

CONSUMER CLAIMS JOURNAL

**EXPLORING
THE SPECTRUM OF
RESIDENTIAL
ROOF COVERINGS**



THE
EVOLVING
LANDSCAPE
OF PROPERTY
INSURANCE
DEDUCTIBLES

**INCREASE
BUSINESS
EFFICIENCY**



CONSUMER CLAIMS JOURNAL

THE MAGAZINE FOR PUBLIC ADJUSTERS
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MEET YOUR 2024-2025 NAPIA PRESIDENT



Matthew Blumkin

is the C.E.O. and Managing Principal of The Greenspan Company/Adjusters International and based in the Los Angeles office. He works extensively throughout Southern California, Nevada, and on many of our nationwide projects for clients. Matthew utilizes his background in law to methodically handle our most challenging and complex losses with assertive efficiency.

Matthew has been the lead public adjuster for over a thousand clients in single-family dwelling claims and mass disasters during many of the recent and most destructive wildfire events in California. During the 2007 San Diego, 2008 Sayre/Station, 2009 Santa Barbara, 2015 Round Meadow and 2017 Thomas wildfires and Montecito Mudflows and 2018 Woolsey, 2019 Saddle Ridge and Getty wildfires, 2020 Bobcat wildfire, he represented hundreds of home and business owners whose properties had been partially damaged or totally destroyed. Matthew oversees our extensive team adjusting approach on matters in order to set priorities for action plans, the complex damage quantification processes, and resolution strategies to move the claims process toward conclusion.

Matthew is routinely sought out by business managers, financial advisors, insurance brokers, attorneys, and accountants to handle insurance claims

for their high net worth, personal lines or corporate clients. His ability to work with the team that a client has in place while keeping everyone informed and on-task produces an added value for the client and their representatives in a goal-orientated process. Additionally, he has adjusted numerous residential, commercial, industrial, and corporate claims for clients such as The Gildred Company (San Diego), Santa Catalina Island Company, Fallbrook Plaza Medical Condominium Complex, Be Wise Ranch and Organic Farms (San Diego), Los Padres Council/Boy Scouts in Santa Barbara, Malibu Bay Homeowners Association, San Fernando Valley Rescue Mission, Be Wise Ranch (San Diego), Malibu Bay Club, Edward Thomas Hospitality and Shutters Hotel (Santa Monica), Mark Seliger Studios (NYC), The Historic Mayfair Hotel, Johnathan Banks, Dustin Hoffman, Johnny Mathis, Louis Gosset, Jr., Rhonda Byrne, Michael Garson and Simon Sutton.

Matthew was born and raised in Encino, California. He attended the University of California, Riverside where he earned his Bachelor of Arts in Political Science and then attended Southwestern University School of Law, where he received his Juris Doctor law degree in 1995. He began his legal career handling complex litigation matters at several prominent Los Angeles law firms where he represented insurance companies and defended insurance agents, brokers, and attorneys in malpractice and errors and omissions matters. He also served for over two years as the legislative legal counsel to the Federated States of Micronesia, Kosrae and traveled throughout the pacific rim to provide advice and legal support. His legal experience and assertiveness have made him a natural fit for The Greenspan Company/Adjusters International.

Matthew continues to pass along his knowledge and experience by teaching continuing education classes to agents and brokers on a regular basis as well as at local and statewide seminars put on by the Independent Insurance Brokers and Agents of California (IIBACAL, IIBA-LA, IIBA-OC, IIBA-SD, IIBA-BGP). He has been retained as an expert witness by law firms throughout California regarding insurance

claims handling issues and damage calculations in litigation matters against insurance companies and responsible third-party defendants.

Matthew has been retained on matters as a party appraiser and assists in resolving complex litigation and insurance claims through mediations and arbitrations. He is a certified umpire and appraiser through the Insurance Appraisal and Umpire Association, Inc. (IAUA).

Matthew is actively involved with the National Association of Public Insurance Adjusters (NAPIA). He is the President of NAPIA for the 2024-2025 term and has served on its National Board of Directors between 2012 to the present.

Matthew and The Greenspan Company actively support many local Fire Departments and their union membership through time commitments and financial donations. Matthew serves as an Independent Director on the United Fire Fighters Of Los Angeles City Fire Foundation (UFLACFF) and provides support and recommendations to the Foundation's Board of Directors on fundraising efforts, charitable recommendations, long term planning and networking opportunities to support the Foundation and its mission statement and scholarship funds. Matthew also serves on the Board of Directors of the Vera Society Non-Profit and Adjusters International.

Matthew has been a PADI certified Divemaster since 1998, remains actively involved in many local charitable organizations including the United Fire Fighters of Los Angeles City Fire Foundation (UFLACFF), We Benefit Children (WBC), The Jewish Federation, The Guardians of the Los Angeles Jewish Home for the Aging and the Vera Society (SDIC). Matthew enjoys spending time golfing and traveling with his wife and two children.





EXPLORING THE SPECTRUM OF RESIDENTIAL ROOF COVERINGS

By: *Tim Woodard and Stephanie Lee*

Residential roofing comes in a variety of styles and materials, each suited to different climates, aesthetics, and budgets. Below is an explanation of the most common types of residential roofing, including their characteristics, advantages, and disadvantages

ASPHALT SHINGLES

Asphalt shingles are the most common roofing material in North America. They are made of a fiberglass mat covered with asphalt and granules, which provide weather resistance and color.

Advantages:

- Affordable and widely available.
- Easy to install and repair.
- Variety of colors and styles.
- Durable, with warranties often ranging from 20 to 50 years.

Disadvantages:

- Can be less durable in extreme weather conditions (e.g., high winds or hail).
- Shorter lifespan compared to some other materials like slate or metal.
- Can degrade over time with sun exposure.

