



# Residential Property Claims Guide

## What to do After a Loss

One of the most important things to do after a property loss is to make temporary repairs to prevent further damage. Do your best to protect your property by covering damage in roof, walls, doors, and windows with plastic sheeting or plywood. Homeowners insurance policies may not cover ensuing damage to your property if you have not taken reasonable steps to secure the property from subsequent damage. After a property loss you must report the damage to your insurance company agent or representative to start the claim process. Keep a log of all phone calls and correspondence, and make copies of all correspondence you send to, or receive from, your insurance company.

## What may be Covered by Your Homeowners Policy

Below is what may be covered by your insurance company. Discuss with your agent for additional information.

- Additional Living Expenses
- Personal Property
- Dwelling
- Trees and Shrubbery/Debris Removal
- Water Damage
- Building Code Upgrades

## Call Your Insurance Agent or Company Representative

After a property loss you must report the damage to your insurance company agent or representative to start the claim process. Ask questions such as:

- Does my policy cover the property damage to my home?
- How long will it take to process my claim?
- Will I need to obtain estimates for repairs to the structure?
- What is my deductible? (The deductible is the portion of the loss you pay before your insurance company begins to pay.)

## Dealing with Your Insurance Adjuster

Your insurance company may send you a claim form, known as a “proof of loss” form, to complete. Proof of loss is a formal statement made by a policy owner to an insurer regarding a loss. It is intended to provide the insurer with information to determine the extent of its liability. A claims adjuster, a person professionally trained to assess the damage to your property, may visit your home before you’re asked to complete any forms. The more information you provide about your loss, the sooner your claim can be settled. Your adjuster generally will come prepared to do a

thorough and complete evaluation of the damage to your home. If the adjuster is unable to complete a thorough inspection due to time constraints he/she may be forced to “scope the loss.” This is a brief inspection of the damage with a second visit necessary to complete the inspection.

## Replacement Cost Versus Actual Cash Value

Replacement cost is the dollar amount needed to replace a damaged item with one of similar kind and quality without deducting for depreciation – the decrease in value due to age, wear and tear, and other factors. An actual cash value policy pays the amount needed to replace the item at the current market value.

## How the Payment Process Works

The first check you receive from the insurance company is often an advance, not a final payment. If you’re offered an on-the-spot settlement, you can accept a check at that time. Always be wary of initial settlement offers that are represented as full settlements and require a release of further liability. When both the structure of your home and your personal belongings are damaged, you generally receive two separate checks from your insurance company. You should also receive a separate check covering your additional living expenses. Review the difference between structure and personal belongings with your insurance agent.

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## What to do if You Do Not Agree with the Settlement Offer

- Know Your Rights Under the Unfair Practices Act and the Fair Claims Settlement Practices Regulations
- Talk to the Claims Manager
- Contact the California Department of Insurance
- Consult an Attorney

Fair Claims Settlement Practices Regulations govern how insurance claims must be processed in California. The regulations specify time deadlines within which insurers must acknowledge, evaluate, make and communicate decisions on claims, and pay claims. The full text of the regulations is available at the Department of Insurance website, [www.insurance.ca.gov](http://www.insurance.ca.gov).

## Filing a Complaint (Request for Assistance)

CDI is committed to protecting your rights. Many questions can be answered over the phone. If we are unable to resolve the issue over the phone, you have the option of filing a Request for Assistance against the insurer or the agent/broker by mail or online on our website. The system will allow you to attach copies of all necessary documents, such as policies, canceled checks and correspondence. Some examples of the issues the Department may be able to help with include:

- Improper Denial of Claim
- Cancellation or non-renewal of a policy
- Delay in settlement
- Alleged misappropriation of premiums paid
- Alleged misrepresentation by an Agent/Broker or solicitor
- Unfair underwriting practices
- Dishonest or deceptive insurance sales tactics

## Contact Us

Consumer Assistance Hotline:

1-800-927-4357

TTY 1-800-482-4833

Visit us on the web at:

[www.insurance.ca.gov](http://www.insurance.ca.gov)

To order additional materials contact

Community Relations & Outreach at:

[crob@insurance.ca.gov](mailto:crob@insurance.ca.gov)



Led by Insurance Commissioner Ricardo Lara, the California Department of Insurance is the consumer protection agency for the nation's largest insurance marketplace and your best resource for honest and impartial answers to insurance questions. Knowledgeable insurance professionals are available through our consumer hotline. Call 1-800-927-HELP (4357) or visit [www.insurance.ca.gov](http://www.insurance.ca.gov) to view all of our consumer information guides and insurance resources. These tools are available to consumers free of charge.