

Claims

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COVERING THE BUSINESS OF LOSS

The Right Call Saves Time and Money

By Wayne Wudyka

There is no question that the economic challenges of recent times have altered the insurance landscape. The pressure to reduce costs and control severity is intense, and it is unlikely to improve any time soon. As a result, insurance companies increasingly are focusing on properly managing the claims process.

Ultimately, the old adage, "It's not what you know, but whom you know," holds true. Consider restoration dry cleaning. With an average cost savings of 84 percent compared to replacement, restoration dry cleaning can create a tremendous advantage for insurance companies. Recognizing the potential savings is one thing, but identifying a competent dry cleaner is another.

In other areas of restoration, organizations such as the Association of Specialists in Cleaning & Restoration and the Institute of Inspection, Cleaning, and Restoration Certification have developed certification programs for their members. Such certifications convey credibility and professionalism.

Yet, clothing and textiles, which comprise the fastest growing category on insurance claims, have not received the same level of industry attention. Fortunately, that is changing, as restoration dry cleaning has become a specialized field in which skilled operators are trained in the latest processes for restoring clothing, textiles and other fabric

items damaged by fire, smoke, water, or exposure to mold and other contaminants. Professional restoration dry cleaners also are adept at handling a wide range of specialty items, including window treatments, shoes, purses, hats, belts, leathers, and furs.

Smoothing Adjusters' Paths

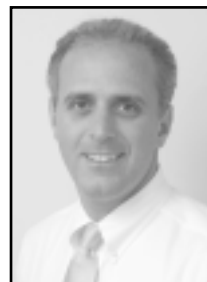
So how can qualified professional restoration dry cleaners improve the claim process? At the very foundation, it is all about controlling claim severity and saving time.

It starts with accessibility. Adjusters and contractors are called into service at all hours. The same expectation should apply to restoration dry cleaners. By being accessible around the clock, professional restoration dry cleaners are able to process wet items quickly, which will lead to better restoration success rates by preventing dye migration and mold growth contamination. An expeditious removal of textiles and fabric items also allows other service providers, such as contractors and content cleaning companies, to begin their work as soon as possible.

The process is magnified at the loss site. Restoration dry cleaners can conduct thorough on-site inventories, providing accurate records of homes' textile contents, rather than relying on insureds to create lists. When insureds

are responsible for inventories, accuracy oftentimes is questionable at best, and the process can take a substantial amount of time, which may translate into delays in settling claims. Inventories that are conducted and tracked electronically, using hand-held scanners and bar codes, also allow homeowners to keep informed on which items have been restored.

Take, for example, window treatments, which can be one of the most expensive items purchased for a residence. When such accessories have been affected by smoke or water, a properly trained restoration dry cleaner will evaluate the window coverings for preexisting damage such as sun deterioration, shrinkage, snags, and water stains. A detailed condition report, reviewed and signed by the homeowner, ensures that restoration efforts are directed at the damage from a loss. The restorer should take photographs of the window treatments while still on the



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items. Contact CRDN at www.CRDN.com.

windows to create a reference for reinstalling them and to document preexisting damage.

A crucial part of inventories is accurate lists of non-salvageable items, with detailed descriptions (including brands) of all items considered total losses, to ensure proper assessment of replacement costs. Detailed inventories even can reduce homeowner complaints, as they identify all affected items, as well as the rooms to which they will be returned.

Importantly, restoration dry cleaners should be able to handle rush orders, returning a portion of the restored clothing to an insured within 24 to 48 hours. Such a service reduces additional living expenses and creates cost savings.

Professional Credentials

Beyond these qualifications, another determinant is a service provider who is credentialed. Although the importance of immediate response and professional service cannot be underestimated, neither can the value of proper credentials. At a loss site with water damage, for example, failure to properly handle and expeditiously dry the structure's contents can promote further damage. Costs increase, claims take longer to close, and insureds become dissatisfied, compounding the headache for insurance companies.

Insurers should not have to pay for service providers' mistakes. Thus, it is important to ensure that service providers have appropriate insurance and are properly licensed.

Improper handling due to a lack of qualifications can create ancillary exposures for insurers. Any time unqualified parties are involved in claims, carriers take risks. Whether the vendor was selected by an adjuster or the homeowner, the potential exists for liability, which can result in additional expense and exposure to carriers.

Hiring properly credentialed service providers will ensure that insurance companies are protected from such lia-

bilities. There are many factors that make it challenging to determine whether a vendor is credentialed, such as a lack of knowledge about credentials, a lack of resources to keep up to date on insurance verifications and licensing information, or simply a lack of consideration for the long-term ramifications of a poor quality control process for selecting such services.

Third party administrators have developed programs that provide higher credential levels for contractors. The Crawford Contractor Connection, for example, provides a nationwide network of general and specialty contractors, and backs all work conducted through the program with a warranty.

"It has become imperative in today's business climate to ensure that any representative of an insurance company who is referring a service provider have absolute confidence that the service provider is financially stable, properly licensed, and has appropriate levels of insurance to eliminate exposure," said Larry Thomas, senior vice president for Crawford & Co.

In a perfect world, all service providers would meet minimum industry-accepted requirements, simplifying the claim process rather than complicating it. By following consistent processes and industry standards that go far

When they are counting on you, call on us.



Specialists trained to handle all types of loss

Our commitment to customer service ensures that your homeowners will be treated with courtesy, compassion and respect as they deal with the aftermath of a fire or flood. We offer rush service for clothing and other items that are needed right away, and we specialize in saving sentimental items. We also provide secure storage and return each item to its original location after restoration is complete and when your homeowner is ready for them.

CRDN is a national network of highly trained, premier drycleaners who specialize in restoring clothing, textiles and other fabric items damaged by fire, smoke, water, mold or other contaminants.

Our GUARANTEE to you:
If an item doesn't clean, it's FREE.



For claims assignment, call **1-888-DryClean (888-379-2532)** or visit **www.CRDN.com**.

beyond the cleaning of clothing and fabric items, qualified professional restoration dry cleaners can provide significant services for insurers and homeowners. Determining the qualifications and credentialing status of restoration dry cleaners allows insurance companies to better realize the benefits that result from well-managed claim processes.■

