

[A-Z Index](#)

[Home](#) > [Consumer Reports magazine](#) > [2014](#) > [May](#) > How to get your homeowners insurance claim paid

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How to get your homeowners insurance claim paid

Find out which insurance company to choose

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A large oak tree caused \$40,000 in damage at this Arlington, Va., home.

[Pick a top insurer](#) + | [Prepare for a fight](#) + | [Befriend a good contractor—today](#) + | [Beware of falling trees](#) + | [Surprise troublemaker: Your mortgage company](#) + | [Tap buried treasure](#) + | [Ask the Insurance Guy](#) +

Find Ratings ●●○○●●

[Homeowners insurance](#)



Greg Rasp of Bellbrook, Ohio

When a [storm](#) slams through your front door or another catastrophe strikes, the whim of fate can determine the severity of damages you suffer. But when it comes to how easily you can pick up the pieces, your destiny may have been decided a decade or more ago—when you chose your home [insurer](#).

Greg Rasp of Bellbrook, Ohio, survived a close call with a tornado and hail in May 2011, then got too little attention from [State Farm](#). It took the nation’s largest home insurer two weeks to send an adjuster, and they were slow to pay Rasp’s \$75,000 claim, leaving him out of pocket for thousands of dollars. State Farm rated in the middle of the pack, according to the latest Consumer Reports National Research Center survey of more than 9,900 subscribers who filed homeowner’s insurance claims from 2010 through the first three months of 2013.

Peter Andrew and Andrea Von Amelunxen, on the other hand, got “stellar” service from top-rated [Amica](#). Their less-terrifying brush with 3 feet of snow and ice dams on the roof of their Connecticut home caused around \$30,000 in damage from melt water that trickled down walls, across ceilings, and over hardwood floors. Amica handled the claim over the phone, had an

estimate the next day, fixed what was needed without disagreements, and paid up within a week. “We were blown away,” Andrew says.

Many consumers [shop for](#) homeowners insurance once, then forget about it. Home-loss claims are uncommon to begin with, and losses tend to be relatively small. That means consumers don’t develop much experience shopping for the product and rarely get a chance to “test” firsthand how it performs.

Use these [5 ways to save on homeowners insurance](#).

Push comes to shove, however, on the biggest losses. The 6 percent of homeowners we surveyed who had claims of \$30,000 or more also had the most hassles. A whopping 41 percent of those claimants had at least one problem, including disagreement over damages, disputes about coverage, delays, and slow payout. By contrast, only 19 percent of filers with claims below \$30,000 hit such snags.

To protect against huge losses is exactly why you buy homeowners [insurance](#). So we went back to the [survey](#) respondents who suffered the most to find out what advice their experience could offer.

Pick a top insurer

When the intake line for one of Bob Ridout’s hot water tanks burst, water poured into his basement for 24 hours. Baseboard, drywall, carpeting, and tile were damaged to the tune of \$30,000. USAA’s [remediation](#) crew swooped in 90 minutes after Ridout called. They vacuumed up the water and set up fans and dehumidifiers that ran all night. Early the next morning, 10 people arrived to continue the cleanup. “I paid my \$1,000 deductible, and we never had any issues,” Ridout says.

Our readers judged Amica, USAA, and Auto-Owners more favorably than most other insurers on satisfaction, as our Ratings on page 43 show. Amica especially stands out for earning the top spot in our Ratings for as long as we’ve evaluated that service. It’s a distinction earned through seven surveys dating back to 1988, including this one, involving more than 140,000 homeowners.

Companies can be fickle. James Lipsett and his husband, Paul LaRiviere, were happy with the service they got from State Farm on their \$35,000 water-damage claim caused when their second-floor toilet overflowed and drenched their Morro Bay, Calif., home. But less than a year later, the Good Neighbor people sent the couple a notice of non-renewal because of the claim. “Both of us felt betrayed by State Farm,” Lipsett says. State Farm declined to comment on the matter.



In Brick, N.J., signs of the devastation remained months after Sandy.

Hurricane test: Insurers doing better

Devastating though it was, [Superstorm Sandy](#) was no Katrina, the most destructive hurricane in modern U.S. history. And home insurers did a better job handling claims of victims of Sandy than of Katrina.

Twenty-seven percent of readers who filed claims related to Sandy, which walloped the Northeast in 2012, had problems with their insurer's claim handling or payment. Seventy-nine percent were satisfied with how their home insurer performed.

That's vastly better than homeowners' experience with Katrina in 2005, when 50 percent of claimants suffered problems and only 51 percent were highly satisfied.

But Katrina, a category 3 hurricane, packed winds of up to 130 mph. Sandy had weakened below hurricane strength when it made landfall in New Jersey. And despite Sandy's catastrophic storm

surge along the densely populated and pricey New York and New Jersey coasts, the storm's \$50 billion in damages were less than half of Katrina's \$108 billion.

Meanwhile, insurers have gotten more tight-fisted. Our readers got reimbursed for 80 percent of their losses from Katrina but for only 71 percent of losses from Sandy.

Prepare for a fight



The basement and garage of this Long Beach, N.Y., took in more than 5 feet of water.