WOOD SHINGLES AND SHAKES

Wood shingles are thin, uniform pieces of wood (often cedar) that are machine-cut, while shakes are thicker and split by hand, giving them a more rustic, uneven appearance.

Advantages:

- Natural look, ideal for traditional or rustic-style homes.
- Good insulation properties.
- Environmentally friendly, as they are made from renewable resources.

Disadvantages:

- Higher maintenance requirements; they need to be treated for rot and insects.
- Prone to mold, rot, and fire unless properly treated.
- More expensive compared to asphalt shingles.

METAL ROOFING

Metal roofs are made from various materials such as steel, aluminum, copper, or zinc, and can be installed in panels or shingles. Metal roofing is durable and long-lasting.

Advantages:

- Extremely durable, can last 50-100 years.
- Excellent for shedding snow and rain.
- Energy-efficient due to reflective properties (reduces cooling costs).
- Fire-resistant.

Disadvantages:

- Higher upfront cost than asphalt shingles.
- Can be noisy during rain or hailstorms unless insulated.
- Dents easily if struck by heavy debris (depending on the material).

CLAY OR CONCRETE TILE ROOFING

These tiles are made from clay or concrete and are often used in Mediterranean, Spanish, or Southwestern-style homes. They come in curved or flat forms.

Advantages:

- Very durable and can last 50-100 years.
- Excellent for hot climates due to their heat resistance.
- Attractive, distinctive aesthetic.

Disadvantages:

- Heavy, requiring reinforced structural support.
- Expensive and labor-intensive installation.
- Can break or crack under impact, like falling debris.



SLATE ROOFING

Slate roofs are made from natural stone, offering an elegant, long-lasting solution for high-end homes. The stone is cut into thin, uniform pieces that overlap to form a waterproof barrier.

Advantages:

- Extremely durable, lasting up to 100 years or more.
- Fire-resistant and environmentally friendly.
- Aesthetic appeal with a natural, high-end look.

Disadvantages:

- Expensive upfront cost.
- Very heavy, requiring structural support.
- Fragile - slate tiles can break if walked on or impacted.

SYNTHETIC ROOFING

Synthetic roofing materials mimic the look of other materials, such as slate or wood, but are made from plastic, rubber, or a combination of synthetic materials.

Advantages:

- Lightweight and easy to install.
- More affordable than natural materials like slate or clay.
- Low maintenance and durable, with a lifespan of 40-50 years.
- Eco-friendly options available.

Disadvantages:

- Quality can vary, so it's important to choose a reputable product.
- Can be prone to fading or cracking under extreme weather conditions.

FLAT ROOFING

Common on modern homes and urban buildings, flat roofs are generally made from materials like tar and gravel, rubber (EPDM), TPO, or modified bitumen. The roof is nearly level, with a slight pitch for drainage.

Advantages:

- Ideal for homes with a modern or minimalist design.
- Can be used for outdoor living spaces, like patios or gardens.
- Easier to access for repairs or installation of HVAC systems.

Disadvantages:

- Poor drainage, which can lead to water pooling and leaks if not maintained properly.
- Shorter lifespan compared to pitched roofs.
- Requires more maintenance due to potential water damage and cracking.

The choice of roofing material depends on factors like budget, climate, durability, and aesthetic preference.

Asphalt shingles are a popular choice due to their affordability and versatility, while materials like slate, clay, and metal offer more durability and a high-end look. For those in areas with specific needs, such as flat roofing or sustainable options, there are solutions like EPDM or green roofs.

Each type of roofing has its pros and cons, so it's essential to consider both the long-term costs and the required maintenance for your specific needs.

THE EVOLVING LANDSCAPE OF PROPERTY INSURANCE DEDUCTIBLES

Navigating Windstorm, Hail, and Named Storm Risks

Kyle Herring, AIC, SPPA

In recent years, the property insurance industry has seen significant shifts in how deductibles are structured, particularly in relation to specific perils like windstorms, hail, and named storms. This evolution is being driven by a combination of increasing climate-related risks, insurer concerns about exposure, and policyholder demands for affordability, and more flexible and tailored coverage options. As weather events become more severe and frequent, the complexity of property insurance deductibles continues to grow, impacting both insurers and insureds.

Rising Frequency of Windstorm and Hail Events

Historically, property insurance deductibles were structured as flat dollar amounts, applying uniformly to a range of potential losses. However, the increasing frequency and severity of windstorm and hail events—driven by changing climate patterns—has led insurers to reconsider this model. According to NOAA, the U.S. has experienced a dramatic rise in the number of billion-dollar weather disasters, many of which are wind and hail-related. This trend has put pressure on insurers to recalibrate deductibles for these specific events to manage their own exposure to losses.

As a result, percentage-based deductibles have become increasingly common, particularly in high-risk regions. These deductibles are calculated as a percentage of the insured property's value, shifting more of the financial burden onto policyholders in the event of a claim. For instance, in regions prone to severe hailstorms, like the Midwest and parts of Texas, policyholders may face windstorm or hail deductibles ranging from 1% to 10% of their property's insured value, rather than a traditional flat deductible.

The Complexity of Named Storm Deductibles

A particularly noteworthy development has been the rise of named storm deductibles, which specifically apply to damages caused by hurricanes or tropical storms that have been officially named by the National Hurricane Center. These deductibles are much higher than standard policy deductibles, reflecting the increased risk and potential for widespread

damage associated with these storms as a means for insurers and markets to offset the first 5% to 10% of the insurable value of the insured risk. On large commercial assets and coastal condominiums, this means Named Storm Deductibles can amount to several hundred thousand dollars, into the millions.

