

# ASK THE PUBLIC INSURANCE ADJUSTER

## What You Need To Know About Settling Commercial Property Damage Insurance Claims



SCOTT FRIEDSON



BY BRANDI SMITH

One of the biggest challenges commercial owners and operators face is managing risk. You can secure financing, attract investors, make improvements and screen tenants but you cannot know when disaster will strike.

In Texas, we know all too well the damage a rogue thunderstorm can cause when it hurls golf ball-size hail or fills up

a local creek too quickly. That's, of course, why the insurance industry exists: to protect your investments in case of a loss. However, insurance companies may not be completely altruistic in their mission.

"Policyholders who operate commercial buildings simply cannot afford to figure out as they go how to avoid underpayments or lengthy delays," says Scott Friedson, a public insurance adjuster and CEO of Insurance Claim Recovery Support. "History has shown me that you should not expect your insurance company to document and just give you everything they may need to pay out. All too often insured policyholders get so worn out, they want to give up or sue before ever presenting a well-documented claim package that supports their damages." Insurance companies do a great job managing liability; in doing so, insurers retain experts who represent their interests. Since policyholders bear the burden of proving their claim, having an advocate on your side can make all the difference between a fair and prompt settlement or a long drawn out dispute."

"I can appreciate saving money," he says, "but if you shop for insurance based solely on price, like almost everything else in life, you tend to get what you pay for."

"All policies are different. Not just better or worse coverage, but better terms and conditions for the policyholder," says Friedson. "We understand policy language, claims handling obligations of the insurer and how to compel insurers to perform in a non-litigious and effective fashion. At the end of the day,

"Policyholders call and complain when they get rightfully frustrated, but that's never going to move the needle." Friedson says. "Documentation, he argues, is the name of the game and unless you know how to document a claim package to fit into the insurance carrier's check box, you'll never get any traction."



our goal is to settle claims for policyholders without a fight so everyone can get back to business."

Licensed by the state and bonded, Friedson loves his job representing and fighting exclusively on the behalf of policyholders' interests.

"Most people don't even know public adjusters like myself exist," Friedson says.

If a fire were to rip through a building you own, the first step in the claim process is always to notify your insurance agent and file a notice of claim. He or she will follow up with your insurance company, who sends out a claim adjuster, and sometimes an engineer and/or a building consultant.

"The insurance company's hired experts represent the interests of the insurance company," explains Friedson. "I perform the documentation, evaluation, investigation, negotiation, interpretation of the policy, damage estimates, and other claims handling functions solely on the behalf of the policyholder. I am pro-policyholder or a policyholder advocate."

Someone in his role comes in handy if the initial claim exceeds an amount of \$50,000, if you are offered an unsatisfactory settlement offer, if you disagree with a coverage decision or if your insurer is taking too long to pay your claim.

"Approximately 90 percent of the claims we handle get settled," says Friedson. "If they don't settle with us and it gets referred to an attorney, we have

never lost. In fact, in all the time I've been adjusting claims, only two of my claims have seen a courtroom. Interestingly, they were both churches. The ten percent of our other claims that were referred to counsel settled in mediation."

He says his strength is he can legally interpret policy coverage, properly document claim files to prove the coverage and produce well-supported and compelling insurance claim demands so that the policyholder is indemnify fairly. Insurance carriers view his practices as an opportunity to reasonably solve claim disputes using a non-litigious approach.

"The best time to get me involved is in the very beginning. Because as a public adjuster, I can assert my arguments and documentation supporting a policyholder's claim in real-time and when your insurer knows that you have representation. Carriers pay way more attention to what is going on with your claim file when they know you have credible representation," Friedson explains.

Some people think they can handle the situation on their own or rely on contractors with no authority to negotiate or settle claims which often result in a less-than-expected settlement in a much longer timeframe.

"I like to use this analogy: I can do my own taxes,



## O'Connor & Associates Retail Forecast Luncheon

Speakers: Mark Davis, Davis Commercial & Jason Gaines, NAI Partners



MARK DAVIS  
DAVIS COMMERCIAL



JASON GAINES  
NAI PARTNERS

**Takeaway:** Leasing and development and investment sales in this segment are beginning to show signs of slowing, but not flattening out, whether inside or outside the Loop. Growth in rents and prices in general is projected to continue, albeit at a slightly lower rate than in recent years.

- Huge price increases inside the Loop in leasing and sales, due to increased desire for 'urban living' by empty nesters and Millennials, aided by strong growth of mid- and high-rise residential units
- Reducing commuting time by living 'closer to the action' has a high appeal, plus 'having fun right where you live'
- As some big box stores exit the scene, they are tending to be replaced now with entertainment, fitness, or restaurant tenants... not traditional clothing stores
- As land value inside the Loop increase, many retailers cannot afford the rents that other tenants can pay
- We are in a STRONG retail market overall, which is stable and solid
- Our retail pricing compares favorably to other big cities, many of which have much higher rents
- Many new potential users are hungrily watching for space vacated by exiting retailers
- In the suburbs, retail has not overbuilt, and we are seeing 'circular' development along the Grand Parkway instead of 'linear' development along freeways
- Houston is most comparable to Los Angeles and Miami: large Hispanic populations, Sunbelt Cities, fast-growing, spread out...this is who we should compare retail pricing and investment sales activity with, not the denser eastern seaboard cities
- Huge demand from investors with large amounts of capital 'seeking a home' in Houston is helping maintain high prices here
- Houston has hit a population size 'tipping point' where big retail distribution centers are choosing us over the DFW Metroplex, their traditional choice in the past

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but it's going to take me forever. Plus, I don't know whether I'm paying too much or getting the proper refund. I don't know if I'll get flagged for an audit or if I checked all the right boxes," says Friedson. "My existing clients, once they work with us, know to just call Insurance Claim Recovery Support and we'll handle the claim."

"Avoid litigation like the plague," Friedson says. "Don't get me wrong, some insurers can be unreasonable and unfortunately, sometimes policyholders are forced to sue, so if you really need an attorney who typically charges 40 percent after we've made reasonable efforts to settle and we typically only charge 10 percent," he

says, "then a board-certified insurance attorney is the way to go. Either way, if we don't recover money for your claim, you don't get charged a fee."

"As with any industry," Friedson says, "there are good and bad public adjusters. Some are nothing more than sales people, some are biased and work with both insurance companies and policyholders. Some," he says, "are just plain lazy and lawsuit happy."

"We don't ever work for insurance companies. I only work for policyholders. We don't owe anybody any favors, and we work our files," he says.

Before you hire someone, Friedson adds, find out what

percentage of their claims closed without escalation to litigation and if they ever do work for insurance companies. That will tell you a lot about what you need to know about that public adjuster.

"We've taken claims that were flat-out denied and turned them into seven-figure claims. Several underpaid claims were re-opened after the insurance company only offered a little bit of money and we've gotten them fully indemnified without having the need to involve attorneys or invoke appraisal," he says proudly.

In the world of the unknown, it's comforting to know there's someone out there who's watching out for you.