



Allied Restoration Company (415) 529-4001

## Insurance Claim Tips for Mold Damage

Traditionally, mold damage has been covered where it results from a covered peril, such as a broken pipe, a storm, or fire suppression efforts, but not where it occurs gradually over time due to wear and tear. However, public awareness and scientific knowledge of the health hazards of mold have increased dramatically. Techniques for cleaning up mold have become more sophisticated and expensive. As a result, insurers are panicking, refusing to cover mold claims under existing policies and rewriting their policy forms to exclude all coverage for mold, regardless of origin. This in turn is creating a national crisis. UP believes that a combination of governmental regulation, proper underwriting and competitive forces in the private insurance marketplace will remedy the situation.

Meanwhile, here's what to do if you think your property may have a mold condition:

### **1. TAKE MOLD CONTAMINATION SERIOUSLY.**

Mold can cause serious illness and property damage. Insurance claim representatives, adjusters and industry consultants are fond of dismissively telling policyholders that mold has been around as long as people have been living in houses. With the introduction of mass-produced building products, tract home construction techniques, and the national energy conservation drive in the wake of the 1973 oil embargo, residential and commercial buildings have become more susceptible to developing mold contamination in any moist breeding ground. Mold contamination can destroy building products, finishes, furnishings, and belongings, and cause mild to serious health consequences to those exposed.

### **2. LEARN ABOUT MOLD CONTAMINATION, HEALTH EFFECTS AND REMEDIATION FROM A RELIABLE SOURCE.**

Mold horror stories and mold jokes are everywhere. Run the term "mold" through your favorite online search engine, and you'll come up with hundreds of hits (and misses). Always be aware of the bias in

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any source of mold advice you turn to: remediation contractor's commercial web sites want to sell you their products and services; insurance industry web sites want to downplay the seriousness of the health effects, and exaggerate the financial consequences to their bottom line; plaintiff lawyer's web sites want to sign you up; insurance defense lawyer's want to impress insurance industry clients.

### **3. REVIEW YOUR POLICY CAREFULLY. UNDERSTAND YOUR COVERAGES.**

If you don't have a complete copy of your policy, get one from your insurance agent. Review the "declarations page," which tells you the coverages you have, the policy limits for each coverage, and the effective dates of the policy. Review the fine print of the policy form itself to identify what's insured, what's excluded, and what you have to do to prove your claim. Review any "endorsements" added on to the policy form to see if they change, eliminate or add coverages to your policy. Homeowner and business property policies typically have separate coverages for dwelling, contents (personal property), business personal property (inventory and fixtures), additional living expenses (if you have to move out during repairs), loss of business income (if you are a business and can't earn income during repairs), building code upgrade coverage (if you have to spend more money to meet current building codes), "scheduled" personal property items (artwork, jewelry, valuables), electronic data, and "extra expense" (to relocate or to reconstruct lost records or data). If your policy doesn't seem to reflect the coverage you thought you had, contact your agent. You may need to contact your state's department of insurance, a public adjuster (licensed professionals that specialize in helping policyholders prepare and submit insurance claims) or a policyholder attorney.

### **4. CALL YOUR INSURANCE AGENT AND REPORT A SUSPECTED CLAIM IMMEDIATELY. PUT EVERYTHING IN WRITING.**

Call your insurance agent immediately to report a suspected claim. Follow the phone call with a fax, an email and a letter. In a catastrophic flood or pipe burst claim, getting a remediation team in within the first 48 hours to begin drying out property can be crucial to preventing or containing mold growth. If you get the run-around from your agent, insurance company, independent adjuster, or restoration company, follow up with a fax, an email and a letter confirming their delay in responding. Be firm, but

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always be courteous. Insurance representatives and adjuster's do have their own crosses to bear. If you can elicit the adjuster's sympathy, empathy or kindness or at least avoid ticking them off your claim is likely to be handled more expeditiously. Take detailed notes of every conversation, including the name, company, phone number, address, and job title of every insurance adjuster, representative, consultant and contractor you deal with. Confirm all agreements in writing. Insist that appointments and deadlines be honored. Keep a log or binder of all notes and letters. Ask for and keep business cards from everyone involved in your claim.

## **5. PROTECT ALL PROPERTY FROM ANY FURTHER DAMAGE, BUT DO NOT MAKE PERMANENT REPAIRS, AND DO NOT DISPOSE OF ANY DAMAGED PROPERTY UNTIL AFTER IT HAS BEEN INSPECTED.**

Turn off any water flow to broken appliances or pipes. Take any necessary emergency measures to protect the building and personal property from any further damage. Do not throw anything away until you have the permission of the insurance company, and you have documented its condition. In mold claims you may need to hang on to mold contaminated items until they can be sampled by a lab for mold content. If in doubt, wrap the items in plastic or seal them in a plastic bag and store them.

## **6. PHOTOGRAPH, VIDEOTAPE AND INVENTORY ALL DAMAGED PROPERTY. DOCUMENT YOUR LOSS AS THOROUGHLY AS YOU CAN, AND DON'T EXAGGERATE, GUESS OR SPECULATE ABOUT THE LOSS OR THE VALUE OF ANY PARTICULAR PIECE OF PROPERTY.**

Photograph, videotape and inventory all damaged property. Make sure you record the date of the photos and videotape. It is important to document the source and extent of water intrusion, and visible mold contamination. Seal and save contaminated items. In a dispute with your insurer over whether any particular building component, finish, furnishing or belonging is contaminated, the item may need to be tested by a remediation consultant, the insurer's and perhaps your own. Don't throw these items away until any such issues are resolved in writing.

### **More tips for claims:**

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Understand your rights, learn the laws that regulate how your claim should be handled.

Never sign a release, waiver, indemnity or “hold harmless” agreement without legal advice.

Get a second opinion, do not accept a lowball offer.

Get professional legal help if you need it.