Named storm deductibles have become a crucial tool

for insurers, especially in coastal regions vulnerable to hurricanes. By applying a higher deductible for named storms, insurers can better manage their exposure to catastrophic losses while offering more competitive premiums

for non-storm-related risks. However, for policyholders, this often means navigating a complex landscape of deductibles that can vary significantly depending on the specifics of the storm and its official designation.

Adding to the complexities of Named Storm Deductibles, close attention must be given to the varying stipulations and conditions in how these deductibles are applied per the terms and conditions of their respective and individual policies. While in some instances, each Unit of Insurance for Building, Business Property and Time Element each carries its own separate and distinct named storm deductible, some policies require the percentage deductible apply to the Total Insurable Values for a specific building, including its business personal property and/or Time Element Coverage in the aggregate, irrespective of whether each coverage line is triggered. And lastly, a policy may require the Named Storm Deductible be applied to a Total Insurable Value for a specified Location, meaning a property with multiple buildings and multiple units, a global Location TIV Percentage Deductible applies regardless of if one building suffered loss, or each and every building during an event.



Deductible Buy-Back Options

A cost-benefit analysis for policyholders and brokers faced with high deductibles as part of their property insurance packages, should explore available options for Deductible Buy Back policies. While an additional premium expense is inherent with this alternative, the policyholder may be able to transfer the deductible risk in the event of a loss in exchange. Nevertheless, policyholders should be aware and prepared of their deductible exposure and responsibilities and incorporate these as part of their Risk Management analysis to ensure their self-insuring responsibilities are budgeted well in advance of a catastrophic loss event.

Regional Variations and Regulatory Impacts

The landscape of deductibles for windstorm, hail, and named storms is not uniform across the U.S. but instead reflects regional variations in risk and regulation. States like Florida and Texas, where hurricane and windstorm risks are particularly pronounced, have specific laws and regulations governing deductibles for these perils. In some cases, insurers are required to offer a range of deductible options, providing policyholders with more flexibility to balance their upfront costs with their potential exposure.

In addition, some states have implemented regulations that protect policyholders by limiting the application of named storm deductibles. For example, in New York, a named storm deductible can only be triggered if the storm reaches hurricane strength and makes landfall within the state. These regulatory nuances add another layer of complexity for both insurers and insureds, requiring a deep understanding of local laws and risk factors. In a separate example, states such as Florida and Louisiana have statutory regulations related to Calendar Year Hurricane Deductibles where an annual aggregate deductible is applied for the policy term, should multiple Storm Events impact a property in the same calendar year.

The Future of Property Insurance Deductibles

Looking ahead, the evolution of deductibles for windstorm, hail, and named storms will likely continue in response to climate change, regulatory shifts, and advancements in catastrophe modeling. Insurers are increasingly relying on sophisticated models to assess risk on a granular level, allowing for more precise pricing and deductible structures tailored to individual properties.

Additionally, as policyholders become more informed about the risks they face, there is growing demand for greater transparency in how deductibles are applied and triggered. Some insurers are responding by offering more customizable

policies that allow property owners to choose between different deductible options based on their risk tolerance and financial situation.

At the same time, there is ongoing debate within the industry about the fairness and accessibility of percentage-based deductibles, particularly for lower-income homeowners who may struggle to absorb the higher out-of-pocket costs associated with large property losses. Finding the right balance between affordability and risk management will remain a critical challenge for insurers as they adapt to the changing landscape of property insurance.

Conclusion

The evolution of property insurance deductibles for windstorm, hail, and named storms reflects broader trends in the insurance industry, including a heightened focus on risk management and the need for more flexible, region-specific solutions. As climate-related risks continue to rise, both insurers and policyholders will need to stay informed and adaptable to ensure that property insurance remains a viable tool for protecting against the financial impacts of severe weather events.

Regulators should also pay close attention to monitor and protect consumers to maintain caps on the percentages insurer's may inflict on high deductibles. While current Named Storm and Wind/Hail Deductibles do not exceed 10% of the insurable values, pressing this further and allowing any higher percentages will diminish and nearly eliminate the consumers ability to collect any compensable benefits following catastrophic events. Should these percentages continue to creep, significant premium savings should be mandated as the insurer's risks and exposures being substantially offset in the event of a loss.

Brokers should also communicate and calculate the deductibles being incorporated as part of the binder, specific to the terms of the policy. All too often, while policyholders may be aware of the certain percentage deductible, they are unaware of the mechanics and application in which the policy stipulates. Better transparency and further offering or presenting deductible buy back options will further protect consumers and educate them on what is effectively their self-insured responsibility.



Kyle Herring is a 2nd generation Insurance Professional, beginning his career as an adjuster in 2002. During his 22 years of industry experience, Kyle has served in a multitude of roles in the insurance industry from Independent Adjusting, Appraiser, Umpire, Expert Witness and his current role, Public Adjuster. He is a Partner and Executive General Adjuster at Strategic Claim Consultants, an Atlanta Based Public Adjusting Firm servicing commercial, industrial, hospitality and condominium clients.

EQUIPMENT EVALUATION 101

Jeff Schwenk, Continental Machinery Co. Inc

“ After a catastrophic incident, these systems will require damage assessment and development of the proper scope of work to return the insured to pre-loss condition. ”

All types of facilities, from manufacturing to commercial buildings, schools, hospitals and even residences have varying degrees of equipment installations. From basic residential plumbing, mechanical and electrical installations to intricate automated processing lines at manufacturing facilities with ancillary equipment such as compressors, hydraulics, vacuum systems and other mechanical installations. The more intricate manufacturing systems operate at increasingly more precise specifications and tolerances. Most of these systems are operated and controlled/monitored by extensive electronics, PLC's and data collections systems. After a catastrophic incident, these systems will require damage assessment and development of the proper scope of work to return the insured to pre-loss condition. This includes conditions such as reliability, efficiency, maintenance, functionality and life expectancy.