As hurricane season 2014 revs up, with potential for [large-scale losses](#), now's the time to learn how to push back against your insurer. Justin Rubin, a retired insurance claims executive whose Long Beach, N.Y., home sustained significant damage from Superstorm Sandy in October 2012, didn't let his insurer (he prefers not to name it) deny coverage by blaming flooding, which was not covered. He argued that some of the damage in the basement was caused when the plumbing system backed up before the storm surge, and the insurer paid.



Justin Rubin of Long Beach, N.Y.

Prepare long before a disaster. “Find a reliable agent or broker, and ask questions right now, before you suffer a loss,” Rubin says. Ask about the house value and the applicable “minimum” coverage required to get full protection in a total loss, review the “perils” listed in the policy, and fill “exclusion” gaps with separate insurance for flood, [hurricane](#), or earthquake, based on the threats you face in your region. (Watch our videos, below, on flood insurance, generators, chain saws, and other emergency-related subjects.)

Befriend a good contractor—today

Christopher Richards learned a lesson the hard way, thanks to Liberty Mutual’s handling of his \$50,000 loss from a June 2010 [lightning strike](#) to his Brentwood, Tenn., home. The [roof](#) and chimney had to be replaced, along with the furnace and electronics that got fried by the electrical surge.

Richards thought he could rely on the insurer’s approved contractor. But he says the contractor did shoddy work, didn’t get proper permits, and took three months to finish work that was supposed to take three weeks—then failed inspection because code-violating copper lines were used for natural gas. Richards eventually got the repairs done correctly, but he had to closely monitor and prod the contractor throughout the process.

A better way: While the weather is fair, find work around your house for a [trustworthy contractor](#), because a good one is harder to come by after a major storm. “If you get to know and use a contractor once in a while, you’ll have someone you can call in an emergency,” says Dwayne W. of Huntsville, Ala. His home dodged three waves of tornadoes in April 2011 but couldn’t get out of the way of a 60-foot tree that caused \$30,000 in damage.

Visit our [insurance center](#), and check our [buying guide](#) and [Ratings for chain saws, generators, roofing, siding, and windows](#).

Beware of falling trees



David and Mai Queen, Arlington, Va.

The beauty of trees on your property belies the [hidden hazard](#) that one could topple onto your house, maybe without warning. There was no storm, wind, or other signal when a neighbor’s huge oak came crashing through David and Mai Queen’s Arlington, Va., home in the middle of the night in September 2012. A large section of the tree trunk landed in their bed. Luckily, the Queens were visiting friends in Belgium at the time.

The standard homeowner’s policy covers damage caused by trees that fall on insured buildings on your property plus the cost of removing the tree itself, generally subject to a \$500 or \$1,000 limit. USAA covered the Queens’ \$40,000 in damages without trouble and began the claims

process and repair immediately, without requiring the couple to cut their vacation short. But they'd have been on their own if the tree simply had landed on the ground.

Linda Paustian of La Porte, Ind., found out about that exclusion after a [violent thunderstorm](#) dropped hard maple and red oak trees on her 1895 arts and crafts bungalow and all over her property in June 2010. “Before the storm, we had about 11 large trees on our property. After the storm, we had 30 to 40 trees in the yard,” she says. State Farm paid \$6,000 for the cost of removing trees that struck the house but nothing for the additional almost \$6,000 needed for tree and debris removal and stump grinding.

Know the limits of your policy. If your neighbor's tree hits your house, your policy covers it, not theirs. If a tree falls on your car, your auto insurance pays—if you have comprehensive coverage. Lastly, have a [plan for tree removal](#): either sufficient savings to pay a pro or do-it-yourself skill in [safely](#) taking a chain saw to big timber.

Surprise troublemaker: Your mortgage company

When Tim Haynes of Nashport, Ohio, lost the roofs of his home and barn due to wind, State Farm promptly paid the \$52,000 claim, and the roof on his home was repaired. But an unlikely interloper held up \$42,000 of the settlement for the barn: Haynes' mortgage company.

Many homeowners are surprised when their settlement check also has their mortgage company's name on it, a fact of life that aims to keep irresponsible claimants from blowing the money in Vegas instead of repairing the lender's collateral. So the bank will demand that forms be filled out before funds are released, often in stages as work is completed. There may be inspections of the work, and—of course—extra bank fees.

“If you have a mortgage, be prepared for lots of extra steps to get your payment,” one claimant advises. After you file your claim, contact your mortgage company to find out how to get the settlement check endorsed and deposited to your or the lender's escrow account.

Tap buried treasure

The promise of home insurance is to restore your house to pre-loss condition. But sometimes you can do even better. A number of readers were able to get materials upgrades, including wind-resistant garage doors, safety window glass, and new carpeting by paying the incremental extra cost on top of what the insurer was going to pay. One Colorado homeowner whose neighborhood was hit by hail damage got a \$1,000 “referral fee” (equal to his deductible) and received upgrade replacement [shingles](#) from his roofer for referring other homeowners to him. Another homeowner, whose hallway wood floor buckled after a small, slow powder-room leak, was delighted to learn that his insurance would cover replacement not only of the damaged [flooring](#) but also of the flooring contiguous to it—and so got new wood floors for the entire downstairs of his house.