



Allstate
National Catastrophe Team

PILOT Operational Guide

CONFIDENTIAL AND SUBJECT TO PROTECTIVE ORDER

STATEMENT OF CONFIDENTIALITY

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STATEMENT OF COMPLIANCE

All of our processes must comply with state laws, regulations and court decisions. To the extent that these procedures, processes, forms, scripts or other material conflict with state laws, state law will take precedence. The material in this manual must be modified or revised to conform to the applicable state law when implementing Allstate practices and procedures.

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CUSTOMER SERVICE

Remember the four "Es" of excellent customer service:

- Empathy
- Expectation
- Explanation
- Education

AND

Completely satisfy" customers ... one claim at a time!
"If you don't take care of Allstate customers, someone else will!"
"Listen" to the customer first. Then adjust the loss.

The Allstate National Catastrophe Team (NCT) is here to provide the highest quality customer service to Allstate customers. The high standard of Allstate customer service must be maintained throughout the handling of each claim. It is our goal to have a completely satisfied customer on every claim handle.

The following requirements for customer service must be met on every claim:

- Initial customer contact requirements are outlined in the "Storm Issues" document.
- The claim representative to whom the claim was assigned must make contact.
- In some storms we will utilize Outbound Call notification. It is still the claim representative's responsibility to make contact per the Storm Issues guidelines.
- Every contact attempt must be documented in the diary until the customer is contacted.
- If initial contact efforts are unsuccessful, a contact letter/post card must be mailed to the customer within three days.
- On first contact, you should provide your customer with the following information:
 - * Your name, title and company name and agent's name (for example: Hi this is John Smith Claim Service Adjuster with the National Catastrophe Team of Allstate Insurance Company. I'm calling on behalf of your agent, Jane Doe.)
 - * Their claim number
 - * Your voice mail number
 - * Thank them for choosing Allstate for their insurance needs
 - * The date
 - * Availability of employee
- Every attempt should be made to return the customer's call within 2 hours. If a return call cannot be made within 2 hours, all messages should be returned the same day they are received. Calls received after business hours, must be returned by the noon of the next day.
- A detailed message, by the claim representative, containing the above information, left on an answering machine or voice mail is considered a valid contact.
- All voicemail messages should be clear and concise. They should include the appropriate tone and inflection.
- Schedule appointments according to severity.
- Before leaving the customer, be sure that s/he is COMPLETELY SATISFIED with the handling of his/her claim. It's important to explain what they can expect from Allstate, ensure those expectations are set & met every time. It is also important to explain what action they must take, and that a QCR may contact them. Take time to listen carefully and answer all questions or concerns that they have.
- Review The "Keeping Customer Informed" training module (http://p-ccso/national_cat/Training/CustomerInformedAdj.doc). Some of the key elements to keeping the customer informed" are:
 - * Being polite, courteous and professional
 - * Spending sufficient time in each customer interaction to be sure that there are no areas of confusion or questions in a customer's mind
 - * Explaining insurance/claim areas in simple non-insurance terms
 - * Explaining your role and/or other's role in the process and how the claim will be handled.
 - * Concluding every conversation with an explanation of the next step in the process

- Concluding every conversation with a question: "do you have any questions for me?"

Adjuster Key Messages

As an Allstate representative you are expected to familiarize yourself with the following media "Key Messages."

- At Allstate our top priority is to aggressively manage this catastrophe. For those customers who can't live in their homes we must quickly reach them to provide the funds that they need to purchase food, clothing and obtain shelter.
- Allstate is financially strong and sound. It's a public company, so I can't speculate on, or state, the costs associated with this storm. Our media people can speak with you about that.

Our Goal is to provide Allstate customers with the great service that they need and deserve, and making sure that they are **Completely Satisfied!!!**

Voice Scripts

Communication with our customers immediately following a devastating catastrophe is a critical element of how well we meet that customer's expectations. It is important that realistic expectations regarding the claim process are conveyed to our customers from the very beginning.

Voice mail messages are a critical component of our customer communication. Your voice mail recordings and how quickly you respond to our customers' voice mail messages are critical elements that directly affect our customers' satisfaction. When recording your voice mail messages be sure to have a smile in your voice, as this may influence every conversation you have with our customers.

VOICE MAIL SCRIPTS – MUST BE UTILIZED AS PROVIDED

Script A – In Route to Cat Site

Thank you for calling Allstate. You have reached the voice mailbox of _____ (your name). I am not available to take your call at this time as I am currently in route to _____ (Cat Location) and expect to arrive on _____ (date). Please leave your name, phone number, claim number and a detailed message and I will return your call upon arrival. Thank you for choosing Allstate.