The majority of loss incidents affecting insureds are fires and water related flooding from storms, hurricanes and tornados. As a result, the most common exposures requiring attention are the following:

THERMAL DAMAGE – Heat related damage that will burn and melt any number of materials. High heat will distort metal and quenching of hot metal will also cause damage to material properties altering design specifications and configuration.

Soot – Combustion-by-product that is a particulate which is conductive for electrical / electronic components and hygroscopic (absorbs and retains moisture) which can induce corrosion. Odor is also associated with soot.

Acidic / Ionic contamination (non-thermal damage) – Corrosive contamination on metals that will degrade the material through pitting process.

DIRECT WATER EXPOSURE – Causes corrosion and damages electrical / electronic items as well as mechanical systems.

Excessive relative humidity / condensation – Can cause damage to electronics by inducing corrosion and expansion of materials.

Assessing these types of exposures will involve initial site observations, field testing (non-destructive) and forensic testing methods if deemed appropriate. Depending upon the type of damage and severity, visual observations provide the best initial data to establish severity of the incident. These visual observations will identify damage such as melting, soot distribution, corrosion, distortion of metals, and water exposures related to submersion and spraying from firefighting activities. Moisture meters and infra-red testing will provide excellent data regarding moisture content and relative humidity in a facility. Forensic testing can provide all types of data regarding chemical exposures related to corrosion and metallurgical damage related to thermal exposures.

ALL EQUIPMENT ASSESSMENTS WILL REQUIRE A DETAILED INVENTORY OF EQUIPMENT INVOLVED IN A LOSS INCIDENT.

This inventory should include as much detail as possible regarding the type of equipment, manufacturer, model number, size, and should also include all ancillary equipment, attachments and accessories. In addition, all MEP (mechanical, electrical and piping) installations such as electrical disconnects and piping systems for air, oxygen, nitrogen, etc. need to be identified. Mechanical support equipment, such as motors, pumps, compressors, air dryers, etc. should also be included. Many manufacturing facilities have extensive tooling, dies and fixtures associated with each piece of equipment that will all require some amount of cleaning, decontamination or replacement depending upon the type and severity of damage. All aspects of the equipment that could require any cleaning, repairs or replacement should always be identified and included in all pricing activities.



“ **Part of the equipment evaluation pricing process should be inclusion of all indirect costs associated with a project of this nature.** ”

FOR COMMERCIAL APPLICATIONS the mechanical systems generally include motors, pumps, air handling systems and various environmental control equipment such as boilers and chillers. Electrical switchgear and motor control centers will require evaluation. There will be many electronic systems associated with variable frequency drives, security, building management systems and HVAC applications. For mechanical systems, the components that provide movement and utilize bearings will require the most attention as these are the critical items. Electronics that control all the mechanical and accessory systems will require detailed assessment and determination regarding damaging effects from the various conditions created by the incident. With electronics, even high humidity conditions can cause exposures which are referenced in owner’s manual environmental conditions as outside of recommended conditions. All aspects of damaging exposure related to contamination, particulate and moisture should be considered for all mechanical, electrical and electronic systems.

FOR INDUSTRIAL APPLICATIONS mechanical systems and electronic utilization are much more complicated, automated and precise. The number of moving components and monitoring systems create a more difficult assessment process which is complicated further by the extreme precision of equipment in utilization today. For all moving surfaces or components there will be a combination of linear or rotary rails or fixtures using all types of bearings that allow movement. These systems need to be clean with no particulate or corrosion to allow proper repeated movements. Any degradation will result in higher maintenance costs and equipment downtime, which is critical in the low margin, highly competitive nature of today’s business environment.

For electronics, acidic gases related to fires can cause corrosion and soot particulate, and is both conductive and hygroscopic (absorb and retain moisture) which can also lead to corrosion. As noted previously, humidity can cause damage to electronics as moisture will enact inert contaminants that remain harmless when in dry conditions. The difficulty with identifying damage to electronics is the circuits are miniaturized to a point where visual identification of problems is not available without magnification. Many times, forensic testing or sending samples to laboratories are necessary methods for evaluating electronics. If the damage is not identified during the assessment phase, the client can suffer equipment failures associated with an incident after the claim has been settled, that should be covered by insurance for the loss incident.

Part of the equipment evaluation pricing process should be inclusion of all indirect costs associated with a project of this nature. When dealing with equipment, if replacement is required there will be removal costs, freight, rigging, installation (including all MEP and ancillary equipment) and commissioning. Project management will be extensive to handle and coordinate the amount of labor and vendors that will be necessary for either a cleaning project or considerable amount of equipment replacement. The commissioning costs of bringing a facility back on-line are considerable as many employees, vendors, materials and utilities are required for a complete start-up process. Indirect costs can account for as much as 30% to 50% of a total project allocation.

Large commercial claims can be difficult and will require extensive interaction with consultants from insurance carrier. In general, the earlier an equipment consultant is engaged, the better the process will proceed. In our experience, early interactions and discussions regarding damage and scope of repairs can be beneficial to the process and allow some degree of agreement on many of the issues. In our experience, when there is no equipment consultant working on behalf of the insured, many times the scope of work is reduced, which significantly lowers the value of the associated repairs and overall recovery for the policyholder. Also, early retention and work on the inventory and overall recovery process allows the costs associated with our work to be recoverable under the personal property coverage for the insured as damage assessment. When retained late in a project, many times we are viewed as a “consultant” and allocated as professional fees.

AN ISSUE THAT CAN ADD DIFFICULTY TO AN ASSESSMENT AND SCOPE OF WORK DETERMINATION IS MANAGING CLIENT EXPECTATIONS.

