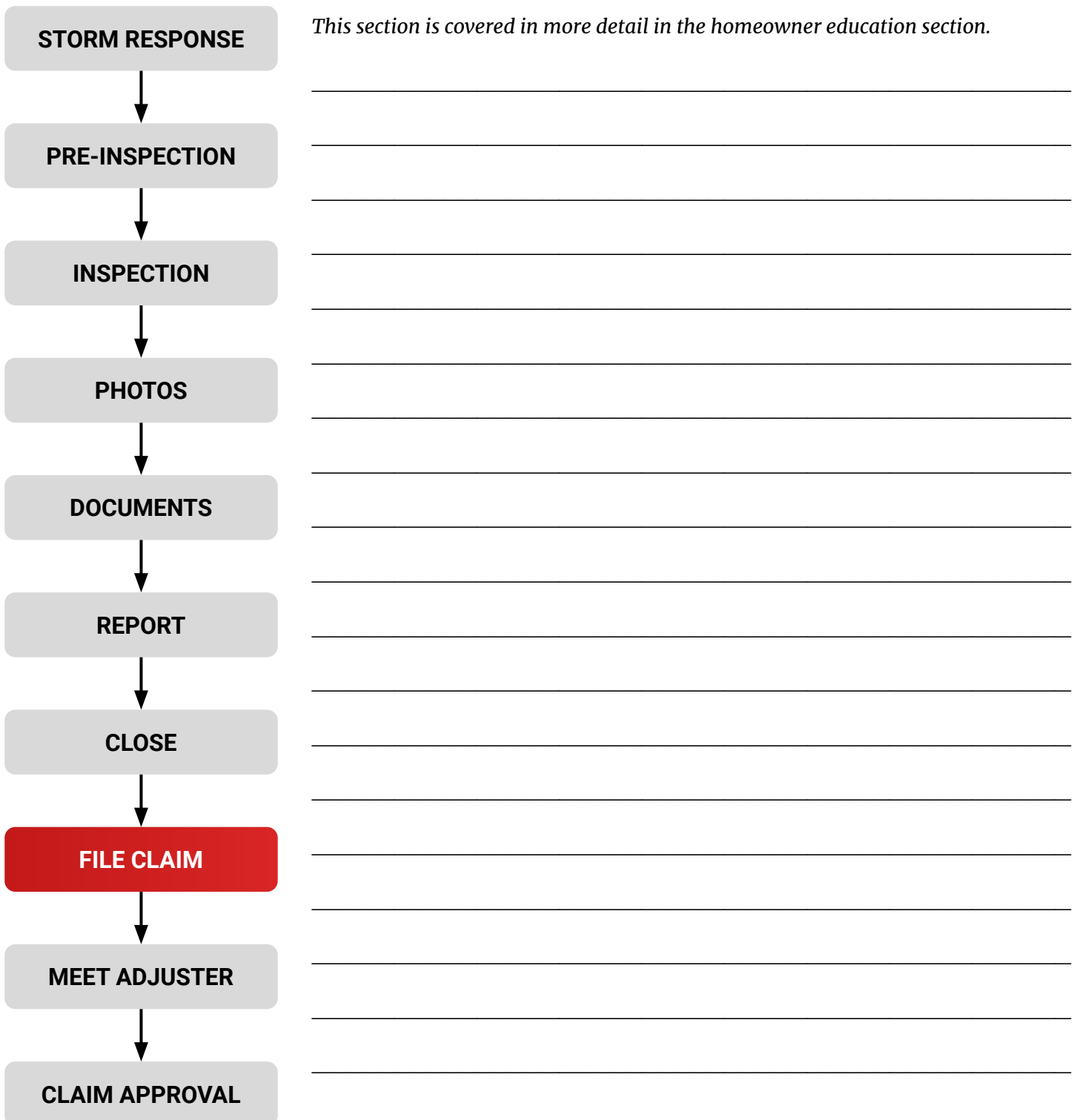
Every company is different in their restoration approach. During training, take the time to fill out this worksheet with the specific products, systems, and more that our company uses.



Our Restoration Process

Training Worksheet

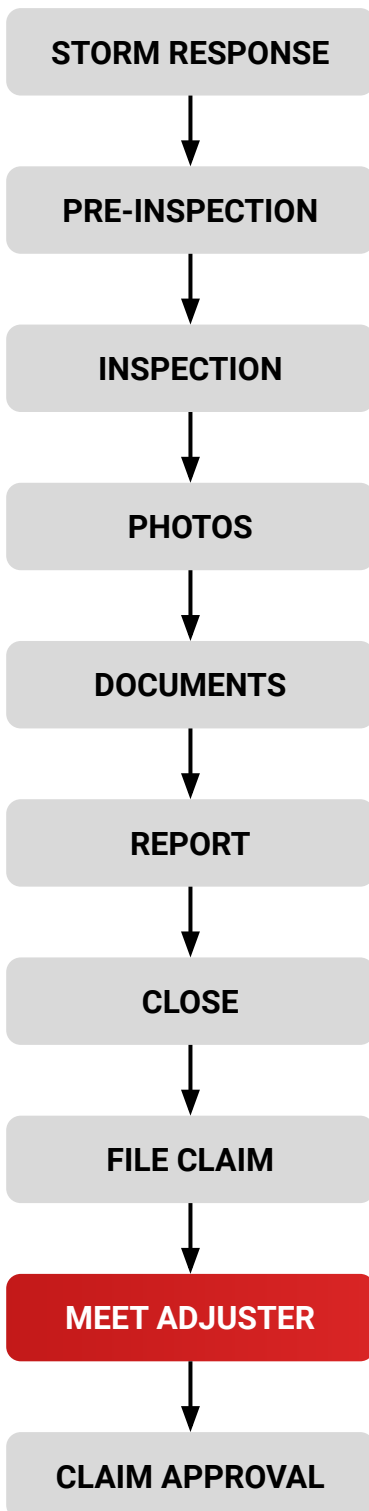
Every company is different in their restoration approach. During training, take the time to fill out this worksheet with the specific products, systems, and more that our company uses.



