

Worst-Case Scenario Has Happened — Your Property Has Sustained a Loss

By Susan Gropp

The first thing that crosses your mind is “am I covered for this?” That’s a great question, because if you have selected the wrong insurance, the answer could be NO. There are a lot of possibilities why you have no coverage; the most common being you attached your investment property to your Homeowner’s Policy and the property is vacant because you are rehabilitating, your homeowner’s policy may deny the claim because the property has been vacant for more than 30 or 60 days. Arcana highly recommends you acquire a separate policy, be it from us or another insurance Company.

Let’s assume you have made the wise

decision regarding your insurance and have acquired a separate policy; hopefully with Arcana. Now you are ready to file a claim. Arcana provides two options from which to choose how best to file a claim. You may email a fillable PDF form to our Claims Department or you may go to our website and file the claim electronically. Your claim is received and set up in our claim system. You will receive a letter acknowledging receipt of your claim which will provide you with your claim number and deductible information. A local adjuster from our independent adjusting company is assigned the claim. They have three working days to contact the designated contact person you have provided.

If your property has sustained damage that leaves the interior of the property exposed to the elements, you may make temporary repairs to prevent further damages. You may take some photos of the damages prior to the temporary repairs and provide those photos to the adjuster upon inspection. Be sure to present any invoices for temporary repairs to the adjuster at the time of inspection. If you have sustained water damage to the interior of the property, you may also begin the process of mitigating the water damage prior to the inspection by the adjuster to prevent further damage. Be sure to document the damages prior to these repairs as well with photos and provide them to the adjuster. If there is fire damage to

the property, you will not want to begin any clean up until you are advised to do so. You should only secure the property from further entry.

The adjuster will come out and inspect the damages to the property and verify the facts of loss with you or your representative. You may have your own contractor or representative at the inspection if you desire. The adjuster will complete an estimate of the damages. This estimate will be submitted to the adjuster’s supervisor for review. If the estimate appears in order, the supervisor will submit the estimate to Arcana’s Claims Department for a second review. Once the estimate has passed Arcana’s review, it will be forwarded to the insured. The insured may then review the estimate for accuracy and an agreed scope of damages. Once an agreed scope is reached, the initial payment will be requested from our accounting department.

Take notice of two specific line items in the summary of your estimate. One is Recoverable Depreciation and the other is Non-recoverable Depreciation. Recoverable Depreciation is just what it says. It is the Depreciation you are entitled to recover once the repairs have been completed. To claim the Recoverable, we require the insured to submit the final repair invoice for review. Once the review is completed, a check request for the recoverable is requested from our accounting department. Non-recoverable Depreciation is depreciation that the insured may not claim. It is utilized on items which are paid on an actual cash basis as opposed to replacement cost.

There are a couple of other items related to filing a claim you should know about. If you are filing a claim for theft or vandalism, you will need to provide a police report of the incident before a claim payment can be issued. In the case of a fire claim, you will need to provide a copy of the fire report prior to any claim payments being issued.

Most importantly; know what claims are covered in your Policy. Arcana is recognized nationally as one of the leaders in providing professional claim services. Please feel free to call with any questions you may have regarding your Arcana Policy.

Arcana offers members of National REIA multiple insurance products specifically designed for Investors and their tenants. Features include no underwriting or inspections, 24/7 desktop & smartphone certificate delivery system, outstanding claims management service, and a very knowledgeable & courteous staff to handle your insurance needs. For more information, please visit www.nreia.arcanainsurancehub.com.



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