With a large claim and significant equipment damage, the insured can have excessively high expectations of the repairs process and what the final configuration of equipment and operation of such should allow. Many times, it is necessary to explain the limitations of the policy and restrictions related to betterments or improvements in operation or capacity.

EQUIPMENT CLAIMS CAN BE EXTENSIVE AND COMPLICATED, but to navigate the process better, starting with a detailed inventory that is fully inclusive of all items and support equipment is the best path forward. Working with consultants from insurers from the early stages allows for initial agreements and a clear definition of items for discussion and review.

“ *A comprehensive and detailed pricing of all scope of work, including indirect costs, will be necessary to fully restore the insured to a pre-loss condition.* ”

By: Frank Winston

Florida public adjusters must keep in mind that in the aftermath of a catastrophic event in Florida, public adjusters must adhere to specific contracting requirements as outlined in by Florida statutes. Given the heightened degree of scrutiny being paid to the public adjusting industry by the State of Florida since the aftermath of Hurricane Ian, it is pivotal that adjusters be mindful of these requirements and act accordingly.

HOW MUST THE PUBLIC ADJUSTING CONTRACT APPEAR

The public adjusting contract must be in writing and titled "Public Adjuster Contract" in at least 12 point type. It must also prominently display a statement in minimum 18 point bold type before the space reserved for the insured's signature, containing the following statement warning against fraudulent claims:

"Pursuant to s. 817.234, Florida Statutes, any person who, with the intent to injure, defraud, or deceive an insurer or insured, prepares, presents, or causes to be presented a proof of loss or estimate of cost or repair of damaged property in support of a claim under an insurance policy knowing that the proof of loss or estimate of claim or repairs contains false, incomplete, or misleading information concerning any fact or thing material to the claim commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084, Florida Statutes."

Fl. Statute §626.8796(1).

WHAT CANCELLATION LANGUAGE MUST THE CONTRACT INCLUDE

Additionally, the contract must include a cancellation clause allowing the insured to cancel the contract without penalty within 10 days of signing. If the contract is based on events subject to a state of emergency declaration by the Governor, the cancellation period extends to 30 days after the date of loss or 10 days after the contract execution, whichever is longer.

Fl. Statute §626.854(7).

The public adjuster's contract must also contain the following language in minimum 18-point bold type immediately before the space reserved in the contract for the signature of the insured or claimant:

"You, the insured, may cancel this contract for any reason without penalty or obligation to you within 10 days after the date of this contract. If this contract was entered into based on events that are the subject of a declaration of a state of emergency by the Governor, you may cancel this contract for any reason without penalty or obligation to you within 30 days after the date of loss or 10 days after the date on which the contract is executed, whichever is longer. You may also cancel the contract without penalty or obligation to you if I, as your public adjuster, fail to provide you and your insurer a copy of a written estimate within 60 days of the execution of the contract, unless the failure to provide the estimate within 60 days is caused by factors beyond my control, in accordance with s. 627.70131(5)(a)2., Florida Statutes. The 60-day cancellation period for failure to provide a written estimate shall cease on the date I have provided you with the written estimate." The notice of cancellation shall be provided to (name of public adjuster), submitted in writing and sent by certified mail, return receipt requested, or other form of mailing that provides proof thereof, at the address specified in the contract."

Fl. Statute §626.854(7).

FEE CAPS DURING STATE OF EMERGENCY

Public adjusters cannot charge, agree to, or accept compensation exceeding 10% of any insurance settlement or claim payment for claims arising from the events that created the state of emergency. If the claim involves events not based on a state of emergency, compensation cannot exceed 20% of the settlement or claim payment.

(b) A public adjuster may not charge, agree to, or accept from any source compensation, payment, commission, fee, or any other thing of value in excess of:

1. Ten percent of the amount of insurance claim payments or settlements, exclusive of attorney fees and costs, paid to the insured by the insurer for claims based on events that are the subject of a declaration of a state of emergency by the Governor. This provision applies to claims made during the year after the declaration of emergency. After that year, the limitations in subparagraph 2. apply.
2. Twenty percent of the amount of insurance claim payments or settlements, exclusive of attorney fees and costs, paid to the insured by the insurer for claims that are not based on events that are the subject of a declaration of a state of emergency by the Governor.
3. One percent of the amount of insurance claim payments or settlements, paid to the insured by the insurer for any coverage part of the policy where the claim payment or written agreement by the insurer to pay is equal to or greater than the policy limit for that part of the policy, if the payment or written commitment to pay is provided within 14 days after the date of loss or within 10 days after the date on which the public adjusting contract is executed, whichever is later.
4. Zero percent of the amount of insurance claim payments or settlements, paid to the insured by the insurer for any coverage part of the policy where the claim payment or written agreement by the insurer to pay occurs before the date on which the public adjusting contract is executed.

Fla. Stat. § 626.854(11)(b).

TIME PERIOD TO PROVIDE WRITTEN ESTIMATES

Public adjusters are required to provide a written estimate to the insured and the insurer within 60 days of executing the public adjuster contract. Failure to do so, unless caused by factors beyond the adjuster's control, allows the insured to rescind the contract. The cancellation period for failure to provide a written estimate terminates once the estimate is provided.

Fla. Stat. §626,8796(4).

