

Is your insurance claim running out of time?

The hidden deadlines your insurance company doesn't want you to know about

BY BRANDI SMITH



There are few market forces that can shut down a commercial operation the way Mother Nature's forces can. Hail, wind, fire and floods can all significantly impact business operations and, while insurance is supposed to be a tool to help you manage risks with those unexpected interruptions, it can often introduce new challenges.

"There's a lot of risk in owning commercial real estate. Property owners' buildings are always at risk and it's just not right when insurance companies don't pay fairly and promptly," says public insurance adjuster Scott Friedson, CEO of Insurance Claim Recovery Support (ICRS).

"When policyholders retain us, we virtually step into their shoes and act as their exclusive claim advocate."

Best of all, there is no fee for his services if there's no recovery. That, however, has never happened.

"One hundred percent of our claims settle higher and/or faster than what the initial carrier offered," says Friedson. "We have a 100 percent win rate."

Licensed and bonded by Texas and other states, Friedson applies his 10 years of trusted public adjusting experience to exclusively represent

commercial and multi-family property owners to settle property damage insurance claims fairly and promptly. The process includes reviewing the insurance policy for benefits and exclusions, inspection of buildings for damages, negotiating with the insurance company for maximum settlement in minimum time and meeting with the insurance company's adjusters or representatives on site. ICRS produces a line-item estimate to support the damage model, requests an advance of policy benefits so their client can get reimbursed for incurred expenses and get immediate repairs started. Then ICRS negotiates the full and final claim for the remaining policy benefits the insurance company owes.

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“You wouldn’t have the IRS prepare your tax return and tell you what you owe. So why would you let your insurance company prepare your claim file for you and tell you what they’re going to pay you?” he asks.

The first deadline Friedson wants commercial property owners to be aware of is when you can file a claim. Some policies only allow you to file a claim within a year from the date of the loss.

“A lot of people don’t even realize they have a claim or building damages. They think, ‘Oh, we had a hail or windstorm but we don’t have any roof leaks.’ That doesn’t mean you don’t have damage to your roof, windows, siding, gutters, etc,” he says. “You don’t want to wait to inspect your property and file your claim because you can run out of time.”

Another important deadline (in a process full of them) deals with business interruption claims. Typical business interruption policies only provide benefits to cover a year. For example, if you make \$100,000 of net income each year, the insurance company will typically cover most of that \$100,000, but only for a year from the date of loss.

“So if the property damage portion of your claim isn’t settled within the same time frame that your business interruption claim is processed, you could easily run out of time on your business interruption claim benefits before your property damage is settled, completely fixed, and you’re back in business,” Friedson points out. “Too often, people wait to call me until six or eight months into the claim process when they have been struggling with problems hoping their insurers will do the right thing. What they don’t realize is that they’re going to run out of their loss-of-us benefits before the property is completely repaired.”

That’s why, he says, it is important to bring him into the process immediately. Though he is able to come on board at any time or even reopen closed claims, he is able to save his clients a lot of time the sooner he gets involved.

“The number one way to settle a claim for the maximum settlement you deserve in minimum



time is to hire ICRS as soon as you have a claim, says Friedson.

Policyholders carry the burden of proving their claim to an insurance company. Without considerable training, documentation and experience, navigating the process is a considerable challenge.

Friedson says the process without him usually goes a little something like this: the property suffers damage, the policyholder files a claim and then comes what he calls the “hope stage.”

“That’s when people hope the insurance company will do the right thing. That seldom happens, especially with larger losses over \$250,000” he says.

Instead, the insurance company sends out its representatives to cover the insurer’s best interests, not those of the policyholder. Their goal is usually to pay as little as possible, often while dragging the process out. If no one is representing the policyholder’s best interest, they are simply on a level playing field with their insurer.

“Many insurance companies just send you a claim check and basically say, ‘Here you go. Take it or

leave it and if you don’t like it, prove us wrong otherwise,” says Friedson, adding that this is the point in the process when he typically gets a call from first-time clients. “They call us with a big problem or tell us they are in a huge battle with their insurer and we love solving insurance claim problems. After our clients see how we hold insurers accountable and get great results, they hire us the moment they have another claim to avoid future problems and headaches.”

