



**Jansen International, LLC**  
*(A Subsidiary of Jansen & Company)*

*Jansen International, LLC*  
 922 W. Greens Road  
 Houston, Texas 77067

(281) 873-8700  
 1 (800) JANSEN-1  
 www.jansenco.com

A tri-yearly publication of Jansen International, LLC - Professional Loss Consultants

# JANSEN *Report*

Vol. 2 No. 1

International Claims Adjusters

Midyear Edition 2006



## *Preparing For The Worst - The 2006 Hurricane Season*

By now, everyone has heard the unsettling stories about the 2004 and 2005 hurricane seasons and as the 2006 hurricane season opens, many coastal residents are trying to prepare themselves for the possibility of being hit again.

For most people, preparing for a hurricane means last minute shopping for food and water, and preparing to evacuate the area. But what if you and your property are in an area that can be totally destroyed by a hurricane? People returning to their property in Mississippi returned to a slab of concrete and a debris pile. What papers should you bring and how can you prepare yourself so that you can navigate through the complicated recovery process?

First, it is imperative that you have your property insured for the perils it may face. In most cases property in coastal areas require three insurance policies to properly insure your property. Insurance policies that cover fire and other perils exclude coverage for named storm wind damages and rising floodwaters. Therefore, you will need to purchase windstorm coverage under State offered pools and purchase a national flood insurance policy (NFIP) to insure for damages caused by rising waters, including storm surge. Many people learned too late that their policies did not cover flood and storm surge and are battling their insurance companies trying to get paid.

Next, it is a good idea to have a complete inventory of your property. If you do not have a good inventory of your contents, the likelihood of you overlooking something after a loss is greater. Walk through your home or business and videotape your possessions on a room-by-room basis. Make 2 copies of the tape and keep the 2 copies away from harm and in separate locations to insure they will be available if you need them. In the event that your property is swept away by the storm, the insurance

company may demand proof of the inventory. Your videotaped record will work well when you support your claim.

Similar to your contents or business property inventory, it is important to have a record of the structure itself. If available, as-built drawings of your structure are helpful. Do you have any additions or upgrades to the home or business? Are the betterments and improvements installed by you at a rented location well documented?

For business owners forced to flee the area, back up discs of important business records should be taken. Accounts receivable records, important documents, insurance papers and other valuable items should be out of harms way.

It may be a good idea to establish a relationship with recovery companies before a storm so you can be assured that they will be available after the loss occurs. Service companies and public adjusters are stressed to capacity following the storm and getting in line to wait until they are available can take weeks or even months.

At Jansen International, we have a no cost program designed to help you understand your loss exposure and the details of your requirements in the recovery effort.

So, as we all brace for another hurricane season we all hope that the predictions are wrong and we dodge any major catastrophes. But, it makes good sense to be prepared nonetheless.



### *Jansen International can:*

- 1.) Review your policy coverages and compare it to your exposure to make sure you are properly insured.
- 2.) Talk to you about what steps you can take now and after the storm that will insure a smoother and less complicated recovery effort.
- 3.) Talk to you about how to expedite the claims process and how to avoid unnecessary disputes with insurance company representatives so that your home or business gets back to normal as quickly as possible.

### *Inside This Issue*

Preparing For The Worst - The 2006 Hurricane Season -  
Page 1

Is Your Insurance Claim Still Not Settled? -  
Page 3

Message From The CFO - Page 4

## JANSEN *Report*



## Message From The CFO

On behalf of Jansen International, thank you for taking the time to read our newsletter. This newsletter is the first issue of many more to come and is the first publication we have produced in the 26 years we have been in business. You are receiving this newsletter because you are one of our respected clients, because you are associated with risk management or because you are responsible for the management of real property.

As many of us know, and as described in the article inside, property damage does occur and many of us are responsible to handle the complicated task of recovery following loss. In our newsletters, we will gather information that is critical in the recovery process and attempt to inform our readers with information that will help in preparing for, and recovering from the affects of property loss. Useful tips on securing insurance, contingency planning, loss control and claims management will be presented in our newsletters. We hope you find the articles interesting and helpful. Feel free to contact us if you have a topic of interest or if you ever have any questions regarding insurance or the claims recovery process.

In closing, thanks for your consideration of our newsletter. If you are a client, we sincerely thank you for your patronage. If you are a potential client, we remain available to help you if the need arises.

**Arthur Jansen, Sr. SPPA CPPA**  
 Chief Executive Officer, Jansen International, LLC



**Jansen International, LLC**  
*(A Subsidiary of Jansen & Company)*



Houston  
 (281) 873-8700

Dallas  
 (214) 634-8700

San Antonio / Austin  
 (210) 646-0122

National  
 1 (800) JANSEN-1  
 And  
 1 (800) 779-8714

## *Is Your Insurance Claim Still Not Settled?*

The 2004 and the 2005 hurricane season were among the worst catastrophes suffered by the United States in all of our history. The devastation is well documented and just about everyone on the planet has seen the images of despair and destruction. We have heard of the hard ships of those less fortunate and have been warmed by the expressions of hospitality extended by neighboring cities.