FLORIDA EMERGENCY RULE

In the aftermath of the recent hurricanes to impact Florida within the last 2 months, the Florida department of Emergency Services has seen fit to enact emergency rules to govern the conduct of the public adjusting industry. The title of the emergency rule is "Ethical Requirements for All Adjusters and Public Adjuster Apprentices." Within the section of the rule providing it stated reasoning, after describing the recent storms impact on Florida, the reasons stated are as follows:

"Fair and transparent loss estimates and claim adjustments will be crucial to ensure Floridians are properly and fairly compensated under the terms of their property insurance contracts, while also ensuring ongoing insurer solvency after potentially momentous financial losses. The emergency rule provides greater transparency to Florida consumers in estimating losses and claims adjustment by ensuring that property owners can ascertain all parties that have reviewed and amended their loss estimate documentation. Greater transparency will reduce post-storm fraud. The emergency rule is necessary to protect Florida consumers against unfair and deceptive acts in the Florida property insurance market through transparency and communication between the consumer, adjusters and insurers. Therefore, the Department of Financial Services has found that there is an immediate danger to the public health, safety or welfare of the citizens of Florida requiring emergency action."

The full text of the emergency rule is as follows:

69BER24-4 69B-220.201 Ethical Requirements for All Adjusters and Public Adjuster Apprentices.

(1) through (2) No change.

(3) Code of Ethics. The work of adjusting insurance claims engages the public trust. An adjuster shall put the duty for fair and honest treatment of the claimant above the adjuster's own interests in every instance. The following are standards of conduct that define ethical behavior, and shall constitute a code of ethics that shall be binding on all adjusters:

(a) through (l) No change.

(m) In order to ensure fair dealing in estimating losses, an adjuster must adhere to all of the following requirements when preparing and submitting a written estimate of loss. These requirements cannot be waived by the insured or the insurance company.

1. Adjusters must utilize an electronic estimating program to create or modify an estimate of loss. The electronic estimating program must provide a report with an itemized, per unit estimate of damage to the property, including itemized information on equipment, materials, labor, and supplies. The electronic estimating program must apply price data that consists of unit-cost breakdowns consistent with those that may be expected from a contractor or repair company in the relevant geographic market area. The electronic estimating program's price data must be updated no less frequently than monthly to reflect current market data.

2. Modification to the prices applied by an electronic estimating program, or modification to any other program input or output, is strictly prohibited unless the adjuster can demonstrate with additional documentation that modification is required to produce an accurate estimate and that each and every modification applies current market prices within the relevant geographic market area for the equipment, materials, labor, and supplies necessary to complete the covered repairs. The additional documentation prepared by the adjuster must be sufficiently detailed to enable the reviewer to determine that each and every modification is required and applies current market prices.

3. Adjusters must provide the written estimate of loss to the insured within the time prescribed by law. The written estimate of loss provided to the insured must include the line-item estimate produced by the electronic estimating program, a variation report or other similar report showing whether and to what extent the program was modified by the adjuster, and, if applicable, additional documentation to support any modification to the input or output of the electronic estimating program.

4. Modification to an initial estimate of loss is strictly prohibited unless the revised estimate of loss:

- indicates any estimate of loss that has been modified from any prior estimate of loss;
- provides a detailed explanation as to why each change was made; and
- includes the identity of the adjuster who is responsible for each change.

5. Adjusters must retain all versions of the estimate of loss as required by law.

(4) No change.

CONCLUSION

The changes to contracting requirements for public adjusters after a catastrophic event are few in number but they can have a large impact. It is crucial that public adjusters are mindful of them when working with Florida losses, especially in the wake of hurricanes and other events that can trigger a state of emergency declaration by the Governor.

INCREASE BUSINESS EFFICIENCY

By: **Brenda Heffner**

Licensed Public Adjuster, Owner of Ryan Claim Service Inc, Founder/CEO of Virtual Assistant Solutions, & Board member of MAPIA

PUBLIC ADJUSTERS, ATTORNEYS, AND CLAIM PROFESSIONALS ALL HAVE SOMETHING IN COMMON

No, it is not only that we advocate for the insured and want the best for our clients, although that is indeed very important. The fact is, there is more we share.

UNDERSTANDING THE CHALLENGES:

In my years as a Public Adjuster and entrepreneur, also through countless conversations with fellow industry professionals, I've come to recognize that our industry faces a unique set of challenges that can make efficiency seem like an elusive goal.

- Time management: Perhaps our most formidable foe.
- Workload Demands: Is a significant hurdle.
- Work/Life Balance: "What is that?" Tug-of-war between client demands and personal well-being. Who has the time?!

THE COST OF INEFFICIENCY:

We focus on maximizing our clients' recovery, but we sometimes overlook the hidden costs of inefficiency in our work.

From a financial standpoint, inefficiency is a silent business killer. However, the most overlooked cost of inefficiency is the personal toll it takes. The constant struggle to keep up with an unmanageable workload can lead to chronic stress, anxiety, and eventually burnout. This not only affects our quality of life but can also impact our decision-making abilities and the quality of our work.



MAXIMIZING PRODUCTIVITY, SUSTAIN GROWTH AND AVOID BURNOUT

THE QUEST FOR EFFICIENCY

isn't just about doing more in less time; it's about creating a better business operation for what truly matters – whether that's providing exceptional service to our clients, growing our businesses, or achieving a better work-life balance. By examining our current practices, embracing new strategies, and being open to change, we can transform the way we work and start sustaining and growing our businesses.

★ EMBRACE TECHNOLOGY ★ STANDARDIZE PROCESSES ★ DELEGATE WORK

USE THE EISENHOWER MATRIX:



This powerful time-management strategy helps you decide what tasks to focus on and which to delegate or eliminate. Identify the work tasks you do throughout a week. Then divide the tasks into four categories based on their urgency and importance.

URGENT BUT NOT IMPORTANT: Delegate these tasks to others. They require immediate attention but don't need your direct involvement.

NOT URGENT AND NOT IMPORTANT: Eliminate these tasks. They are distractions that don't contribute to your goals.

FOCUS ON CORE REVENUE-GENERATING ACTIVITIES

The 80/20 rule applies here: 20% of your activities bring 80% of your results. Identify those high-impact tasks that directly grow your revenue and double down on them.