Our Restoration Process

Training Worksheet

Every company is different in their restoration approach. During training, take the time to fill out this worksheet with the specific products, systems, and more that our company uses.



What is our typical process for the adjuster meeting?

Do we have local relationships with adjusters?

How do we deal with a problematic adjuster?

Our Restoration Process

Training Worksheet

Every company is different in their restoration approach. During training, take the time to fill out this worksheet with the specific products, systems, and more that our company uses.

STORM RESPONSE	What are our next steps after claim approval?
↓	_____
PRE-INSPECTION	_____
↓	_____
INSPECTION	_____
↓	_____
PHOTOS	_____
↓	_____
DOCUMENTS	What are our next steps after claim denial?
↓	_____
REPORT	_____
↓	_____
CLOSE	_____
↓	_____
FILE CLAIM	_____
↓	After continuous denial, what strategy do we use?
MEET ADJUSTER	_____
↓	_____
CLAIM APPROVAL	_____

Notes

[illegible]

Notes

[illegible]

INSURANCE RESTORATION



PART.3

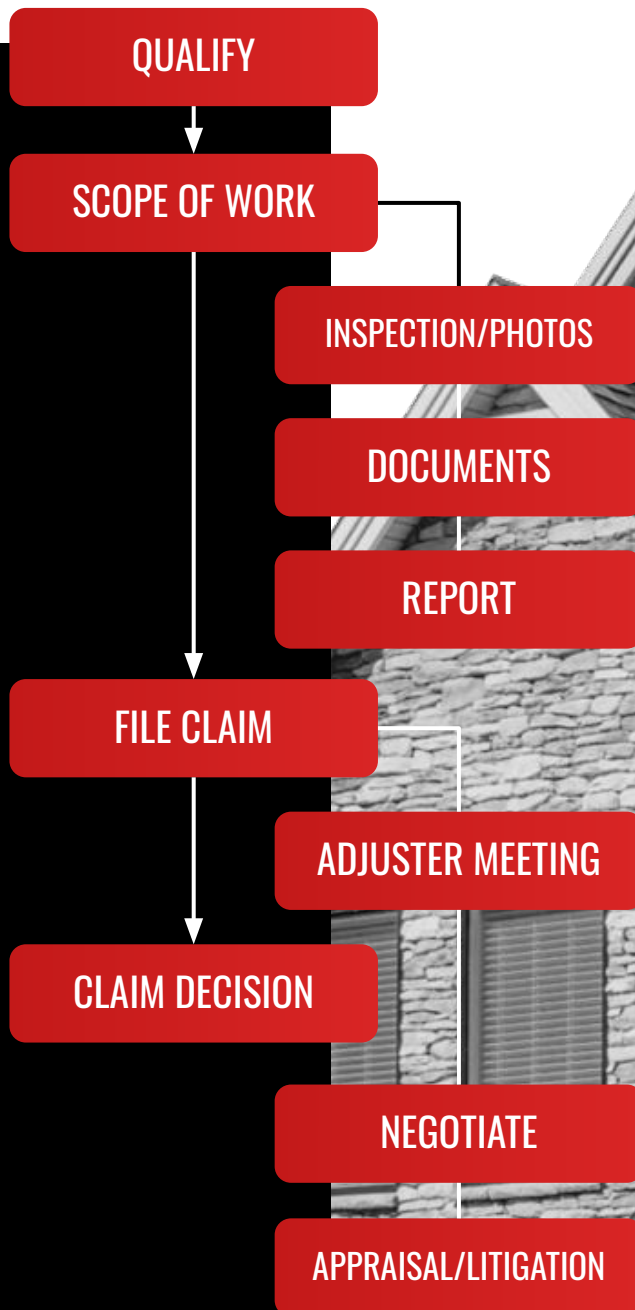


Everything you Need to Know **ALTERNATIVE PROCESSES**

Public Adjuster Process Overview

The Public Adjuster Model

Public adjusters handle the entire claim process; They file, estimate, constantly communicate with the insurance company, and negotiate the claim for the homeowner, not for the insurance company. This allows the contractor to focus on selling their service to the homeowner.



Public Adjuster Process Overview

Contractor Expectations

The PA will handle most of the claim processing and reporting, but the contractor is still responsible for:

- **Lead Generation:** The roofing contractor is still responsible for finding affected homeowners. If you have a relationship with a PA, they may refer your company to homeowners that approach them first.
- **Performing an initial inspection:** Before getting the PA involved, the contractor should do a preliminary inspection to verify its storm related damage.
- **Closing the deal:** The salesman needs make their company the contractors of choice in the homeowner's eyes. Ultimately, it is up to the homeowner
- **Collecting the Deductible:** The roofing contractor needs to educate the customer and collect their deductible before starting the project.
- **Completing the Scope of Work:** The roofing contractor is the one that restores the property to pre-peril condition.

Public Adjuster Process

1

QUALIFY

Once the PA has been contacted, they need to review the contractor's initial findings.

- The PA will review the initial inspection and confirm if the damage qualified for a claim.
- The PA will have the homeowner sign the LOR (Letter of Representation) so that the insurance company knows the PA is representing the Homeowner on this claim.

2

SCOPE OF WORK

INSPECTION, PHOTOS, DOCUMENTS, REPORT

- The PA will take over creating the full scope of the project, including a array of documentation and detailed evidence of qualified damage.
- They will also create the scope of work in Xactimate, making sure all code and line items are clearly outlined.

3

FILE CLAIM

- The PA will file the claim on the homeowners behalf and will communicate directly with the insurance company.
- The PA will attend the adjuster meeting, which the homeowner and contractor can also attend, and answer questions.

4

CLAIM DECISION

- After the Insurance Adjuster reports their findings, the PA has the ability to negotiate the claim further and will continuously communicate with the insurance company to ensure the claim is being reviewed and all additional documents or inspection requests are delivered quickly.
- If the claim is getting approved, the PA can help get the appraisal completed or sue the insurance company on the homeowners behalf.

Public Adjuster Education

PA and Contractor Relationships

Many contractors prefer using the PA strategy on every insurance related job, while others do not want a PA anywhere near the claim. Like with Insurance Adjusters, there can be a strained relationship between the two service providers. Why is that?



