

# Typical Lifecycle of your MAJOR PROPERTY LOSS



Applies to: *Large business property losses (typically in excess of \$500,000)*

This claim lifecycle provides reasonable expectations of the steps and expected duration of your claim. Some insurers may differ on the claim process and timelines, and some claims may involve additional or different steps.

## STEP ONE

### YOU SUSTAIN A LOSS AND NOTIFY US WHILE SAFEGUARDING THE DAMAGED PROPERTY AND UNDERTAKING EMERGENCY REPAIRS

**ESTIMATED TIME: 1-5 DAYS OF LOSS**

Be sure to document all costs for emergency repairs and safeguarding the property from further loss. Photos taken both before and after the emergency repairs will be helpful.

## STEP TWO

### INITIAL RESPONSE

**ESTIMATED TIME: 1 WEEK**

Your Foa Claim Advocate will review coverages and alert the appropriate insurers. Your insurance company will assign a loss adjuster. You'll be advised of your primary insurance company contacts.

## STEP THREE

### SECURING SUITABLE RESPONSE RESOURCES

**ESTIMATED TIME: 2 WEEKS**

Large property losses involve a high degree of complexity, and often necessitate involvement of a team of experts on your behalf to maximize the insurance proceeds that you receive. These may include reputable and experienced:

- Public Adjusters
- Forensic Accountants
- Building Reconstruction Consultants
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Your Foa Claim Advocate will consult with you as to recommended experts that we believe will maximize your potential recoveries. Some of the costs of these experts may be covered by insurance, while others may be paid out of total insurance proceeds.

## STEP FOUR

### INITIAL FACT-FINDING

**ESTIMATED TIME: 2 WEEKS**

You will be contacted by your insurance company claim adjuster to better understand the facts of what happened and request documentation from you. Common documentation requests include photos, repair estimates, accounting records. The insurers may also send someone to you to inspect the damage

Tip!

*Unless directed otherwise by your expert response team (Public Adjuster, Forensic Accountant), respond directly to the insurance company adjuster by email, with a cc to your Foa Claim Advocate. That will ensure the fastest claim response, while ensuring that Foa has all correspondence should we need to advocate on your behalf.*

## STEP FIVE

### FULLY INVENTORY YOUR DAMAGED CONTENTS AND FIXTURES

**ESTIMATED TIME: 4-6 WEEKS**

Your damaged contents may include stock, equipment and machinery, as well as various fixtures. For certain insurance programs that utilize a "Cargo Throughput", a coordinate claim response for your stock loss may occur in conjunction with a separate cargo policy.

## STEP SIX

### CLAIMING INTERRUPTIONS TO YOUR BUSINESS INCOME

**ESTIMATED TIME: 8 - 12 WEEKS FOLLOWING RESUMPTION OF NORMAL BUSINESS RESULTS**

The insurance adjuster will have a forensic accountant contact you or your designated expert to help analyze the extent of the business interruption, and understand any expenses that you may have saved during the loss related shut-down.

Tip!

*Quantifying business interruption is normally done by providing records that show the range of your normal sales results, and then comparing it to the period after the loss. Often, an Excel spreadsheet with supporting financial records is most effective to do this. Significant business interruption claims are complicated, and are extremely sensitive to certain underlying financial assumptions. Very few insured are familiar with preparing this type of analysis. Independent forensic accountants recommended by your Foa Claim Advocate can greatly assist.*

## STEP SEVEN

### REPAIRING YOUR DAMAGED BUILDING WITH CLAIM PROCEEDS

**ESTIMATED TIME: 6-12 MONTHS**

Estimating the cost of restoring a building after a major loss is highly complex. The insurance company will review repair estimates and may retain their own building reconstruction consultants. A good Public Adjuster may engage an independent building reconstruction expert to prepare detailed build-out counter-proposals to assist in negotiating an appropriate agreed restoration amount. Typically, the cost of this is included in the Public Adjuster fees. The insurer may release payments to you or your contractors as the repair progresses, while retaining one final "hold back" payment for completion. If you chose not to repair your building, you may receive a lower claim payment. This also may impact the go-forward insurability of your building.

**CONTINUE THE CONVERSATION**



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