AUTOMATE REPETITIVE TASKS FOR SEAMLESS OPERATIONS

Automation is one of the most effective ways to increase efficiency. Repetitive tasks - such as invoicing and scheduling can be automated using affordable tools and software. Automation reduces human error, saves time, and ensures consistency across your operations.

EMBRACING DELEGATION AND SUPPORT

The only way to increase efficiency, avoid burnout and stay ahead of competition is to learn and embrace delegation. Building a strong administrative support team is key to sustainable growth and success. I understand delegating does not come naturally for most people. It is a skill that must be learned.

IDENTIFYING TASKS TO DELEGATE

Start by analyzing your daily activities. Look for tasks that:

Are time-consuming but don't require your specific expertise. It is not effective doing everything yourself.

Are repetitive or routine. These can easily be automated with software technology or delegated.

Could be done by someone else. If it doesn't require a professional license, chances are it can be delegated to someone else.

BENEFITS OF VIRTUAL ASSISTANTS

- Source: [VASolutionsusa.com/PublicAdjusters](https://vasolutionsusa.com/PublicAdjusters)

Virtual Assistants (VAs) have become an invaluable resource for many claim professionals. They offer flexibility, cost-effectiveness, and a wide range of skills. VAs can handle tasks such as:

- Data Entry and Claim File Management
- Scheduling Inspections
- Customer Support
- Email /Management

By learning to delegate and leveraging support solutions like virtual assistants, claim professionals can focus on high-value tasks that truly require their expertise. This not only increases overall productivity but also reduces stress and improves work-life balance. Remember, delegating isn't about offloading work—it's about strategically allocating resources to maximize efficiency and grow your practice.



IN CONCLUSION, efficiency is the key to success and sustainability. By embracing technology, standardizing processes, streamlining communication, and delegating tasks, we can significantly improve our productivity and service quality. The strategies outlined in this article provide a roadmap to reclaiming your time, sustaining growth, and avoiding burnout.

Start by implementing one or two of these strategies today. Small changes can lead to significant improvements over time. Remember, the goal isn't just to work harder, but to work more effectively for the benefit of our clients, our businesses, and ourselves.

ONE SHEET

A SYSTEMATIC APPROACH

By John Baird

We as public adjusters, often take for granted the critical importance we serve to policyholders. We're not just intermediaries; we are the advocates standing between the policyholder and a vast insurance system that can often feel overwhelming. My team here at Ally Public Adjusting has been reminded of this a lot lately as we work with clients dealing with the aftermath of two hurricanes that struck the southeast. In an emotionally volatile time for our clients, we must be their guide in this process. A guide has to be unflappable in the face of obstacles because you are being depended on to reach the goal. And what does every great guide need to do? Be prepared for anything and trust your expertise. These qualities come not only from time and practice but also solid fundamentals - a proven process you can lean on when situations become difficult. Think about a mountain guide tasked with reaching the summit. To do it once takes determination. To do it multiple times? That takes experience, skill and a plan. Every nook, cranny and path has to be accounted for in the climb b/c people are depending on you to achieve the desired goal.

THE "ONE-SHEET" METHOD

Please allow me to share one method and process I have found to be successful. To make sure I never stray from the fundamentals, I created a tool I call the "one-sheet." Inspired by Chris Voss's negotiation strategies from *Never Split the Difference*, the one-sheet serves as a practical guide for working through claims, especially when dealing with denials. It's a simple but incredibly effective tool that keeps the policy front and center in every claim I handle. This approach ensures that I remain systematic, objective, and focused on what truly matters: the policy itself. By having this one-sheet with me, I can cut through the noise and stay anchored in the essentials.

The "one-sheet" method consists of key questions that help guide the process of evaluating a claim and challenging denials. Each question acts as a checkpoint to ensure that my approach is rooted in policy language and not distracted by emotions, assumptions, or external pressures.

Here's how I use it:

1. Has the carrier provided a proper denial letter?

This is my starting point, and it's a crucial one. Many adjusters overlook the fact that a denial letter must meet specific legal requirements. Most states require carriers to base their denials on specific policy provisions, conditions, or exclusions. If the denial letter doesn't reference these appropriately—if it's vague, missing key citations, or simply doesn't provide a clear basis for the denial—that's my first red flag.

A proper denial letter should clearly explain why the claim is being denied, and it must tie that reasoning back to the policy. If the carrier hasn't provided a detailed explanation rooted in the actual policy, they may already be on shaky ground. This is where I begin digging deeper because a poorly constructed denial letter often signals that the denial itself may not be based on solid policy grounds.

2. Are they right?

This is where I really start to dissect the policy. It's not enough to just read the denial letter and accept it at face value. I ask myself: Are they right? Did the carrier properly apply the policy language to the situation? This forces me to dive into the actual portion of the policy they've cited. I need to verify whether their interpretation aligns with what the policy truly says.

But I also go a step further. It's not just about whether the carrier quoted the policy accurately—it's about whether they've omitted any key details. For example, did they conveniently leave out an exception to the exclusion they're relying on? Have they overlooked any state-specific endorsements that could alter the way the policy is applied in this particular jurisdiction? These kinds of omissions are common, and they often create opportunities to challenge the denial. By meticulously reviewing the policy, I can identify whether the carrier's denial is legitimate or if they've failed to account for something that works in the policyholder's favor.

3. What policy language supports what we're asking for?

At this stage, I ask myself what policy language supports the claim I'm making on behalf of the policyholder. If I can't find any policy wording that back up my position, then I shouldn't be asking for it. It's as simple as that. It's not enough to feel that the claim is valid or to rely on my experience. If the policy doesn't support what I'm asking for, I know I need to change my approach.

