PROPERTY DAMAGE: KNOW YOUR RIGHTS

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YOUR INSURANCE PROTECTIONS

Washington State's insurance industry is governed by three key regulations: the Insurance Fair Conduct Act (IFCA), the Consumer Protection Act (CPA), and the Washington Administrative Code (WAC). These laws and regulations work together to protect consumers and ensure fair practices in insurance claims and settlements.

INSURANCE CARRIER DUTIES AND OBLIGATION

TAKE RESPONSIBILTY

- Insurance Carriers cannot place responsibility to pay onto another insurance carrier.
- This often applies to condos, properties with HOAs, and overlapping insurance policies.

COMMUNICATE

- Insurance Carriers must respond to communications within ten (10) working days after receiving notification of a claim under an individual insurance policy, or within fifteen (15) working days for group insurance contracts.

SWIFTLY & REASONABLY INVESTIGATE

- Insurance Carriers must complete investigation of the claim within thirty (30) days after notification of the claim unless the investigation cannot reasonably be completed within that time.
- Denying a claim over the phone without inspection of the property does not constitute a reasonable investigation.

ACCEPT OR REJECT CLAIM

- Insurance Carriers have fifteen (15) days to accept or reject the claim upon receipt of a fully executed Proof of Loss.
- Denial must be in writing and must reference specific policy provisions.
- If more time is needed, insurer must notify claimant within 15 working days and every 30 days thereafter (WAC284-30-380(3)).

PAY PROMPTLY

- Insurance Carriers must promptly pay for any covered damages.
- "Not attempting in good faith to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear" is an unfair practice (WAC 284-30-330(6)).

EXPLAIN PAYMENTS

- Insurance Carriers must specify coverage for each payment.
- "Making a claim payment to a first party claimant or beneficiary not accompanied by a statement setting forth the coverage under which the payment is made" is considered unfair claims settlement practice (WAC 284-30-330(9)).

COMMON INSURANCE CLAIM ISSUES AND YOUR RIGHTS

If you have any questions about your insurance claim, call the public adjusters at Pacific Public Adjusters or the lawyers at Poli, Moon & Zane, PLLC.

NOT PAYING FOR MATCHING ITEMS

Does the insurance policy define "replace" or other terms? If it does not, the plain and ordinary meaning could apply. Therefore, if your policy doesn't exclude matching, the insurance agreement likely covers it. See 160 Lee St. Condo. Homeowners' Ass'n v. Mid-Century Ins. Co. CASE NO. C17-1170-MJP.

LOSS TO SET OR PAIR

When damage occurs to one item in a set, many policies require insurers to replace the entire set if a match cannot be found, or compensate for the loss in value to the whole set. Check your policy for specific language, as interpretations can vary.

NOT PAYING FOR GENERAL OVERHEAD AND PROFIT

Insurers may be required to include general contractor overhead and profit in claim payments, especially for complex repairs involving multiple trades. If your claim necessitates hiring a general contractor, you may be entitled to compensation for these additional costs.

FORCING YOU TO USE THEIR CONTRACTOR

You have the right to choose who repairs your property, despite insurer preferences for specific contractors. Before using an insurer-recommended vendor, verify their credentials, check reviews, and ask about warranties and quality guarantees. Their preferred contractor might intentionally underbid to secure the job and then request additional funds from your insurance company.

DENYING SECONDARY DAMAGES

Secondary damages resulting from a covered loss are typically covered, even if the policy excludes those types of damages under normal circumstances. For example, mold growth due to water used to extinguish a covered fire would likely be covered as secondary damage.

TORTIOUS INTERFERENCE

Insurers may commit tortious interference if they wrongfully disrupt your business relationships or repair efforts, such as pressuring contractors to lower estimates. Such actions could be considered bad faith and may provide grounds for legal action against the insurer.

NOT PAYING THE FULL MITIGATION BILL

Insurers are generally obligated to cover reasonable and necessary mitigation expenses to prevent further damage after a loss. If an insurer refuses to pay the full mitigation bill, they should provide a clear explanation why, and you may have the right to dispute this decision and seek full reimbursement.

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