



# How to Protect Your Investment: A Guide to a Homeowner's Responsibilities in the Event of an Insurance Claim



AS PRESENTED BY:  
MICHAEL L. TESTA, JR., L.L.M.  
MASTERS DEGREE IN TRIAL ADVOCACY

## What are an Insured's Duties should a loss occur to their home?

Based on my experience, quite often an insured is overwhelmed should they find themselves in the unfortunate position of sustaining severe damage to their home. One's emotions can rise to a high level and greatly affect their judgment and decision making skills. Therefore, an insured should contact their insurance agent and their attorney immediately after the loss occurs. Below, I am going to list the eight duties required of an insured homeowner in the event of a loss.

Please realize that the insurance company is not required to provide coverage if the homeowner fails to properly comply with the following eight duties, where such failure to comply results in prejudice or additional harm to the insurer. The duties listed below must be performed by either the insured or their attorney. An attorney and/or an independent agent can provide an insured with valuable step by step assistance to restore one's property to pre-loss condition.

*MICHAEL L. TESTA, Jr., was born and raised in Vineland, New Jersey. Michael was admitted to the New Jersey Bar in 2001. He was also admitted to practice before the United States District Court of New Jersey. After graduating from Villanova University, Villanova, PA 1998 he obtained his law degree from Villanova School of Law, Villanova, Pa. in 2001. He recently furthered his education at Temple University's nationally recognized Beasley School of Law, (LL.M. Trial Advocacy Degree 2006). His professional associations include Cumberland County Bar Association, Association of Trial Lawyers of America-NJ, Board of Governors; ATLA (National) for the Young Lawyers Division, Board of Governors. Other memberships include the Vineland Lions Club, Acting Parliamentarian; Vineland Downtown Improvement District/Main Street Organization, Chairman of the Board of Directors; The Vineland Regional Dance Company, Board Member; The Italian American Benevolent Association and The North Italy Beneficial Association.*

*Michael is a member of the firm of Basile & Testa, PA., Vineland, NJ. His areas of practice are Civil Litigation, Personal Injury, Criminal Defense and Municipal Court.*

**1** Provide prompt notice to your insurer or the insurance agent. Generally, courts view compliance with the notice requirement as the soonest a reasonable person, in similar circumstances, would provide notice. Promptly notifying your insurance company or its agent of how and when your loss occurred prevents any prejudice to your insurer, and minimizes the chance that your insurer will deny your claim.

**2** Immediately notify the police in the event of a theft. Immediate notice gives the police the chance to arrest the individual(s) who committed the theft and recover the stolen items, thus minimizing the loss. Prompt notification to the local authorities also forces the insured to provide an accurate list of the stolen property. Providing accurate and timely information can assist both the police in apprehending the person engaged in criminal activity and assist the insurance company in adjusting the loss. Any delay in reporting the loss to the local police and one's insurer carrier prejudices the insurer's investigative efforts. Such a delay could result in the claim being denied.

**3** If one's credit cards are stolen, immediately notify the credit card companies and your insurance company. The sooner an insured contacts the credit card company about a loss, the more likely that loss can be mitigated. In the event an insured's credit cards are stolen, the insured has a duty to immediately notify the credit card companies involved. Prompt notice to the credit card company allows the company to immediately cancel the card(s), thus reducing the risk of fraudulent charges.

**4** As an insured, you have a duty to protect your property from further damage. If repairs to the home are absolutely necessary, the insured must promptly make reasonable and necessary repairs to protect further damage from occurring to the property. Additionally, the insured must keep accurate and detailed records of repair expenses.

For instance, if a storm were to break a window of your home, it is expected that you will take quick action in order to reduce further damage. It is expected that you will either cover the window with a tarp or board up the window to prevent the interior of your home from suffering more damage. Your insurance company would then reimburse you for this type of reasonable repair. Please realize that you are not expected to take extraordinary or dangerous measures to protect your property. You are only asked to do what is reasonably expected.

**5** You must cooperate with the insurer in the investigation of a claim. You must meet with the adjuster regarding your claim of loss. Further, if you are asked to meet with the adjuster concerning your loss, you must take reasonable steps to attend that meeting. If you fail to speak and/or meet with the adjuster regarding your loss, the insurance company can deny your claim. The goal of requiring the insured to cooperate with the insurer is to enhance the ability of the insurance company to provide timely and cost-effective claims handling.

**6** Prepare an inventory of damaged property. The insured should (as accurately as possible) detail the quantity, describe the actual property, provide the actual cash value,

and the total amount of the loss. Creating the above inventory will help both the insured and the insurer to determine the actual loss. The adjuster should assist the insured wherever possible in creating an accurate inventory.

Additionally, the insured is required to attach all bills, receipts and related documentation that justify the inventory's information. This will assist the adjuster in verifying that the loss is not fraudulent or overinflated. If the insured fails to provide the above information after repeated requests, the adjuster's job becomes increasingly difficult and may ultimately result in the insurer denying the claim.

**7** The insured's seventh duty is to (a) show the damaged property to the insurer, (b) give the insurer any applicable records or documents it requests and allow the insurer to make copies of these documents, and (3) submit to an examination under oath and sign any forms related to the process.

**8** The insured's eighth and final duty is to send the insurer a signed, sworn proof of loss, within 60 days of the insurance company's request. A "proof of loss" is an insured's formal statement of loss required by an insurance company before it will determine whether the policy covers the loss. Typically, the insurance company provides the insured with the appropriate form.

Fulfilling the above eight duties will increase the chances that your claim will be handled in a timely and efficient manner.

At the time of a loss, one may be approached by Public Adjusters offering their services to an insured for a fee. Before hiring anyone, seek guidance by contacting both your agent and your attorney.

Save this page with your insurance paperwork as a reference guide in the event of a claim.

## Basile & Testa, P. A.

Counselors at Law

424 Landis Avenue,  
Vineland, New Jersey 08360

Phone: 856.691.2300 - Fax: 856.691.5655

[www.basiletesta.com](http://www.basiletesta.com)

e-mail: [info@basiletesta.com](mailto:info@basiletesta.com)

MICHAEL L. TESTA

CERTIFIED CIVIL TRIAL ATTORNEY  
CERTIFIED CRIMINAL TRIAL ATTORNEY

TODD W. HECK, LL.M.

MASTERS DEGREE IN TAXATION  
MEMBER NJ, NY AND PA BAR

RENEE E. SCROCCA

MICHAEL L. TESTA, JR., LL.M.  
MASTERS DEGREE IN TRIAL ADVOCACY

ROBERT J. CASELLA  
MARIA V. GO

MEMBER NJ, NY AND PA BAR

JUSTIN R. WHITE

MEMBER NJ AND PA BAR

FRANK G. BASILE  
(1963-2005)

FRANK J. TESTA  
(1940-2001)



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