However, if I can find clear language in the policy that supports the claim, I know I'm standing on firm ground. The more specific the policy language, the stronger my argument becomes. This step reinforces the idea that everything in a claim should be policy-driven. If I can point directly to the provisions that justify what I'm asking for, it leaves little room for the carrier to push back without contradicting their own contract.

THE POWER OF THE ONE-SHEET

What makes the "one-sheet" so powerful is its simplicity. In the midst of complex claims, lengthy documents, and emotional situations, this tool allows me to focus on the facts and the policy. It strips away the distractions and keeps me rooted in the essentials. Every claim boils down to the same fundamental questions: Is the denial based on the policy? Did the carrier apply the policy correctly? Is my argument backed by policy language?

By using this structured method, I can work more efficiently and effectively. The one-sheet doesn't just help me stay organized; it helps me ensure that I'm always operating from a place of policy-based authority. This approach removes guesswork, provides clarity, and ultimately leads to better outcomes for the policyholder.

It's a way of ensuring that no matter how complicated the claim, I'm always making decisions based on the most important document in the entire process—the insurance policy itself. So, let's stop chasing shortcuts and flashy solutions. Let's stop cutting corners in the name of speed and airing grievances on social media. Instead, let's get back to the fundamentals that have always defined great public adjusters. Let's become trusted guides, working through a battle tested process, for the one thing that makes all the difference: the policy. Because when we do, every claim we handle is built to stand the test of time, and our clients reap the benefits of our diligence and professionalism.

“It's a simple but incredibly effective tool”

IICRC CERTIFICATION

What is it and why is it important?

By: Ron Bush, ServPro Beverly Hills

For the past few years I have worked with a lot of public adjusters here in California and across the country. I'm a Sales and Marketing Rep for Servpro Beverly Hills and our Jeffries Global Franchise. I was recently asked why it's important to be IICRC Certified for Fire, Water & Mold Inspection, Evaluation, and Restoration as a Public Adjuster from the perspective of a Contractor. In this article I will focus on the water damage since it accounts for a higher percentage of our work. And I'll touch on some of the basic information and understandings we should all have to be of better service to our clients.

To start, I do feel the foundation of our work is to be of service. No matter if working with Commercial or Residential clients, we're helping people recover from loss. We meet people when they're not at their best. Many haven't had to deal with these types of losses and don't have a good understanding of what's going on or what to expect. One of our main jobs is to reassure and set expectations. For the clients who do have experience in water loss it's important for us to be the experts they expect us to be. In either case everything we say and do must be accurate. Wrong information will cause confusion, delay work, possibly reduce claim amounts or deny claim line items from the claims adjusters. It's no secret that Insurance Carriers are scrutinizing every claim. Like Doctors, our mantra should be do no harm'.

When it comes to water damage "Microbial growth such as fungi, bacteria, viruses, prions and other microorganisms can be present on water losses." It's critical to understand the categories of water damage and how they can change. The source of the water, what it may have touched, how long it's been there and more can affect how it's categorized. These categorizations can change. When working with water damage, safety and health of the workers and anyone who will be on site is a main priority. Any initial inspection must include a risk assessment by a qualified and experienced worker. Since I've been IICRC Water Certified I can't explain how beneficial it's been in understanding what I'm seeing during an initial inspection, how I speak with my production lead, claims adjusters, public adjusters and the insured.

There are 3 categories of water. They are Category 1, 2 and 3. Category one is where water comes from a "sanitary source and does not pose substantial risk from dermal, ingestion, or inhalation exposure". Category 2 water "contains significant contamination and has the potential to cause discomfort or sickness if contacted or consumed by humans". Category 3 water "is grossly contaminated and can contain pathogenic, toxigenic, or other harmful agents and can cause significant adverse reactions to humans if contacted or consumed". Being able to identify and understand the differences in pre-existing damage, primary damage, secondary damage and possible hidden damage is also critical to any work performed and how the claim is managed. This all guides how you communicate with everyone involved, makes your job easier, and ensures the claim will go as smoothly as possible for the insured.

Equally important is understanding what and how equipment, cleaning agents and processes will be used and guide mitigation and abatement. This knowledge helps you set expectations as well. Per IICRC; "a full understanding of water damage related microorganisms, their potential health related hazards, and proper control or elimination of microorganisms is necessary." You can't communicate well if you don't know what the true scope of work is and how it will proceed. In some situations you may be asked to cut corners or to find ways to save money. By knowing the risks involved in such requests will save time and reduce liability. Sometimes it's better to walk away from a project than to proceed and take risks. Most times, those requests are eliminated when you're able to explain the possible ramifications of any decision.

Even though you may not be doing the work it's important to understand the terminology and equipment used by the workers who are. From moisture meters to dehumidifiers; to hard surface extraction tools to how technicians determine what 'dry' is, having the knowledge invaluable. I regularly speak with technicians and read the daily updates on the work in progress. I also get questions from the insured on why certain equipment is being used or why for example, certain flooring cannot be saved. For commercial properties they may have certain equipment requirements or procedures they adhere to. As an expert in your field everyone expects you to know this information or to be at least informed enough to know when other information is required for a proper response.

"Our goal in every water damage restoration project is to return the structure, contents, and environment to the pre-loss condition." We all play a key role in making sure this is done as quickly as possible, efficiently and properly. In this industry every day is different and every job has its own unique challenges. No matter if it's a Residential or Commercial property people's lives and income are affected. People's health can be compromised, businesses shuttered and homes can be lost when a claim isn't handled properly. Being part of the solution means being of service and doing no harm. Being IICRC WRT certified should be an important component in how you do your job to the best of your ability. The profits we expect and deserve should be a by-product of being an expert in our field.