Script B- Arrival at Cat Site

Thank you for calling Allstate. You have reached the voice mailbox of _____ (your name). I am not available to take your call at this time as I am assisting another Allstate Customer. Please leave your name, phone number, claim number and a detailed message. I will return your call today. If this is an emergency, please call our customer Service Center at 1-800-547-8676. Thank you for choosing Allstate.

Script C- Departure from Cat Site

ALST-WEIS 0431

Thank you for calling Allstate. You have reached the voice mailbox of _____ (your name). I have been deployed to another location and therefore unable to take your call. If you need assistance with your claim, please call 1-800-547-8676 (do not say 800-54-STORM) where a qualified claim representative with access to your claim file is available to help you. Please do not leave a message on this voice mail, as it is no longer monitored. Thank you for choosing Allstate.

Check Procedures

Completion	<p>Complete all areas of the check; it must include the proper dollar amounts, your MCO, the current date, and the correct MCO code. Your desk location is "PLT". Use the proper wording when filling out a check (subject to state requirements).</p> <p>The proper check wording for loss payments will include peril, coverage and date of loss. Example: Wind storm loss to Dwelling, Contents, other Structures on 01/01/03</p>
Registers	<p>Check registers must be completed neatly and in full to obtain additional checks. Voided checks must be attached to your check register. Retain a copy of your check register for your records. Return check registers to:</p> <p>Allstate Catastrophe Center- Check Desk 51 W. Higgins Road Ste. T1C South Barrington, Illinois 60010 Attention: Check Deployment Team - 1-800-808-5570 x 14700</p> <p>E-mail: 306-CheckReq@allstate.com</p>
Requisition and confirmations	<p>Complete and submit a check request form as soon as your log is completed. Allow at least 72 hours for your new checks to arrive. It's CRITICAL that you notify the check desk if you change your address during the storm. Otherwise you are responsible for the checks sent to the wrong location.</p> <ol style="list-style-type: none"> 1. Checks are sent out by 3:00 PM on the day of request. 2. Adjuster must confirm receipt of checks 3 days from the date checks are sent. (NOT received) 3. If confirmation has not been received from a Pilot adjuster, an e-mail will be sent to the Vendor Management Team Field Managers with the Catastrophe Administration Manager being copied. 4. If there is no response in 72 hours after the e-mail (or 8 business days) the Market Claim Manager will be notified via e-mail with copies going to the Field Managers. 5. If there is no response from the adjuster within 24 hours of this notice all checks will be cancelled through accounting and will be null and void. <p>**Pilot management must notify the CAM at least <u>one business day</u> before checkout so they may verify with the check desk that all checks are accounted for. If not, the adjuster cannot leave.</p>
Check Security	<p>If leaving the storm site, void unused checks and return them with your check register. Check security is your responsibility. DO NOT:</p> <ul style="list-style-type: none"> * Leave checks out * Leave them in your hotel room * Share your checks

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Customer Service Guidelines

Appointments	Appointment times should be arranged with the named insured so that an on-site, tabletop settlement can be accomplished. Appointments should be scheduled in order of severity.
Dress Code	Jeans, shorts, tennis shoes, and non-Allstate logo caps are never acceptable attire while handling Allstate claims or entering a local MCO. It is required that you wear Allstate logo clothing during business hours while working a catastrophe.
Initial Contact	<p>During the initial contact, set the customer's expectations for the claim handling process. This may include:</p> <ul style="list-style-type: none"> ▪ Determining if the claim can be processed via Express Claim Handling ▪ Temporary repair ▪ Property inspection ▪ Keeping receipts and damaged property ▪ Claim Payment ▪ Begin repair process ▪ Document diary as to when and to whom you speak ▪ Document appointment dates and times in the diary
Magnetic Signs	Use Allstate magnetic signs on your vehicle at all times during work hours. Remove the signs when not on duty.
Messages & Pages	<p>Return all messages by the end of the business day. Check your voice mailbox at least twice daily.</p> <p><i>Customer Service problems result from failure to communicate in a timely manner.</i></p>
Office Hours	Adjusters should set aside two hours each day to handle customer needs.
Tabletop	<p>The adjuster will develop a scope, write a repair estimate, and explain the repairs and the settlement process with the insured. The adjuster will leave the estimate and settlement check with the customer on the first inspection. If the adjuster leaves the inspection to check on a material price, etc. and returns the same day and completes the above criteria the claim will count as a "table-top" settlement.</p> <p>Tabletop settlements must be clearly documented. All efforts must be made to make a face-to-face inspection. It must be documented, when the insured refuses or is unable to make an appointment.</p>

CONFIDENTIAL AND SUBJECT TO PROTECTIVE ORDER

Paperwork Process

Catastrophe File Assembly

Staple Items 1 (on Top) Thru 13 (on Bottom)

Adhere to the following guidelines to properly process your paperwork.

