

UAB Property Claims

Responsibilities and Guidelines

This document describes UAB's property loss reporting and claims process. Please read carefully as **the department** experiencing the loss **has primary responsibility** for many aspects of the claim process. It is critical that the department assign primary contact responsibilities to someone within the department.

In general terms, the department is responsible for reporting the loss, proving the damages to contents, and providing the necessary documentation to support the claim.

Every property loss is different and presents unique challenges. The following guidelines can and should be adjusted to address the particular characteristics of a loss.

Immediately upon realizing or receiving notification of a loss event, the department should:

1. Report the event to the necessary personnel (i.e., fire, police, maintenance).
2. Take the necessary steps to prevent further damage or loss (evacuate the area if necessary, move/cover equipment, etc.).
3. If possible, take pictures of the area before doing any repairs or removing any furniture or equipment.
4. Establish a ledger account to capture all costs associated with the loss, including overtime, cleaning supplies or services, and temporary repair costs.

The department is responsible for the immediate clean up and relocation of departmental assets. Environmental Services or Support Services should respond immediately, but more extensive cleaning work may be necessary. The Office of Risk Management can help arrange for an outside cleaning and restoration contractor for additional or more extensive cleaning. The affected department, not the Office of Risk Management, is responsible for paying for these expenses. In most cases, emergency cleaning and repair expenses are covered by insurance, so the expense should be reimbursed to the department.

The following applies after the loss event has subsided:

1. Affected departments are responsible for their departmental assets (computers, furniture, equipment).
2. Affected departments should separate damaged from undamaged property and prepare a listing of all damaged items (see Contents Loss Spreadsheet).
3. A statement from a qualified service technician is required if a damaged item is deemed beyond repair and in need of immediate replacement. The department should work with HSIS or an outside vendor to obtain this statement.
4. The department should work with Building Alteration Services or Facilities Planning for restoration of facilities in accordance with established university or hospital guidelines.
5. If necessary, affected departments are responsible for locating temporary workspace for its employees.

When the loss is reported to the Office of Risk Management, we will work with the department to determine if the loss will exceed the minimum deductible of \$25,000 (\$100,000 for HSF claims). If it is clear that the costs associated with the loss will be below the deductible amount, no insurance claim will be filed. If it is unclear or definite that the loss will exceed the deductible, the Office of Risk Management will report the loss to the insurance carrier.

The claims process

When the loss is reported to the insurance carrier, the Office of Risk Management will then provide the departmental contact with the claim number, the name of the assigned adjuster, and the adjuster's phone number.

1. An insurance company adjuster will work with the department to develop a scope of damage and necessary repairs.
2. The department should obtain repair/replacement estimates for damaged equipment.
3. Departmental assets may be replaced on a *like kind and quality basis* without the adjuster's approval as long that the proper documentation is obtained by the department.
4. The adjuster will work with Design Build Services, Hospital Facilities, or an outside contractor to determine an acceptable restoration cost for the damaged building or area(s).
5. The department should submit to the Office of Risk Management all loss documentation at one time. Loss documentation should be orderly and easy to follow and understand.
6. Risk Management will forward the loss documentation to the adjuster. The adjuster will review the information and make a recommendation to the carrier regarding payment of the claim.
7. Payment, when made, will be sent to the Office of Risk Management. The check will be sent to the department experiencing the loss. In the event multiple departments are involved in the loss, the check will be sent to Central Administration with account crediting instructions.

Dos and Don'ts of Property Claims

Do:

- Cooperate with the insurance adjuster, who is the insurer's representative. Be prepared to answer question regarding the facts about the origin of loss.
- Keep separate work sheets and files on all details. Insist on detailed invoices for all loss expenses.
- Maintain separate details for overtime and extra expenses.
- Ask permission (from the adjuster) to begin salvage efforts. The adjuster will inform you of what the carrier's position will be regarding salvage.
- In the event of vandalism or theft, notify the police immediately.
- Avoid premature guesses or quick settlements. Unless it is an emergency situation, obtain multiple estimates for repairs or replacements.

Don't:

- Begin repairs or remove damaged property until the adjuster has examined the item(s) and verified the loss. If needed to prevent further loss or if safety necessitates immediate repair or removal, take pictures and document the damage as well as possible.
- Expect immediate payment. The insurance contract has conditions that must be met and you must prove your loss. Likewise, the adjuster must properly document his file for the insurance carrier. If a large loss creates a hardship on the department, the Office of Risk Management may be able to arrange an advance payment, although there is no obligation on the part of the insurer to comply.
- Give away or discard damaged property that may have salvage value.
- Plan on abandoning the property to the insurance carrier. Under policy terms, the carrier has the option of repairing damaged property.

Please remember that it is the department's responsibility to document and prove a loss. The Office of Risk Management can assist in this endeavor, but the ultimate responsibility – as well as any insurance recovery – belongs to the affected department.