



Preparing for an Insurance Claim

You purchased your business insurance coverage and now the time has come to file a claim.

Whether it is a property, liability or workers' compensation claim, there are steps you can take that can have a positive impact on your business and claim outcome.

- Review and modify existing contingency plans, estimating the potential impact of a long-term closure, if applicable.
- Identify equipment, services, and third parties critical for continued operation.
- Identify an internal point of contact who is familiar with the claim and has the authority to collect and provide key information, as necessary. If this person is not within the finance department, you should assign a liaison to the finance department. If a workers' compensation claim is involved, a human resources contact should be provided.
- Gather all necessary documentation. You will need to support your claim with detailed business records. The insurance company will require considerable documentation before any claim is considered. Depending on the nature of the claim, be prepared to provide financial statements, income statements, revenue reports, and inventory reports, among other requested documentation.
- Track all financial losses and expenses associated with the claim. Use your accounting system to capture extra expenses. Your insurance policy may contain coverage for extra expenses that would not otherwise have been incurred. To the degree that you can separate the specific costs and expenses related to the claim, it can help expedite the process.
- Prepare a formal claim and file it promptly. Provide details on how the loss occurred and the impact the loss had on your operations. The claim may be reviewed by several individuals at the insurance carrier, some of whom may not be familiar with your business and the specifics of your loss.
- Communicate in writing with the insurance company to avoid any potential misunderstanding. Track everything that you have provided to the insurance carrier. You may receive a request for the same information on more than one occasion.
- Claims take time to investigate, evaluate and resolve. Complex claims can take more time to resolve.
- Regularly communicate with your agent or broker.