Common Issues

Lack of Education on Claims Processes in the Industry.	Not trusting Public Adjusters because their Role isn't Understood.
➤ The complexity of the insurance process isn't fully understood by most contractors unless they have years of experience in restoration. This lack of education on insurance claims and how public adjuster's can aid in the process often result in contractors avoiding insurance work.	➤ A public adjuster's main responsibility is to protect property owners in claims against a loss with the insurance company. A licensed and experienced public adjuster is an advocate during a property damage insurance claim for the homeowner, and therefor, the contractor as well.
Lack of Systems and Processes.	Missing Information/Documentation on Claims that were filed.
➤ Contractors and PA's may not communicate their processes to each other enough, causing delays in claim processing. ➤ Between the dozens of insurance companies out there, there is no standard format for processing claims. Contractors are normally left to wonder where their customer's claim is currently held up.	➤ Delays are often caused by insurance companies requesting additional documentation or information on filed claims. ○ Contractor or repair proposals ○ Proof of loss statement ○ Receipts, invoices, and bills that pertain to your claim ○ Recorded statements
Inspections are not being regulated.	Claims being filed that do not have qualified damage.
➤ The process of how an inspection is performed varies greatly between companies. Many contractors used to retail are not performing inspections detailed enough for insurance review.	➤ Claims that do not have qualified damage, or are filed outside the claim window are likely to be rejected. If the contractor is not fully educated on qualified damage, they can misunderstand the denial.

Public Adjuster Overview

There can be many benefits to working with a Public Adjuster on your projects. In general, they are great resources and on average can get you more money on each claim. However, just like bad contractors, there can be bad actors in adjusting. Overall, here are the major pros and cons of working with a PA.



PROS



Claims Expertise

- Public Adjusters work insurance claims day in and day out. They know exactly what the insurance companies are looking for, and they make sure to deliver it initially for a higher chance of approval.

Insurance Communication

- A great PA team will consistently follow up with the insurance company to keep the claim moving. Although it's possible to learn how to file a good claim on your own as a contractor, the follow up and attention to the claim post-submission is what leads to a speedy approval.

Higher Settlements

- Most contractors that work with PA's report higher settlements than their initial approval.

Saves Contractors Time

- PA's file, estimate, communicate, and negotiate the claim for the homeowner so the contractor doesn't have to. This allows salesmen to focus on selling, not processing the claims. This can be extremely helpful for smaller operations.

CONS



PA's don't work all types of claims

- Most PA's have a minimum claim estimate they are willing to pursue. The process takes a lot of effort, so some smaller claims just are not worth their time.

They take a Percentage of the Settlement

- The way PA's make money on claims is by taking a percentage of the payout. By taking over the process the PA's are saving the contractors time, energy, and money, so in most cases it's worth it.

Another step for the homeowner

- The PA is the advocate for the homeowner, not the contractor. Because of this, the homeowner needs to be educated on their role in the process and needs to sign additional paperwork to get them involved.

The biggest Con: It can take time.

- Most of the time, having a PA on a claim will help push approvals in record time. However, in some cases due to insufficient evidence or even an insurance company acting in bad faith, the claim can be dragged out over months, maybe even a year.

Notes

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Retail Process Overview

The Retail Model

The Retail model is the brief by some in the roofing and restoration industry that the contractors should not be involved in the claims process. This strategy is practiced by bidding the project as a retail job and having the homeowner complete the claims process on their own.



STORM RESPONSE

INSPECTION

EDUCATION

FINANCING

CLOSE



Retail Strategy

Why Avoid the Claims Process?

For a growing number of contractors, the intricate insurance process and new regulations are making it more and more difficult to run a successful insurance division of their companies. The Retail Model is appealing because it takes roofing back to basics and out of the claims process.

Basic Retail Overview

1 INSPECTION

Like in the insurance model, it's important to have a fast response to affected areas.

- In this model, you would approach the property owner by offering an inspection and education about the replacement process.
- What's different about this model is that you are not just doing an inspection to see if they qualify for an insurance claim, you are performing an inspection to see if the roof is still viable at all, even if the damage is just age or wear and tear.
- Since we are not submitting the inspection to the insurance company in this model, there's no need for thorough documentation.

2 EDUCATION

- Education is very important in this model. Since the contractor is not getting involved in the claims process, it's important to give the homeowner information and resources to get the most out of their claim.
- This can include recommending they work with a Public Adjuster, or just negotiate themselves with the insurance company. Not educating the homeowner enough can leave them vulnerable to the insurance company low-balling or denying coverage.



3 FINANCING

- If the roof is qualified for a claim, we are not deterring the homeowner from following the claims process. They should still try to get the repair or replacement fully covered.
- However, the contractors goal is to get the money moving. One way to do this is to get the homeowner to finance the job while waiting for insurance approval and payment. This ensures that work will begin and the property will be restored faster.

4 CLOSE

- Price and fear can become big factors in objections in this model. The homeowner will be concerned that their insurance will not cover the claim and they will be stuck with the bill.
- To overcome this, many contractors will emphasize that whether or not the insurance company will cover the job, the roof NEEDS to be restored to prevent further destruction to the home.
- Like in basic retail models, presentation and education is essential to get the close. More time should be spent on these steps to win the job.

Retail Strategy Overview

PROS



Roof is Restored Faster

- The claims process can take a long time to come to a resolution. By financing the project contractors can get started on the repair faster. They also don't have to be worried about floating funds while waiting for the insurance check to come through.

Less work for Contractor

- The retail model bypasses a lot of the more tedious steps the contractor has to perform in the claims process. A more thorough inspection, documentation, and Xactimate estimate are no longer required.

CONS



More Objections

- Following the retail model means the biggest factor, price, is a main objection again.

The biggest Con: It Hurts the Homeowner.

- In this model, the burden of getting the claim approved and restoration funds released falls on the homeowner. Homeowners may go through a major claim like this once, many twice, in their lifetime, and resources for guiding homeowners through this process are scarce. Since the contractor is getting paid through financing, they have no incentive to properly educate and walk homeowners through the claim process. This can lead to the homeowner not getting the coverage and funds they are entitled to.



