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# Tips for Business Owners on Filing an Insurance Claim

## Immediately after the loss

In the immediate aftermath of the loss, there are basic steps you can take to get on the road to recovery. The first step is to **call your insurance agent** and report the loss. If you do not have an agent, then **call your insurance company** to report the loss.

After reporting the loss, take these steps:

- Make sure the area in which your business is located is safe and secure. Do not put yourself at risk if local authorities have not allowed public access.
- If the structure is safe to enter, shut off the electricity.
- Before you start to clean up, take pictures or video to document the extent of the damage. It is very important to document all of the damage.
- Avoid throwing anything out (with the exception of perishable food) until you meet with the insurance adjuster. They will help determine what can be discarded.
- Make temporary, inexpensive repairs to prevent further damage to your property. For example, board up broken windows or throw a tarp over a leaky roof. Otherwise, additional damage may not be covered by your policy. Keep receipts for materials you buy, so you can be reimbursed.

## Filing a claim

- **Contact your insurance company immediately** to report the loss and follow the instructions given to you by claims personnel.
- **Keep your insurance policy and claim number handy.** This will help the claims process go faster.
- **Take notes.** Keep a log of who you spoke to and when, include a summary of the conversation and ask questions if you don't understand the instructions.

- **Make a business inventory.** If you don't already have a complete inventory, make a list of as many items as you can remember.
- **Wait for the company's adjuster to arrive.** Do not call anyone to repair or replace your loss without first getting instructions from your company's adjuster. Your insurer may need visually inspect your loss before repairs can be made. Do not throw away damaged property until your company's adjuster tells you it is okay to do so. Make only temporary repairs to prevent further damage until a claims adjuster arrives for the inspection.
- **Get organized.** Get a complete copy of your insurance policy or contract and find your previous business tax filings. Many commercial business filings have income loss protections and your filing may help you to identify lost property. Collect any records that can prove the value of damaged equipment. If you have business interruption insurance, you will need to prove income to determine the amount of business lost.
- **Keep a log of expenses** incurred and contacts made with the insurance company.

## Working with the insurance company adjuster

A company adjuster will inspect your property or business to assess the initial damage. Be sure to ask the adjuster for:

- A business card or identification
- Information about what you are required to do next
- Information about what the company will be doing next
- Instructions on getting estimates for repairs. Clarify if you are responsible or if the company will be doing that on your behalf
- Time estimate of how long the adjuster expects the claim settlement process to last

## Working with a public adjuster

One option is to pay a public adjuster for assistance documenting losses. Public adjusters can represent you in negotiations with your insurance company's adjuster and typically are paid a percentage of the final insurance settlement. You are not required to work with a public adjuster.

### Before you hire an adjuster:

- Check if they are registered with the Minnesota Department of Commerce or if they have any previous disciplinary action.
- Get a written contract that clearly identifies all fees.
- Decide if you think the assistance of an adjuster will help you recover enough to offset the fee.

### Avoid adjusters who:

- Claim to be from a government agency.

- Insist their services are mandatory.
- Use high-pressure sales tactics.
- Refuse to provide a written contract.

## If your claim is denied

First, review the terms of your insurance coverage. Policies are very specific and should indicate the specific perils covered. Be aware that even if fully insured for all perils, some losses may not be covered. Be sure to thoroughly review the claim exclusion portion of your policy to ensure the reason for your loss is not explicitly excluded from coverage.

If there is a disagreement about the claim settlement, ask the company for the specific language in the policy that is in question.

Do you and the insurance company interpret your policy differently? Ask for a written explanation detailing the reason for the denial and the specific policy language under which the claim is being denied.

**Don't Rush into a Settlement.** If the first offer made by an insurance company does not meet your expectations, be prepared to negotiate to get a fair settlement.

## Contact the Department of Commerce

If you cannot resolve the dispute to your satisfaction, you can contact the Minnesota Department of Commerce's Consumer Services Center to ask questions or file a complaint. Center staff work to resolve disputes between consumers and the insurance industry informally. You can reach the Consumer Services Center by calling **(651)-539-1600** or **(800) 657-3602**. In addition, [you can file a complaint with the Department](#) or email the Department at [consumer.protection@state.mn.us](mailto:consumer.protection@state.mn.us).