



ADJUSTERS INTERNATIONAL

The *right* way to settle claims®

When preparing a course of construction claim, typically covered under a builder's risk policy, 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.

- Is the measure of compensation what the full retail cost to rebuild is today? Or what it cost originally?
- Are you entitled to indemnification for escalation costs (labor and material price increases) on the rebid?
- What is your broker or agent's role?
 - Will he/she be adjusting the claim?
 - Does he/she have an accounting degree?
 - 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?
- Damages to slabs and/or platforms. Repair versus replacement.
- Typically, builder's risk policies contain 100% coinsurance clauses. 100% of what? Budget? Amount spent?
 - What items can be removed from the coinsurance calculation?
- Might you be entitled to an increase in the general contractor's overhead and profit on reconstruction?
- Treating some soft costs as Extra Expenses under the policy. Strategy?
- Arguments can be made for aggressive lease up for the loss of rents claim based on research into the current market conditions in the area.
- The Period of Restoration impacts the soft cost claim (i.e. interest expense, property taxes, security) and loss of rents (lease up period). Is the period of restoration negotiable?

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- Most course of construction (builder's risk) policies have completed value requirements and in the event of noncompliance, penalties are assessed. What strategies can be employed to minimize any such penalties?
- Draw request documentation vs. project worksheets can cause a trap? How?
- What are you entitled to if you decide not to rebuild at the same location?
- Are you entitled to lost profits from the eventual sale? Or reduced profits based on economic conditions?
- When adding on to, or remodeling an existing building, does your COC policy cover the portions of the building that are not new?
- What are the time deadlines for rebuilding contained in your policy? Can you get any extensions?

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