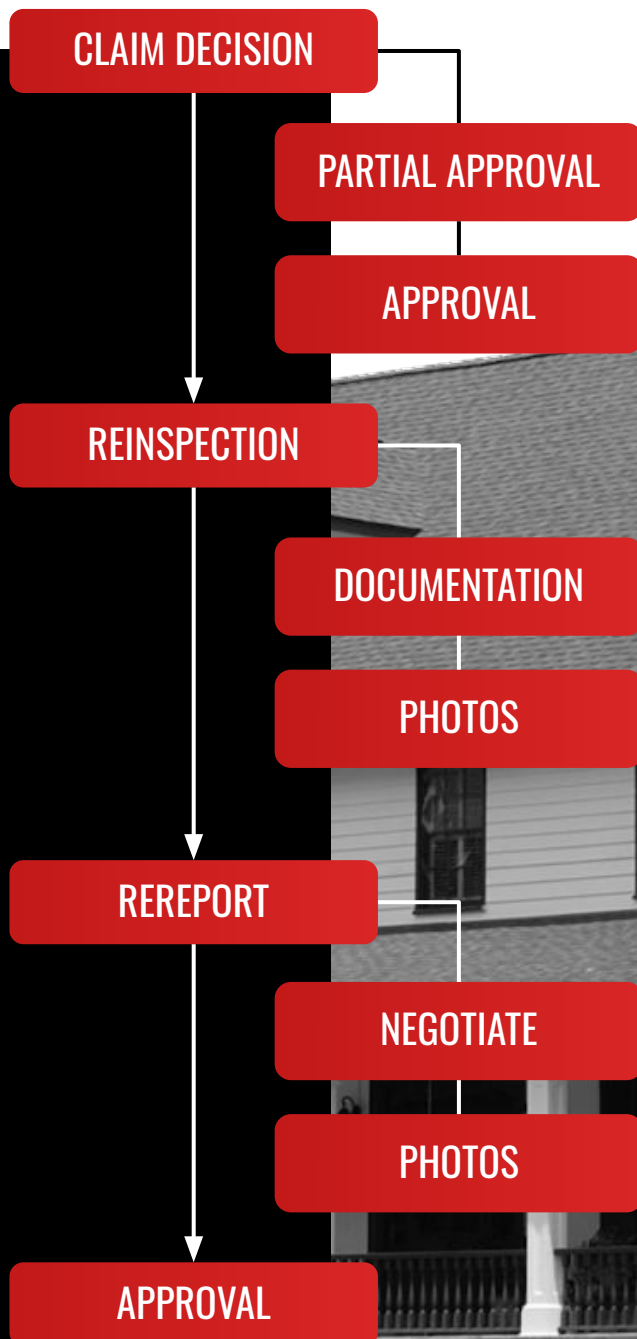
Notes

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Supplement Process Overview

Supplement Strategy

Sometimes an insurance adjuster doesn't notice certain damage until after the claim is settled with the insurance company. Supplemental claims are designed to provide property owners with additional money to make repairs that were not discovered earlier. The damage must be related to the same event for which the claim was initiated.



Supplement Process

1

CLAIM DECISION

After an insurance adjuster determines an appropriate price to restore the roof damage, but later on other problems are discovered by the roofing contractor which the initial payout won't cover, the contractor has a few options.

- Perform the original Scope of Work only
- Do the supplemental work, anticipating the extra insurance payout that will cover the roofer's expenses beyond the scope of work agreed on originally.
- Perform the needed work and bill the homeowner
- Attempt to do all necessary work, including supplemental issues discovered, but manage time and materials to stay within the original agreed-upon price.

The best case scenario for the homeowner is when the insurer and roofer work with supplemental insurance, and the project proceeds in the most thorough manner to ensure complete, long-lasting repairs.

2

REINSPECTION

A reinspection with additional evidence is needed to get supplemented items approved. This can happen for several reasons:

- The estimate for replacement materials was below the actual outlay due to fluctuating commodities prices or other causes.
- The adjuster overlooked a damaged area during the inspection and estimate.
- During restoration, additional damage is revealed, as when shingles are removed, and the underlayment and sheathing are inadequate.

3

REREPORT

It's the responsibility of the contractor to continue to document and report additional work uncovered throughout the restoration process. There are many ways to report the supplemental items to the insurance company:

- Create a work change order report for the insurance company approved by the homeowner.
- Resubmit the Xactimate report with new lines items if its damage uncovered during the restoration process.
- Sending in new photo documentation and reporting of supplemental items with a cover sheet.

4

APPROVAL

- Usually, desk adjusters will be the main point of negotiation for the supplement process. They will review the additional evidence and either make a judgement to add or reject them, or send an adjuster out to verify.
- This can also involve the insurance adjuster returning to the damaged property. Again, the adjuster will inspect and document conditions for the supplemental claim and make a judgement. If the supplements continue to get denied, appraisal and litigation may be the next steps.



Supplement Education

When a roof is seriously damaged and the circumstances are covered by homeowners insurance, an insurance claim is processed. The property owner's role is to arrange for a roof inspection, file the claim, sign off on work performed, and pay the insurance deductible. Sometimes a roofing contractor acts as an intermediary between the property owner and the insurance adjuster. Supplemental insurance claims are the result of damage conditions that went unnoticed during the initial assessment by the authorized person who performed the roof inspection, such as the insurance adjuster.



Supplement Tips

Start Small! Insurance companies are more likely to approve more minimal scopes of work. A strategy some companies use is to get a more basic claim initially approved and then continue to supplement it afterwards to get much more covered.

Don't be general! Make sure you are using the correct line item in Xactimate for specific repair/material you are referring too.

Presentation Matters! Make sure your reports and documentation are well organized to increase understanding on the items that need supplementing.

Restore to Previous Condition! Any upgraded items that you documented were on the roof before need to be added because the insurance company **MUST** restore the property to pre-storm conditions, not just rebuild a standard roof.

Shift your focus! Fight and focus on line items that you have the most evidence for.

Homeowner Education Points

Get What You Deserve!

Most insurance policyholders believe that the insurance company's first settlement is final, which is not true. Insurance policyholders have the right to negotiate for a higher settlement or to file for additional related damages for up to three years after the event that caused the initial damage.

