

Textile Restoration Comes of Age Specialty Niche Saves 84%, Improves Customer Satisfaction

By Wayne M. Wudyka

Throughout the past few decades, it seems as though everyone has become an "expert." The business world that was once dominated by production and manufacturing has become more service-oriented and specialized. These changes have created numerous opportunities for niche businesses that focus on providing expertise to create value.

This same trend has affected the insurance claims industry. The previous practice of one source handling all aspects of a claim isn't always practical, due to a variety of factors – from the pressure to reduce severity to an increasing complexity in property claims.

Insurance restoration service providers have evolved to include a variety of specialties that better meet the needs of adjusters, contractors and other groups. Today's claim landscape has broadened to include such niche experts as water mitigation, electronics recovery, flooring replacement, independent testing...and textile restoration. Fortunately, in many instances, the deployment of technology has positively impacted the ability to coordinate disparate claim resources without increasing work loads.

The increased complexity of the claims process and a heightened focus on customer retention created a demand for refinement, which led to these more sophisticated services. In turn, specialists serving the insurance industry have implemented enhancements through training, education and testing, which created more advanced protocols to better meet the distinct needs within this changing claims environment.

Just a few short years ago, the typical process for the restoration of textiles damaged by a covered peril was handled in an inconsistent and often haphazard

manner. Affected items were dropped off at a local drycleaner and marked in just like any other retail item. An inventory would be developed from the cleaner's internal "point of sale" system. The inventory became the invoice. Unfortunately, there was no documentation for what was taken or not taken from the property, resulting in a potential for disputes.

Today, a much more detailed and thorough service-oriented process is what separates retail drycleaners from textile restoration specialists who focus on the insurance industry's specific needs.

A textile restoration company's service standards must follow those of contents companies. Specifically, around-the-clock access, on-site room-by-room inventories, non-salvageable lists pre- and post-cleaning, control sheets for valuables, textile protection for transportation, pack-out materials, secure temporary storage, photographic documentation of the loss, rush orders (to reduce ALE), customized cleaning equipment and ozone rooms all are vital components of textile restoration. The textile niche even encompasses third-party administrators, electronic interfaces to pricing specialists and Internet-based claims assignment similar to the structural side. Ultimately, the quicker and more professional the response, the more the indemnity can be minimized and customer satisfaction can be improved. At an average cost savings of 84% compared to replacement, textile restoration also allows the insured to use more of their content coverage on other areas.

In today's economic environment, contents has become largest and fastest growing category on insurance claims, and textiles comprise the largest component of contents, approximately 23%.

Homeowners' textiles can be surprisingly valuable; a typical family of four easily can accumulate \$25,000 in clothing within a few short years. Additionally, heirloom-quality and one-of-a-kind specialty textiles have a high sentimental value for the insured. Without proper protocol, particularly an on-site inventory, there is no way to verify or document what was removed from the home and what condition it was in—the perfect scenario for disputes.

A textile restoration specialist also has made a significant investment in full-service facilities and equipment (boilers, customized washers, ozone chambers, secure storage, etc.) for restoring garments and other fabric items. Highly-trained, skilled professionals operate in the field as well as in the plant; proper appearance and communication—namely uniformed representatives who are courteous, efficient and understand the claims process—are imperative. Standards such as these result in better auditable inventory control, accountability, on-site and off-site efficiencies, and decreased ALE costs—resulting in overall excellent customer service and policyholder satisfaction.

The textile restoration niche truly has come of age. As a result, a dedicated textile restoration service provider is in fact a specialty content company, with sophisticated protocols to better meet the distinct needs of the insurance claims industry.

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