1. Denial Sheet: On denial/partial denials identify the area of the policy substantiating the denial of coverage.
2. Checks: coded by coverage and attached to the green or orange check-processing sheet. Each check should have it's own sheet.
3. Green Sheet (partial payments) or Orange Processing Sheet (closing file): completed with information necessary to process checks, including split coding of coverages and proper dispatch closure.
4. Attach 3 ply Pilot Billing Statement under the check. Do Not Staple
5. Estimate, clearly define damages, and indicate where damage is located.
6. Contents list including depreciation listed item by item, if applicable.
7. Diary
8. Full Replacement Cost (FRC) letter
9. Other supporting documentation.
 - Estimates and diagrams
 - Contractor bids
 - Old invoices
 - Customer's photographs
 - Neighbor's statements
10. Photos
11. Electronic assignment (L300)
12. Yellow Billing Copy

Mail paperwork to the CAT Claim Office via overnight delivery. Remote adjusters: mail paperwork to the field CAT claim office via overnight delivery within 24 hours of writing a check. Adjusters who are working within driving distance of the field CAT claim office are to drop off their paperwork within 24 hours of writing a check.

Settlement Package to Insured - Including Face-To-Face Settlements

1. Settlement check(s) - be sure mortgagee is included if applicable
2. Estimate
3. FRC letter - if applicable
4. State mandated letters - if applicable
5. Photos - if applicable.

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File Examining Guidelines

<p>Advance Payments</p>	<p>If an agent or other representative has issued an advance payment on a file that you are working, a note is put in your mailbox. Confirm with the customer if s/he has received the payment. You must deduct advance payments from the total amount owed the customer at settlement.</p> <p>Complete Advance Payment agreements on each advance payment issued and submit it with the check copy on the green processing sheet within 24 hours of issuance.</p>
<p>Authorization</p>	<p>You have \$5,000 (gross) loss authorization on files. Contents authorization is subject to event guidelines and is included in your gross loss authorization.</p> <p>You have \$ 250.00 expense authorization, for roof access charges and ITEL only.</p> <p>Gross settlement is the ultimate probable cost of a claim before depreciation or the deductible is applied. The authority dollar limit is not based on the amount of the check.</p> <p>The File Examiner must approve losses exceeding your authority.</p> <p>If you are "table topping" a settlement between \$5,000- \$10,000, contact your File Examiner for authorization. When calling for authorization, your file examiner will give you a control number. This control number should be included in your diary and should appear prominently at the bottom of the processing sheet.</p> <p>Never commit to any dollar settlement exceeding your authority without prior approval.</p>
<p>Check In/Check Out Procedures</p>	<p>Your on-site Pilot Manager and File Examiner will monitor your storm site check in and check out. Three to five days before you plan to leave the storm, you must notify both the Pilot Manager and the File Examiner. Every effort should be made to have all files over \$5,000 turned in forty-eight (48) hours before checkout to give the file examiner time to review them for accuracy. You will not be permitted to leave if your files are not correct or if enough time is not allowed to have them reviewed.</p>
<p>Coverage</p>	<p>Informing Policyholders Of First Party Coverage Benefits</p> <p>Insured parties who have protection under first party coverages, should be informed in person or by telephone of the nature and availability of these coverages and benefits. Of course, if they are located too far from the claim office or do not have a telephone, written notifications should be given. In addition, some states may require that other notices or forms be provided to insured parties. Please make sure the adjuster knows the specific requirements of the state.</p>
<p>Denials/ Partial Denials</p>	<p>CSA Compliance governs this action. Denial letters must be sent, when required. A copy of the letter must be placed in the file.</p> <p>Adjuster determines that there is no coverage under the policy or finds no damage as reported on the loss report and informs the customer. The diary is updated to include the reason for the denial and the date the denial letter was sent.</p> <p>Adjuster completes the denial form letter specifying, type of policy and coverage involved, full or partial denial, loss cause, applicable exclusion and policy jacket reference (page number and paragraph).</p> <p>Adjuster must submit denials to File Examiner for approval. The file will be returned if information is incomplete.</p> <p>File Examiner, following approval, submits for generation of denial letter with NCC address. The contact phone number and signature are overridden with the following information:</p> <ul style="list-style-type: none"> • Signature: File Examiner's Name • Contact Phone number 1-800-806-5570 ext. 12020 <p>Letter is mailed to the customer and a copy of the letter is placed in the claim file.</p> <p>The adjuster must upload a CWP line item anytime an Integri assignment is involved.</p> <p>The claim file is shipped to the NCC in S. Barrington.</p>

