



The Life Cycle of a Commercial Insurance Claim

It's a rare occasion, if all is generally well with your business, to file a commercial insurance claim. Florida business owners often have to contend with the ever-present threat of hurricanes and flooding, as well as man-made disasters and property crimes. While some insurance coverage is required, other policies can be considered prudent investments. The exact procedure for filing a commercial insurance claim differs depending on the type of policy from which you are seeking coverage, but we have put together a general guide on navigating the process.

1. Prepare for all contingencies. President John F. Kennedy made a profound statement nearly 60 years ago: "The best time to repair the roof is when the sun is shining." In other words, the best time for disaster preparation is when you have the capacity to do so. Business owners should create and implement a documented system to respond to losses. Make sure your employees have access to important communication channels and know who to contact in the event of a

covered loss. Having standardized reporting forms at the ready is also an effective way to prepare for a commercial insurance claim. Take time to carefully read over your insurance policy and ask your agent to clear up any confusion or answer any questions.

If you have a brick-and-mortar storefront or warehouse, we highly recommend installing a video surveillance system to capture footage that may be pertinent to a future claim. Hard evidence will be your greatest asset as you try to obtain compensation from your insurance company.

2. Gather evidence. Documenting the scene is important with any type of insurance claim. You should take pictures and video with your phone and ask your business partners or employees to do the same. If applicable, get witnesses' accounts of the event that allegedly caused the covered loss and ask them for their contact information. Make a note of any conversations you have.

In some situations, it may be necessary to contact the authorities and have a police report filed. Neglecting to do so could hurt your claim's chances of success later on. Insurance companies often require a police report if your loss was due to the result of a crime, like burglary or arson.

3. Contact your insurance agent — sooner rather than later. Nearly every insurance policy requires the insured to notify the provider in a "reasonable" amount of time or "as soon as is practicable." The language used can vary, but filing a claim in a timely manner is more than optimal after a loss — it's mandatory.

Once you make contact with your insurance company representative, be sure to come prepared with evidence backing up your factual statements. That part is quite important — while you have an obligation to be forthcoming with your insurance company and relay the facts of

your loss, you should absolutely refrain from speculating on the cause of the loss, the responsible party, and how much you think it will cost to fix. Avoiding speculation and guessing is a good rule of thumb in any interaction you have with insurance company representatives.

The best rule of thumb, however, is to contact an attorney as soon as possible when you realize that you'll need to file a commercial insurance claim. While it's good to know how to properly communicate with your insurance agent, the safest way is to simply let your attorney do the talking. Don't worry about offending your provider — any professional insurance company employee should understand the desire for policyholders to preserve their claims.

4. Take actions to mitigate damages. It is appropriate, in many cases, to take minimal action in order to prevent further damage before a contractor can begin making repairs. For instance, putting a tarp down after your business's roof is damaged during a hurricane is more than just a smart move for your commercial space — it could lead to losses that your insurance company won't cover. Ask your agent about your duty to mitigate losses and save any receipts that show expenses you incurred during your mitigation efforts.

5. Make contact with your adjuster. Your insurance provider should assign a public adjuster to your claim within a matter of days (keep in mind that providers are required to respond to claims within a certain period of time). The public adjuster works for your insurance company and will visit your business to begin determining the value of your loss. Public adjusters often enlist the help of contractors and other licensed professionals to help estimate a loss's value.

At a certain point, the public adjuster will review your insurance policy to give his or her opinion on whether your provider is obligated to pay. Providing copies of photos, witness accounts, and other evidence is

crucial. At this stage, you should strongly consider hiring an independent adjuster or other professionals to provide second opinions on the value of your loss. Get two or three estimates if you have the financial resources.

6. Stay on top of the process. Unfortunately, you will have to play the waiting game while your insurance provider considers your claim. The public adjuster or some other representative should keep you updated on your claim's progress, but don't hesitate to reach out for recent information. Just as you have a duty to notify your insurance company in a timely manner, the company must make a decision on your claim in a timely manner.

7. Take action if your claim isn't handled to your satisfaction. Insurance companies are statutorily required to act in "good faith" with the insured. Your policy will likely outline other obligations, but it's still vital to have an attorney present to help you handle the claims process. Insurance policies are written confusingly by design, and it often takes a legal professional to decode the text.

If you're worried about paying for an attorney, know that Salas Law Firm's fees are 100 percent contingency based. Our attorneys don't collect unless *you* collect. And, it bears repeating — the sooner you contact an attorney, the better your eventual claim will be positioned after a covered loss. You can be sure your insurance company is ready to defend against claim appeals and lawsuits. The best decision *you* can make is choosing a quality advocate. To discuss your options with Salas Law Firm, call our office at (954) 368-4050 or [fill out a form on our website here](#).