

# WHAT TO DO... WHEN YOU HAVE A DENIED/UNDERPAID CLAIM

Claim Denied

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# WHAT TO DO WHEN YOU HAVE A DENIED/UNDERPAID CLAIM

Having your property insurance claim denied is not the end of the road. Unfortunately, it is the last thing you want to hear after a disaster leaves your home or business damaged, but it is merely another step in the process towards recovery. There may be a slew of emotions brimming in the wake of an insurance claim denial, however it is important to keep a level head and approach the situation rationally.

On the other hand, perhaps your claim was approved, but the settlement amount proposed by your insurer is not quite up to the valuation you had in mind. Insurers look for loopholes that allow

them to cut corners when it comes to paying claims. Without due diligence, you may be on the hook for more repair costs due to insufficient payment on your claim.

Merlin Law Group has helped thousands of clients navigate their way through an underpaid claim or denial. Our 35 years' experience exclusively in property insurance law led us to develop this eBook to inform policyholders on the correct steps to take in both situations. There is a traceable strategy attached to the appeals process with your insurer. Merlin Law Group's expertise lends itself to that approach.



# REVIEWING YOUR POLICY

Homeowners insurance policies are often lengthy documents and many policyholders do not take the time to thoroughly read and understand them. If your property insurance claim has been denied, a proactive first step is to go back and review your policy. You should look for language pertaining to what perils are and aren't covered, what preventative measures (if any) you are supposed to take, what documentation you should provide when filing a claim, length of time in which your ability to file a claim is available, and any other lapses in coverage that could have led to your denial.

Understanding your policy will help you assert your case with your insurer. You might be surprised of the effect being knowledgeable on your policy has on your chances of being approved and receiving full recovery. For instance, you may determine the reasons why your claim was denied and then be able to pivot your case in your favor for the appeal.

In terms of underpaid claims, your policy may provide some clarity on that front as well. Look for any clauses or hidden caveats that limit the percentage of compensation you are entitled to. Just as the situation with claim denials, lapses in coverage can also limit your insurer payout on certain damages or perils.



# REVIEWING YOUR SUBMITTED CLAIM

Another important step is to go back through the claim you submitted. Try and identify ways in which you can improve it:

- Could the pictures you submitted be of better quality?
- Should you submit more pictures? Video?
- Did you provide accurate damage estimates?
- Did you include any repair costs in your estimates?
- Were there any typos or errors in the documentation?
- Did you provide enough information?

There are many factors of a claim to consider when examining what went wrong. Identifying ways to bolster your claim will only increase your chances of success with an appeal. If in doubt, you may consult with a property insurance attorney to devise a strategy regarding your claim strength.

Another part of your claim is any correspondence with your insurer. Review the denial letter or letter detailing your settlement amount. In the case of a denial, your insurer should provide their reasoning for your claim status. They should also provide an excerpt from your policy to back up their position. (This is where knowing your policy comes in handy, as you may be able to counter their point with another section of the same policy). If for whatever reason you never received any formal written correspondence detailing your claim status, reach out to your insurer. They are obligated to explain their reason for denial.



# NITPICKING ON BOTH SIDES

Your insurer will nitpick your claim to find ways to either underpay or issue denial. Why shouldn't you do the same? If you disagree with their meaning of a particular term or phrase in the policy, you can appeal that. If you don't agree with their adjuster's appraisal of your claim, you can appeal that. If you believe there was a filing error, you may have grounds for appeal.

When fighting for full recovery on your damaged property, you shouldn't pull any punches. Here at Merlin Law Group, we have gone toe-to-toe with large insurance companies on behalf of our clients. Some cases require an aggressive stance and it can feel like pulling teeth to go against the grain with your insurer, but it is a necessary step on the path towards obtaining justice.

# HIRE A PUBLIC ADJUSTER

This step should honestly be taken prior to submitting your initial claim, as a public adjuster can often provide a more accurate estimate of any damages to your home, business, and personal property. If you did not consult the help of a public adjuster prior to submitting your claim and you have been denied or underpaid, we strongly recommend you reach out to an adjuster to help strengthen your case.

Many people seek second opinions on other major health or financial decisions, so why should your insurance claim be any different? A public adjuster has extensive knowledge on how insurance companies process claims and how to accurately measure your losses. This can also apply to instances where your claim is underpaid. A public adjuster's appraisal estimate may be drastically higher than that of your insurance company. If this is the case, you will want to determine the reasoning for the variance between amounts.



Having a higher estimate amount provided by a public adjuster gives you leverage when filing your appeal. In some cases, insurers may support your reasoning and overturn their decision on your claim or pay out the rest of what is rightfully owed. In others, your insurer may not budge on their stance, even with a stronger case in appeal. At this point, you may want to consider hiring a property insurance attorney.



# FILE AN APPEAL

If you feel you understand your policy, have sought the help of an adjuster and acquired a more accurate damage appraisal, and have documented evidence supporting your position, it is time to file an appeal. We strongly encourage you to take note of the appeals process laid out by your insurer, as these can vary. Be aware of any time constraints on filing an appeal and any other circumstances regarding the filing process.

Be sure to compile all your documentation and evidence supporting your claim in a way that most accurately portrays your stance. It is better to provide too much information versus too little. You want to put forth the strongest case and increase your chances of having their decision on your claim reversed.

# CONSULTING A PROPERTY INSURANCE ATTORNEY

People may often think their claim isn't serious enough to warrant hiring a property insurance attorney. The truth is that firms specializing in property insurance claims can only help your case—whatever the circumstances. Public adjusters provide an invaluable service, but they cannot take your case to court in the event your insurer wrongly denies or underpays your claim.

If you have exhausted all the options mentioned above, there aren't many other choices to consider. You can file a grievance with your state insurance department and hope they determine you in the right after examining your case. They can reach out to your insurer and encourage a fair resolution through their own channels, but only with a justified complaint. They may also recommend hiring a property insurance attorney, however they will not pay for one.

The other option is to hire a property insurance attorney straightaway. Many firms may advertise they practice in property insurance law, but that may only be a small component of their working scope. For example, they may be focused in other areas such as personal injury or divorce. You should look for firms that exclusively work in property insurance law, as these firms understand the nuances of insurance policies, bad faith, and fair adjustment.

A property insurance attorney can help walk you through your case and pinpoint ways in which to improve it. They know what to look for and may find aspects of your case that you didn't initially perceive. They also understand the legal proceedings that come along with litigating against your insurer and can help you with each step along the way. Having an expert in your corner provides confidence and assurance in knowing your claim is being handled by knowledgeable professionals.



# MERLIN LAW GROUP – HERE TO HELP

Merlin Law Group is dedicated to obtaining justice for policyholders nationwide. We have the resources to take your insurance company head-on every step of the way. Our network of qualified expert contractors, public adjusters and engineers can examine your case and testify on your behalf. If you feel your claim has been unfairly denied or that your insurance company's pay out is less than what is rightfully owed, please don't hesitate to contact us for a consultation. Let us get to work for you in putting you on the path towards a full and fair recovery.

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