

**5 REASONS  
YOU WON'T  
GET THE  
INSURANCE  
SETTLEMENT  
YOU DESERVE**



**TURNER**

Adjusting Group LLC

When the worst happens to your investment property, you expect your insurance to protect you and payout what you deserve, right? Wrong. Your insurance company's representative will reassure you, but their ultimate objective is to reduce the amount of money their employer pays out, leaving you feeling frustrated and ripped off, without the settlement you

We understand that large insurance loss is overwhelming and put this guide together to show you five insurance loss secrets sophisticated investors use to add equity to their balance sheet.

**TIP:** the best way to use this guide, is to:

1. Read each secret that will maximize your settlement
2. Focus on the bonus tip and questions you should be asking your insurance companies representative.
3. Feel confident that you can get the settlement you deserve

Ok, lets get started:

## SECRET 1

Your insurer will put time pressure on you to settle

### WHAT YOU NEED TO KNOW

**Time is your Friend!** We get it. The natural initial reaction we all have is to "Fix it" as quickly as possible. Do not allow time pressure to dictate your settlement process. You should have Business Income Insurance that will allow you to proceed as normal for 12 months. Use that time to properly ensure that you are paid for every damaged part of your property.



**Bonus tip** - *The most important thing you can do right now is get your leases and tenants payment history in hard copy. That way you can prove the Loss of Business Income that your are owed each month.*

## SECRET 2

Your Building has been “Tagged” or “Condemned”

### WHAT YOU NEED TO KNOW

Most times with large insurance loss, the local code enforcement office will mark the building “Unfit for Human Habitation”.

After this happens, go to your county taxing authority and ask them to lower your tax assessment to Land value only. When a structure is condemned it is valueless, therefore no tax should be due. This will dramatically lower your tax burden.



**Bonus tip** – *If you have bad tenants in your building and want a fresh start, encouraging the code enforcement office to “Tag” the building will force all of your tenants to move out. Your policy will cover the loss of income and when its repaired you can upgrade your tenant base.*

## SECRET 3

The reserve will **ALWAYS** be lower than the payout you deserve

### WHAT YOU NEED TO KNOW

If you do not manage the reserve, you will get a lower payout than you are entitled.

The reserve is the amount of money the insurance company adjuster thinks it will take to settle your loss after the initial walk through. They will meet you at the property, take measurements and pictures for an hour or two, go back to their office and “guess” at the dollar value of your loss.



**Bonus tip** - *Ask your adjuster what their Limit of Authority is, if it is substantially lower than your policy limit, ask for an adjuster to be assigned that has a Limit of Authority closer to your policy limits.*

## SECRET 4

Drive the number high, then use the proceeds to REPLACE your property and take advantage of a Tax Free Gain

What you need to know – Your RCV settlement is much higher than the value of the property, do I have to fix it to get the full settlement?

**Example:** The Fair Market Value of your property is \$75,000. Your Replacement Cost Value (RCV) Settlement is \$150,000. The first check you receive is Actual Cash Value (ACV) for \$100,000. The company adjuster says, when you repair the property and provide receipts of \$150,000 they will send you the Recoverable Depreciation, in this case \$50,000. (RCV - ACV = Recoverable Depreciation).

You have the option to use the insurance proceeds to **REPLACE** your property with other properties. In this this case, you could use the \$150,000 to buy TWO additional \$75,000 properties and submit the HUDs as proof of replacement. This will all be tax free because you are simply replacing property and spending your insurance proceeds.



**Bonus tip** - Talk to us and your accountant before executing this strategy. There are some important nuances.

## SECRET 5

Property loss, time pressure and the offer of money can all distract you from the details.

### WHAT YOU NEED TO KNOW

You have the right to take your time and get the settlement you deserve.

Maximizing your settlement is all about focusing on the details. Make sure the insurer is paying you for the same materials that you had in the property, not the cheaper versions. You paid for everything in the property and you paid your policy, you deserve to be reimbursed for that.



**Bonus tip** - Do NOT focus on dollars, ask more questions about what is damaged and what specifically needs to be REPLACED. The correct Scope of Repairs always leads to the correct amount of money.



We understand this is a difficult time, many clients come to us frustrated and angry and we've guided them through the process, taken on the insurance company on their behalf and got them the settlement they deserve. We put this guide together to help you during this difficult time, because at Turner Adjusting Group, we believe it's just not right that you are let down by your insurer at the time you need them the most.

If you find yourself facing these challenges and you'd like a free evaluation with one of our advisors, Give us a call [484.372.0062](tel:484.372.0062). There's no commitment and it is completely free.



**TURNER ADJUSTING GROUP, LLC**

484.372.0062

[info@turneradjusting.com](mailto:info@turneradjusting.com)

[turneradjusting.com](http://turneradjusting.com)

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