Those homeowners and business owners that suffered the worst and lost all of their physical possessions have turned to traditional resources for their recovery, like insurance policies, SBA loans and in some cases, their savings. Those without those resources have turned to FEMA, family and the community at large to assist them with their recoveries.

While those that were prepared and had a contingency plan in place prior to the storm may have fared better than those that did not, it may be surprising to learn that many are suffering great challenges in securing their recoveries from traditional sources. Just ask the New

Orleans business owner, who after months of haggling with his insurance adjuster, still has not seen more than a small advance payment from his insurance company.

Many business owners have turned to SBA loans and other sources to keep their businesses operable rather than wait for the bulky, confusing and slow process of claim adjustment to unravel. Granted, the sheer number of insurance claims has inundated an industry still attempting to recover and settle claims from the 2004 season. Granted, there are coverage disputes that are debatable as to the cause of loss sustained and whether coverage was in place for the defined peril. It is also understood that there is a good chance that an insured and an insurance company can be wide apart in the actual valuation of damages, even if coverage is accepted and limits are adequately in place.

Nonetheless, these above issues should have been addressed in a timely manner and now, (it has been 6 months since the last hurricane hit our shores) an insured should have some idea as to the status of his/her claim and, if coverage was in place, funds should have been distributed by most insurance carriers. But what if you are one of the thousands that have unresolved claim issues? What if the "final" offer from the insurance company is unacceptable?

Over the months following the hurricanes you must be a hermit crab to have not read, seen or heard a story complaining about insurance companies, adjusters, or the response of the federal government. State insurance departments have scurried to the aid of it's insured citizens with complaint filing systems, mediation programs and penalties established for "bad faith" behavior on the part of insurance representatives. Plaintiff attorneys and public adjusters (adjusters who only work on behalf of the insured) are blanketing the roadsides with bill boards and filling the airwaves with their message and offer to help the little guy battle the big insurance conglomerate.

Using any of these sources is certainly an option to an insured that is having challenges with their claim; however, many insureds do not know that insurance policies have conditions within its language that is designed to offer relief when disagreements arise. This process is called "The appraisal process".

Without quoting the verbose language of the insurance contract, basically, if an insurance company and an insured do not agree as to the extent and/or value of their claim, either party has the right to invoke the appraisal clause of the policy. Each party, upon notice, has a period of time to hire an appraiser (at their own expense) to assist them in the resolution of their differences. These appraisers are typically from the insurance industry, engineers, public adjusters, or qualified contractors that are familiar with the claims process and understand where differences arise in a claim. After each appraiser is hired (and in some case agreed upon by both parties) they will meet to discuss the claim, inspect damages, evaluate differences and attempt to resolve the issues. If the two appraisers cannot resolve the claim, a third party, independent umpire is hired to attempt to resolve the claim. It should be noted that the appraiser fees and 50% of the umpire fees are to be the responsibility of each party.

Most of the time claims that go to appraisal are settled in the process. It may be the reasonable nature of an appraiser explaining the conditions of the policy to define what is covered and what is not, it may be the removing and replacing (with appraisers) of adjusters and insureds that have soured at the negotiation process of the claim. In many cases, personality conflicts share an equal responsibility in claim disputes as does the valuation of damages or coverage issues. Claims settled in the appraisal process help everyone avoid long and protracted lawsuits and can more cost effectively allow each party to move along their way.

If you chose to invoke the appraisal process to help resolve your differences, be careful when selecting your

representative. While the appraisal clause suggests that your appraiser should be "impartial and disinterested" there are few people that would prefer to hire someone that was not interested in winning your arguments. So, do your research and make certain that you hire an appraiser that is best suited to resolve the issues in your claim. It does not make sense to hire an accountant to resolve an issue regarding whether a roof was destroyed in the storm or not. It does not make sense to hire a roofing engineer to argue a difference in lost earnings in a business interruption claim.

While this writer is biased, public insurance adjusters are well versed in the claims process and may be better suited to assist as your appraiser. They are experienced in most facets of the claim (damage valuation, scope of damage and policy conditions) and on a daily basis, argue insured's best interests in claims. They understand the policy and claim adjustments better than other type professionals and are licensed through state insurance departments throughout most of the continental United States, including Texas (Senate Bill 128, Nov. 2003). It is important to note though, that Public Adjusters are not attorneys. They cannot give you legal advice and cannot work directly with you on claims that have been totally denied. However, if it is the value and/or extent of your claim scope that have created your disputes, a public adjuster can assist you and act as an appraiser should you invoke this clause.

The 2006 hurricane season has yet to unfold and many are turning a weary eye toward the gulf as we inch our way into the summer. Predictions paint a grim picture for everyone along the Gulf Coast; however only time will tell if we get hit again or dodge a bullet (or two). Without question, if you were hit last year and remain in the possible path again, it makes sense to get your 2005 claim resolved as quickly as possible before another strike. Perhaps the appraisal process can help you in this endeavor.