Ensures Quality Work

The major items left off initial approval are usually additional levels of protection the insurance company may not view as necessary. This can include upgraded underlayment and ice and water protection. These type of upgrades can be vital in certain areas for a safe and stable roof system and are important to fight for.



0\$ Out of Pocket

Homeowners need to know that after they pay their deductible, they do not owe any additional funds. By supplementing we are holding the insurance company accountable to cover the cost of necessary work and materials.

Supplementing Overview

Supplementing is a method that can be combined with many different strategies to getting important aspects of the claim covered. There are third party companies that assist with supplementing but some contractors even build out an internal supplement division within their company to handle claims.



PROS



Can be an Easier Process

- In most cases, the insurance company will not approve every line item in your initial estimate.. Many contractors prefer this method as it gives them another way to negotiate specific items that are vital to the job.
- Some Contractors even prefer to initially bid a low initial estimate to get coverage approved faster. Then once coverage is determined, they supplement the roof to get as much covered as possible.

Get More Covered

- As the repair or replacement project begins, new damage may be uncovered. By supplementing, these damages can be documented, added to the estimate, and covered by insurance. This may include removing of additional layers or replacement of decking.

CONS



Lot's of Work

- Like the initial claims process, supplementing is a lot of work. It involves reinspection, even more documentation, and additional adjuster meetings to get basic items covered.

Adjusters Just Deny!

- We expect adjusters to be fair and balanced, but in reality that's not always the case. The supplement strategy does not mean everything will be, or needs to be, approved. The goal is to get more added on than the initial approval had.

Delays the Project

- Going back and forth with the insurance company is time consuming. Supplementing can delay a project by weeks or even months.

Biggest Con: Customer Service

- The insurance company has notified the homeowner that work was approved and it's ready to go, but restoration hasn't started yet? After the initial he homeowner may be burnt out and just wants to complete the project without the additional items.

Alternative Dispute Resolution

Appraisal

An Appraisal is done to confirm cost and scope of work when coverage is already determined. Appraisal experts are able to assess the value of a property (including or specifically the roof), the dollar amount of damage done, and the subsequent loss of value. The appraiser is identifying a potential condition issue that affects a significant component of the roof. This vital step in the claims process serves to tell insurance companies precisely how much money a policyholder can expect under a claim's policy terms. An appraiser renders an appraisal, sometimes but not always subject to a roof inspection. If the roof needs an inspection, then a roofing professional is going to have to examine the roof's condition to determine if it needs to be replaced or not. If the appraisal is subject to repairs, the roofing specialist is going to do the same type of inspection and determine what, if any, action is necessary.

The Appraisal Provision allows the policyholder to hire an independent appraiser to determine the value of their damages. In turn, the insurance company will also hire their own independent appraiser. These three individuals are known as the Appraisal Panel (the insured, plus the two appraisers). The two appraisers select an arbitrator or judge, known as an umpire.

Appraisal Fast Facts



- On occasion, the insurance companies are unwilling to pay the present day, fair market value for the roof replacements. When this happens, the insured has the right to invoke the insurance appraisal process.
- The homeowner will pay their own appraiser, and the insurance company will hire and pay their own. If they can't come to an agreement the umpire (a mutually selected representative) will do an inspection and make a judgement.
- The Appraisal award is determined when the two parties agree on a number. This can be a lengthy process, possibly taking 2+ months.

The object of the Appraisal Panel is to determine The Amount of Loss. The Amount of Loss is the total dollar amount needed to return the damaged property (your roof and/or any other damaged property) back to its original condition, either by repair or replacement.

Litigation



When a roof sustains damage in an event that should be covered by a homeowner's insurance policy, but the insurance company won't pay an appropriate amount for a claim, the homeowner always has the option of enlisting the help of an attorney to try to get the compensation they feel they rightfully deserve. The attorney can help the property owner compile all the necessary evidence needed to build a strong case for a proper claim and, if the case prevails, the insurance company must pay the repair or replacement costs, accordingly.

Early in the process, when an insurance adjuster is challenging the validity or extent of the roof damage, a homeowner can make it clear to the adjuster, and the insurance company, that they are well aware of their rights and are prepared to pursue a just compensation for the roof repair or replacement. With the help of a roofing professional, the homeowner can even put together a settlement amount that they believe they should receive from the insurance company if their claim is denied or if the first amount is not reasonable.

Bad faith insurance refers to an insurer's attempt to renege on its obligations to its clients, either through refusal to pay a policyholder's legitimate claim or investigate and process a policyholder's claim within a reasonable period.

Alternative Strategies

Training Worksheet

Every company is different in their restoration approach. During training, take the time to fill out this worksheet with the specific products, systems, and more that our company uses.

Do we partner with Public Adjusters?

Is there a certain PA we may recommend to a homeowner?

Are there times we may prefer to use the retail model after a storm?

Do we practice supplementing our insurance work?

Do we supplement in house or use a third party?

When would we take a claim to Appraisal or Litigation?

Notes

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INSURANCE RESTORATION



PART.4

An isometric line drawing of a house with a chimney, rendered in a light gray color. A solid red vertical bar is positioned to the left of the main title text.

Everything you Need to Know **HOMEOWNER EDUCATION**

Filing the Claim

Best Practices

Empower the homeowner by educating them on their responsibilities in the claims process. The first task for them is to contact the insurance company to kick off the claims process. If they understand the process they will be more of an advocate for you in getting the claim approved.



1 Post-Storm

In general, after any event that affects their home the homeowner should take photos immediately.

- If possible, they should try to find some photos of the property recently before the storm, this will be a huge aid in the process later.
- The contractor will perform an initial inspection to see if the damage qualifies for a claim.

2 Review Policy

Every policy can vary. Have the homeowner get together all their insurance documents.

- Verify the coverage. The declarations page of the policy should have this information. The contractor should craft the estimate around the policy type.
- Begin deductible education. The policy will have the cost clearly outlined, make sure the homeowner understands it is their responsibility to cover the deductible.

3 Contact Insurance

- In the initial call, the homeowner will have to verify information and report the incident. Notate the claim number given.
- Have the homeowner notify the insurance company that you will be working with them on the restoration. Emergency repairs can be addressed at this time.

