

# Johnstone Trial Law, LLC

## After the Tornado: 7 Tips for Dealing with the Insurance Company

If your house has been struck by a tornado and you were home, then you've just lived through one of the most terrifying experiences of your life. After the storm passes and your basic needs have been met, it's time to handle your insurance claim.

### **First: Report the Claim**

### **Second: Gathering information**

After reporting the claim, make sure to begin gathering together your evidence. Some of this evidence includes:

- pictures of the home before the tornado,
- pictures of the home after the tornado,
- photographs and receipts of damaged items.

Take pictures of all of the damage and do not throw anything away unless you are told to do so in writing by the insurance company. Communicating by e-mail with your claim representative can be a good way to preserve your communications.

### **Third: Meet with the Adjuster**

After you have reported your claim, you can expect that you will meet with an adjuster. After tornadoes and other catastrophic events, many adjusters are independent contractors and do not work directly for the insurance company. As a result, this may not be the only adjuster or claims representative that you have to deal with. Before the adjuster arrives, make sure that you walk around your home and look for all potential damages. You might also gather together basic information about the tornado and its path. Your adjuster may be overwhelmed and any information that you can provide might be helpful.

When the adjuster arrives, walk around the home with the adjuster. You might bring someone else with you to be a witness to any statements that the adjuster makes. You might also consider tape recording the inspection. I have had several cases where initial adjusters have made comments suggesting that a home should be totaled or was a total loss and the company has later denied these statements.

### **Fourth: Get Your Own Estimates And Experts**

Go ahead and begin getting together estimates for any damage to your home from reputable contractors. Make sure that the contractors are licensed and bonded. If the damage is extensive, then you probably want to consider hiring a licensed home builder or restoration contractor. If you suspect that your home has foundation damage or structural damage as a result of the tornado, you might consider hiring a structural engineer to look at the damage.

While You may be tempted to wait for the insurance company to hire and pay for the engineer, the same engineering companies often worked for the same insurance companies on many different claims. As result, the possibility of bias exists. Once the insurance company's engineer comes back with a report that minimizes damage to your home, then the insurance company will

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be less likely to believe that damage has been caused by the tornado, even if you later obtain an engineer who says so.

## **Fifth: Compare Your Estimates to Those Received by The Insurance Company**

When you receive the estimate from the insurance company compare it with the estimates that you have gotten. Most insurance companies use a computer program called Xactimate. While this is a very complicated program that uses a lot of data, it is only as good as the person entering the information and it doesn't necessarily represent the price that a contractor in your area would charge to fix your home. In addition, the insurance adjusters are often in a hurry and can miss large areas that have been damaged.

## **Sixth: Supply Your Estimates to the Insurance Company**

If your estimates are higher than the insurance company's estimates, make sure that you provide them to the insurance company. You can also meet with your contractor and the insurance adjuster to try to work out any areas of difference.

## **Seventh: Trying to Resolve Your Dispute**

If you are unable to work out your differences with the insurance company and there's a significant amount of difference between what they're willing to pay and what it's going to take to fix your home then you have several options.

## **Filing a Complaint with the Department of Insurance**

Sometimes, a helpful first step might be to contact the Alabama Department of Insurance and file a complaint with the consumer division. You can do this by going to their website at [www.aldoi.gov](http://www.aldoi.gov) and looking for the link for filing a consumer complaint. Unfortunately, the consumer division can be overly deferential to the insurance companies and you may not get any relief this way.

## **Appraisal**

Your policy also likely has an appraisal clause in it that allows you to ask the insurance company for an appraisal if there is a difference between their estimate and yours. The way this works is that you hire someone who is usually a contractor or former adjuster who acts as an appraiser and they give their opinion on the cost of the repairs or replacement, the insurance company hires their appraiser, and then the two appraisers hire a third that they call an umpire. The umpire decides what the true cost of repair or replacement is. While you do have to pay for the cost of the appraiser, this process can be quicker than filing a lawsuit.

## **Lawsuit**

In some situations, the insurance company will resist an appraisal or an appraisal might not be appropriate. In these situations, you might not have any other recourse other than to file a lawsuit. If you do file a lawsuit, the damages that you should be able to recover would include the cost of repairing or rebuilding your home and mental anguish damages to compensate you for all the worry and anxiety caused by the insurance companies refusal to put you back in your home. If you have had to stay somewhere besides your home and have paid money to do that because your home has not been livable, you might be entitled to be reimbursed for your additional living expenses. Finally, if the insurance company has committed bad faith, then you could be entitled to other damages including punitive damages.

## **We're Here to Help**

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Hopefully, your insurance company pays to restore your home and you are back in it as soon as possible. If you have any questions or need anything, please call us to schedule a free thirty minute consultation.