The whole process is far more balanced when Friedson is retained immediately.

“Before the insurance company digs its heels into a coverage decision, they are required by law to give equal consideration to anything that I present to an insurer as a policyholder’s representative,” he says. “Our clients gain both time and money engaging ICRC at the beginning of a claim to avoid delays and underpaid insurance claim settlement so we can present the policyholder’s position in real time. That way we’re able to avoid a lot of delays and underpaid insurance claim settlements unrepresented policyholders are forced to deal with. If policyholders wait until they feel wronged or betrayed by their insurer to hire us until after the insurance company has paid some, but not all, the money a claimant believes is owed,

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that is considered a supplemental claim under the typical public adjuster contract. Public adjusters usually charge 25 percent of any supplement or 10 percent of the gross claim less the deductible, whichever is less. Policyholders typically don't save time or money waiting for a problem to arise before they hire us. Business owners who know time is money retain us the moment they have a claim to avoid issues. Taking on insurance claims



without representation is just not worth risking your livelihood or mental health.”

Friedson's experience and attention to detail mean that he is able to fight for his clients in a unique and wildly successful manner.

“Every single one of our claim files is a custom piece of work,” he says.

His words are backed up by the company's numbers. ICRS has settled \$40 million just in the past year, adding to the well more than \$100 million in claims settled over the past four years. His largest client has more than \$2 billion in assets and calls ICRS every time a claim comes up.

In any event, a commercial property owner should call ICRS before relying on a contractor, hiring an attorney or invoking the appraisal clause to settle their claim.

“We can get it legally done faster and cheaper so the policyholder receives the settlement they deserve,” says Friedson.

He tells the story of a property owner whose insurance claim on a 700,000-square-foot facility was initially denied. Preparing to sue the insurance company, the property owner's insurance broker suggested calling ICRS instead.

“We got the denial completely reversed and settled that claim for seven-figures.” Friedson shares.

Without ICRS, he suspects the client would have been forced to sue and the process would have dragged on as it so often does. Appraisal, he complains, costs the policyholder money out of their own pocket. On top of that, there is usually no timeframe in the policy to keep insurance companies in line. As a result, it can take one to two years. Plus, most policies have language that give the insurer the right to deny any appraisal award after the process is complete, and then the policyholder will need a lawyer to litigate for coverage!

Litigation, Friedson adds, can also stretch to two years if the verdict isn't appealed.

“Plus, you're probably going to get a subpoena for your records. You could have depositions. And you're required to go to mediation in most courts in Texas before you go to trial,” he says. “We typically get it done with no depositions, no subpoenas, no required mediation, no courts, and no juries. Our modus operandi is to avoid a lawsuit like the plague!”

Most litigated cases do not make it to trial, according to Friedson, who says nine times out of 10, insurance companies settle the claim in mediation if a lawsuit is filed. That may sound good on its face, but Friedson explains how it often backfires.

“Let's say you want \$2.1 million because you've suffered \$1.5 million in property damage, plus you're paying \$600,000 in legal fees. The insurance company may say, ‘OK, we'll pay you \$1.5 million,’ but you still have to deduct your attorney's fees from that. Don't be surprised if your attorney turns to you in mediation and says ‘This is a business decision you're going to have to make. We can take this bird in the hand or we can roll the dice and go before a jury.’ So a lot of times people will just settle, which you don't ever hear about because they also have to sign a confidentiality agreement.”

Most attorneys charge 40 percent. ICRS, on the other hand, charges 10 percent less the deductible. Also, Friedson works on contingency, so if there's no recovery, there's no fee.

There are several reasons first-time clients often become long-time clients of ICRS: Friedson's experience, attention to detail and passion for what he does. His 100 percent win rate and track record of always getting clients more and/or faster than what insurance companies offer add to the list of reasons why even insurance brokers have Friedson on speed dial.

Says Friedson: “Insurance companies have experts working for them. You should too.” ■

For more information about Insurance Claim Recovery Support, visit its website at InsuranceClaimRecoverySupport.com, call 832-725-2878 or email Friedson at scott@insuranceclaimrecovery.com.