4 Claim Paperwork

The insurance company will have the homeowner fill out additional paperwork regarding the claim.

- The contractor will help them provide a detailed report to submit to the insurance company. Advise them not to submit any documents to the insurance company without reviewing it together first.
- If the homeowner has suffered additional loss due to the same storm like person belongings etc, they should document and report that as well.

5 Temporary Repairs

- The contractor will recommend temporary repairs or tarping be completed to decrease the likelihood of further damage while the roof is vulnerable.
- These initial repairs may need to be paid out of pocket while the claim is being reviewed, but they are very important to complete as soon as possible. The contract will add these services to the claim and will fight to get it covered as well.



Homeowner FAQ's

Educated Contractors have an Advantage

When a roofing professional conveys a strong knowledge of the insurance claims process he/she can instill confidence in the homeowner by ensuring a more complete payout and proper restoration. Here are some popular homeowner questions during the claim process.

Q What should my first steps be?

If your home has been damaged or destroyed, you are likely to feel overwhelmed by the loss and by the repair, replace and recovery process that lies ahead. If your property was insured, that insurance policy is the best vehicle to get you back home. If this is your first experience with a large insurance claim, recognize that it's basically a business negotiation.

When it comes to insurance lingo, laws and construction estimating... you're not on a level playing field with the experienced insurance company. But although you may be unfamiliar with your policy and the process in general, there are laws and rules that give you rights. Use them to negotiate and recover the full benefits you're entitled to under the policy you paid for.

Q Will you cover my deductible?

No, we will not cover your deductible. Roofing contractors who say they will cover the deductible are committing insurance fraud. We pride ourselves in being honest and fair with all of our customers and therefore we do not compromise on our ethics.

Q Do I need bids from other contractors?

No, you do not need to get more than one estimate. As the homeowner you can choose the contractor you want to do the repairs. Your insurance company may suggest to get more than one estimate, however, if you get multiple estimates your insurance company will most likely go with the cheapest estimate and not the best quality option.



Q How can I get a fair settlement?

If you're like most people, your home is your biggest asset. Insurance companies often read their policies with a bias that is too much in their own favor. Don't accept an insurance company's calculation of what they owe on your claim without getting other opinions.

Q Do you follow price guidelines?

The insurance company will only pay according to its "pricing guidelines" but they don't match what local contractors are charging —what can I do? Computers don't repair and build homes... licensed contractors do. Your insurance company owes you for what an experienced and reputable contractor would charge you to do the required work to put your home back to its pre-loss condition. Insurance companies use guideline pricing and "Xactimate" (computerized home replacement cost estimating software) to predict how much materials and labor should cost. But an estimate prepared by a qualified local, licensed and bonded contractor who has visited the loss site and reviewed information about the pre-loss structure is generally the most reliable basis for a claim settlement.

Objections: Bids

The benefit of working insurance related roofing jobs is that the typical biggest objection-- price-- is not really an issue. Since these roofs are bought and paid for by the insurance company, the homeowner isn't buying based on price. The best selling technique is educating homeowners on the process and easily handing their objections through education.



3 Bids Objection

“My insurance said I need to get 3 bids.”

Some insurance companies have made the multiple bid process mandatory and others have not. In the case of roof damage, homeowners usually assume the safest bet is to get bids from at least 2 or 3 contractors before settling on one. That's certainly wise when it's a “retail” job – one that won't be paid for by an insurance provider.

However, after a devastating storm or other event covered by insurance, homeowners may be well advised to be very careful when bidding out work, especially when a low bill crosses their desk. While it's in the insurance company's best interest to payout a compensation that ensures the repairs or replacement is done right and will result in a durable long lasting roof, they also want to keep their costs at a minimum. When presented with multiple bids, an insurance company will invariably choose the lowest one.

Homeowners need to know to be careful when getting competing quotes, to make sure they are comparing “apples to apples.” Once an insurance company agrees to a bid, they will not be responsible for any extra compensation that was not presented on the original bid.

How to Coach the Customer:

Why is the insurance company asking for 3 bids?

- Saving them money. The insurance company will want to go with the lowest bid.
- Not in your best interest. The lowest bid is lower because its most likely using subpar products and installation methods. The lower the bid, the less you get.
- You have been paying a high premium for years, and they want to cut corners on the replacement cost.

We can still provide 3 bids.

- Good, Better, Best Estimating: We can provide three replacement estimates that are all fair to you as a customer and fair to the insurance company.

How to get the project rolling faster:

- Have the customer sell you to the insurance company and have them on your side.
- You are the contractor they are choosing. Ask them if they have this in writing on their policy – that it is a requirement IF the insurance company pushes back on not getting 3 bids.
- They need to choose a contractor they trust, not the cheapest.



Other Objections

“I want to use a local contractor.”

- We may not be a local company but use local labor and supplies, to put money into the community and local economy.
- We are a high quality company that specializes in handling this type of roofing work, that's why we travel to other locations. If you are working in a community that does not typically have this type of adverse weather, the local companies may not have the proper experience to assist homeowners.
- TIP: To combat this type of objection, it may be best to get more involved with the local community. If you are working in a community that has been severely affected by a storm, you should volunteer time to local support centers. Outreach to help those displaced by the storm to build local relationships.

“I’m worried about my premium going up.”

- If a high number of homeowners are affected by a storm in your area, your insurance company is getting hit with many claims and your premium may increase whether you file a claim or not.
- Situations like these are the reasons why home insurance exists. USE IT and protect your investment.

“I can’t afford my deductible right now.”

- Sometimes a homeowner will have an issue making the deductible payment work with their budget. This does not mean it's okay to eat the deductible!
- There are many options these days for homeowners to finance their deductible payment. Make sure you have information on these options ready to discuss with them during your presentation.
- Remind the homeowner that the roof damage will escalate, and if they wait to report it outside of claim window they will have to pay the full replacement out of pocket.

“I’m waiting for storm season to be over.”

