



ADJUSTERS INTERNATIONAL

The *right* way to settle claims®

When filing a manufacturing insurance claim, there are many factors that need to be taken into consideration. To help you navigate the process, we have put together several talking points for you to review. Having a full understanding of each of the below bullet points is crucial to documenting, filing, and successfully settling your insurance claim.

If any of these questions give you pause, please feel free to reach out to us for a no-cost discussion about your claim.

- Frequently insurance companies use independent building and equipment consultants to prepare bids. Who are these consultants? Who are they working for? Do they only work for insurance companies? Why this should be a red flag.
- Is there coinsurance in your policy?
 - If there is, what does it mean?
 - If there is, did your insurance adjuster tell you? If not, why not?
 - How is coinsurance calculated on replacement cost? On actual cash value?
 - Properly managing coinsurance can prevent disaster. Not properly managing coinsurance can put you out of business!
- Replacing versus repairing production lines. Pros and cons.
- Increased efficiency and productivity with new equipment. Does the insurance company get a “credit?”
- Temporary production in other owned or non-owned locations? What happens at the end of your claim?
- How does the smoke and the water used to fight the fire affect your machinery? Your computers and other electronics?
- Hazardous materials such as asbestos and lead can be expensive to address. Make sure your insurance carrier does not cut corners when addressing this issue.
- Code Upgrade coverage is very important when rebuilding after a fire. How does your coverage address codes? If your coverage is limited, is there anything you can do about it?
- Warranties and Protective Safeguard Requirements. What do they mean? What if you are not in full compliance? Can you still collect?
- Valuation of raw materials. Work In progress. Finished goods. Methodologies employed.
- What happens when the insurance company engages a forensic accountant?
 - What is his/her role?
 - Why can't your accountant just prepare your claim?
 - What is the harm in sharing your financial statements?
 - Are you required to produce your tax returns?
 - Can you recast your financial statements? If so, why?

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- What are expediting expenses? How do they differ from extra expenses?
- What are extra expenses? What can be included?
- Can you continue to pay your employees?
 - “Ordinary” employees versus “key” employees. How do they get classified?
What is covered?
- How do you project lost sales? What about new products? Sales declines?
- What is the difference between Actual Loss Sustained and Sales Value of Production and how it affects your claim?
- Coinsurance clauses in loss of income coverage can lead to disastrous results when including labor expenses in the cost of goods manufactured and exclude those labor expenses in the business interruption evaluation.
- What is your broker or agent’s role?
 - Will he/she be adjusting the claim?
 - How many claims has he/she handled?
 - Will his/her role be active or passive?
 - When faced with supporting your position or the insurance company’s, where will he/she stand?

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