- Most of the time, hail damage doesn't lead to visible leaks in the homes interior right away. This doesn't mean there is not substantial damage to the roof. Hail degrades the top layer of protection of their roof system, leaving the lower levels vulnerable. Water can penetrate the roof and cause greater damage including dangerous mold.
- Its vital to mitigate the damage at the early stages to prevent water damage that can become toxic to inhabitants. It is also less expensive to replace the shingles than it is to have to replace the whole roof, decking, and pieces of the interior later due to water damage.



Contractor Education

Finding the Right Contractor

As a roofing contractor is it advised to understand unethical practice and avoid them. It's also very important to educate homeowners on how to select the right contractor (and that it's you!)



Homeowner Tips

- Watch out for unsolicited offers or contractors claiming they can perform repairs at a discount with leftover supplies from another job
- Verify a contractor has a license with local and state licensing boards (if your state requires it)
- Additionally, ensure the contractor is licensed for the job. Check to see if a company is properly licensed and if there are any consumer complaints filed against a licensed contractor at the Department of Professional Business Regulation
- Check for proof of insurance and verify with the insurer that their policy is current
- Check to see if the contractor is bonded and verify with the bonding agency
- Never pay the full amount of a repair upfront and hesitate before providing large deposits
- Read the entire contract, including the fine print, before signing to ensure it includes the required buyer's right to cancel language. Understand cancellation rights and penalties you may experience for canceling
- Do not sign a certificate of completion or make final payment until you are satisfied with the work performed

Public Adjuster Education

"Why do I need a Public Adjuster?"

- Public adjusters handle the entire claim process; They file, estimate, constantly communicate with the insurance company, and negotiate the claim for YOU, not for the insurance company.

"What is a proof of loss?"

- Proof of loss is a legal document that estimates how much is being claimed under the policy limit and is used to show the insurance carrier what your claim is worth. This amount will be negotiated with the insurance company.

"Why does my insurance company need/want a recorded statement?"

- The insurance company may request a recorded statement so they can compare it against any other statements made about the accident in order to discredit the statement based on inconsistencies and find reasons to deny your claim.

"What happens after the initial payment?"

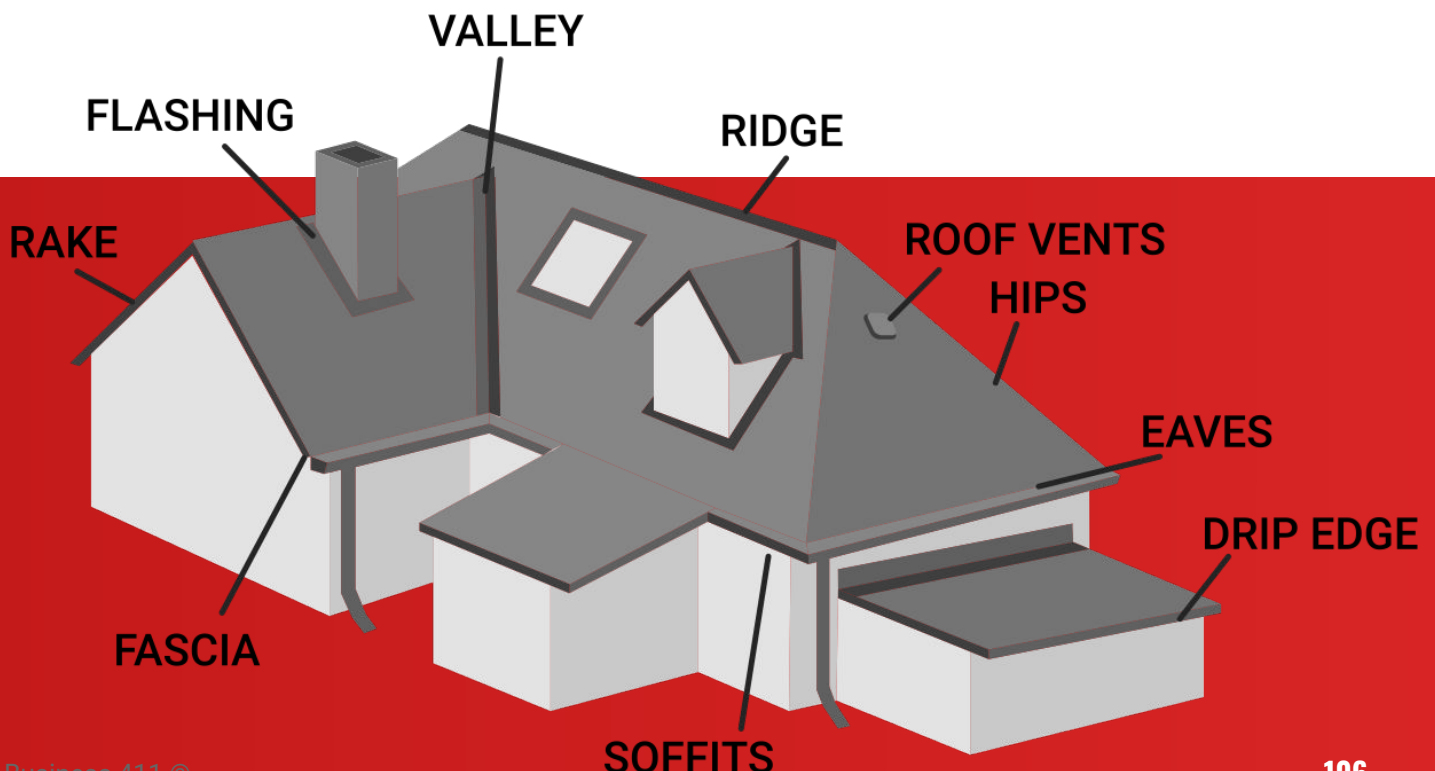
- After the initial payment we move forward in an attempt to settle. If there is a large discrepancy between the insurance company settlement offer and the claim estimate we move into reinspection, mediation or appraisal

Presentation and Roof Education

The detailed report you created for the insurance company is the best tool for educating the homeowner as well. It goes over all your recommendations and builds trust between you and the client. Now they understand the importance of getting the work done and see you as the expert.

Roof System Education

- Make sure the client knows that you install the best and premium roof systems for your customers when working on their claims and replacing their roof systems.
- Install the best roofing system available for the price your insurance company will cover.
- Often the insurance company is trying to give you the minimum and compromise quality on the installation. That's why we document which system is the best in the report so that the client gets the best outcome.
- The goal is to work with clients to help their insurance company see the value in protecting your home correctly.
- Use manufacturer content to breakdown how this system will benefit them. In the worst case scenario that the insurance company does not cover the "Best" system for them, the homeowner will recognize the value and pay the difference.



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Business 411: Branding

At Business 411, we have unique intel and experience with the Roofing Industry. Over the last six years our CEO, Elizabeth Calzadilla, has worked with thousands of roofing companies on implementing technology and studying their business systems globally.

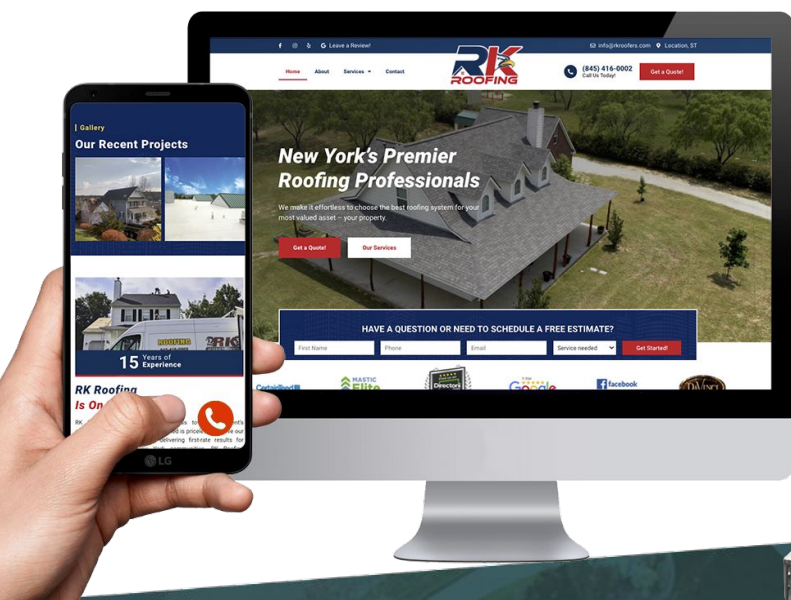
We are the Business Development Center for the roofing community. Our passion is working with roofing business owners closely, as a team, to help each other grow.

Our Process

Over the last few years, Business 411 has made a name for itself by creating unique and memorable brands in the roofing industry. When working with a roofing company, our primary goal is to create a brand that will endure for at least the next 20 years. We listen to the vision the client has and collaborate with them using our creative expertise. Together we build strong logos and branding that we can carry over to their company materials, website, and truck wraps.

Why is Branding Important?

Your brand is your reputation. In the current environment, your online brand matters more than ever. This is how your customers perceive you. Distinguish yourself from the competition and make a memorable impression with a strong brand at all angles.



Our Services

- Logo Design
- Website Builds
- Presentation Folders
- Company Slogans
- Business Cards
- Estimate Flyers
- Social Banners
- Yard Signs
- Truck Wraps
- Trailer Wraps
- Equipter Wraps
- Billboards
- Door Hangers
- Magazines
- Brochures
- Thank You Cards
- Printing
- Home Show Booths
- Proposal Design
- & More!

Business 411: Consulting

Business 411 starts with the basics and ends with your business's sustainable future. Planning the pace of your growth and making sure quality doesn't suffer in the process is critical to your company's success. We know you don't always have the time, nor are you comfortable putting together a business plan.

Business 411 was born to assist small and mid-size roofing and building-related firms in the implementation of sound and effective marketing programs and business operation plans.

What is Your *Why*?

Why did you start your company? How do you articulate your mission? Your vision for success is the blueprint upon which Business 411 constructs customized marketing and operations plans that promise to take your business to the next level.

Why is Planning Important?

A formal business plan is critical to show employees, partners, lenders, and yourself, that you're committed to the growth and success of your business. Creating a plan itemizes the needed strategies that will propel your company forward. A solid plan contains short-term and long-term milestones which provide you and your team targets to strive toward and accomplish.

IT'S GROW TIME

The Plan Includes

- Group Coaching
- Company Roles
- Mission Statement
- Sales Structure
- Business Process
- Lead Gen Plan
- Market Research
- Marketing Structure
- Marketing Plan
- Video Scripts
- Checklists
- Procedures
- & More!



Marketing 411

Why is Marketing Important?

It's important that your business maintains a long-lasting and ongoing relationship with your audience because every business thrives on the acquisition of both new customers and repeat business. If you successfully educate and engage customers, create a strong reputation, and smartly sell through marketing, your business will flourish.

Case Study

With our PPC Management strategy, we were able to build and optimize a roofing company in a competitive market. The goals were to generate more calls and leads from Google.

We start by conducting research centralized around the company brand and its core specialties such as location, demographic, primary services offered, budget and more.

We saw the following results after 90 days:

89%

Increase in Month-over-Month conversions compared to previous year

\$9.20

Decrease in cost per conversion compared to previous year

4.83%

Increase in the conversion rate of ad clicks compared to previous year



KEYWORD	START RANK	CURRENT	MONTH
RESTORATION CONTRACTORS	N/A	1 ↑	MONTH 2
ROOFING LOGANVILLE GA	22	3 ↑	MONTH 4
ROOF REPAIR	N/A	1 ↑	MONTH 3
ROOFING CONTRACTORS	N/A	1 ↑	MONTH 3
METAL ROOFING EXPERTS	N/A	2 ↑	MONTH 2

Our Services

- Google PPC
- Google My Business
- Search Engine Optimization
- Social Media Management
- Social Media Advertising
- Call Tracking
- Scheduled Blogs
- Landing Pages
- Call Answering & More!

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INSURANCE RESTORATION

EVERYTHING YOU NEED TO KNOW

ROOFING MANUAL VOL.3

Thank You

Thank you for taking the time to better yourself and your company by reading this education manual. We created this manual to enrich the roofing industry and set a higher standard for ourselves in how we approach roofing and homeowners.

Keep an eye out for future volumes for more high level education on the industry, commercial roofing, and more.