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Documentation	<p>Diaries are essential for NCC Representatives to respond to customer inquiries. Anyone reviewing your file diary should be able to understand exactly what has transpired during the handling of that claim. Therefore, update diaries as soon as possible – after-the-fact documentation is ineffective and considered an exception.</p> <p>All diaries must be uploaded DAILY to the Allstate system. This is part of your overall file review completed by the Examiner.</p> <p>Prior Losses, Subrogation and Salvage must be addressed on all claims.</p>
Engineers	<p>When an engineer is required, for purposes of causation, investigation, superstructure damage or when a code issue requires an engineer's expertise, if you feel an engineer is required consult your File Examiner. Only Allstate Managers can authorize the use of an engineer and s/he must follow the Engineer-Vendor Process.</p>
Mortgage Co	<p>The mortgagee must be included on any loss payouts (after deductible and before depreciation) in excess of \$10,000 involving coverage's AA or BB or as outlined in the State Issues.</p> <ul style="list-style-type: none"> • Verify the correct name of mortgagee with the customer. The current mortgagee may be different than the one on the L300. • Do not include payment for content settlements on checks with the mortgagee listed as payee. • The mortgage company does not need to be included on any supplement payment under \$1,000. • Management and Staff File Examiners have approval to waive this requirement when appropriate. A diary entry explaining the waiver circumstances is required. • Local CSA guidelines will take precedence over this guideline. (The Storm Issues will address any variance to this requirement.)
Overhead and Profit (O & P)	<p>General Guidelines:</p> <p>The following guidelines should be utilized anytime we are considering paying Overhead and Profit. Whether or not overhead and profit should be included in the estimate should be determined on a case-by-case basis.</p> <p>For structural losses, typically requiring the services of a tradesperson(s) who is capable of handling one or more trades, the material, labor and equipment cost of the estimate is generally adequate for the job.</p> <p>However, where market or job conditions warrant, and/or our experience or investigation indicates that a single trade or specialty contractor may have special equipment, crews, offices, company trucks, etc. (e.g. roofing contractors, siding contractors, flooring contractors), reasonable overhead and profit may be allowed.</p> <p>General contractor overhead and profit should be considered whenever the extent and complexity of the loss suggests the need for a general contractor, and/or the degree to which non-related trades involved in the loss requires a high level of coordination.</p> <p><i>Note:</i> Some states have mandated specific guidelines for the use of O & P. Please be aware of those guidelines and handle the losses accordingly. If inclusion in the replacement cost estimate of separate overhead and profit charges (whether for a general contractor or otherwise) is appropriate, those charges should also be reflected in any ACV payment. If you decide that O & P is warranted and you have communicated this to our customer, do not remove or deduct this amount from the actual ACV or FRC payment.</p>
Photos	<p>The photo guidelines are as follows:</p> <ul style="list-style-type: none"> • One (1) photo of the front of the risk. • An appropriate number of photos to document the damages. • One (1) photo of any areas where damages are claimed but payment will not be made (i.e. denial of coverage, no damage, etc.). • An appropriate number of photos illustrating the cause or origin of loss, if possible. <p><i>When taking a close-up picture of damages place a "frame of reference" item in the picture so the viewer can relate the size of the photo. A pen, coin or</i></p>

	<p>ruler is a good choice.</p> <ul style="list-style-type: none"> Take pictures at proper angles so the viewer can understand the photo. <p>On roof claims, take a picture of the "test square" to illustrate damage when there is no damage.</p>
Prior Claims	All priors identified on the MSB/L300 assignment must be reviewed and documented as to the relationship to the current claim.
Reserves	Adjusters are required to make timely reserve changes. Complete and submit the green processing form promptly after receiving information requiring a change (either up or down).
Salvage	If Salvage is an issue, discuss with your File Examiner. Salvage must be recorded and disposed of in a timely manner. Document the claim file diary with regards to the salvage. Never collect a salvage item yourself.
SBA Assignment Letters	<p>Customers sometimes apply for SBA loans following a loss. SBA requires that the customer sign an "Assignment of Insurance Proceeds" form providing the SBA with the legal rights to be listed as a co-payee on all future claim checks.</p> <p>SBA sends a copy of the Assignment Letter to Allstate, once received, any claim issued without SBA listed as a co-payee may result in Allstate making additional payments to the SBA.</p>
SBA Assignment Letters	<p>Following a catastrophe there may be instances when an Allstate customer applies to the SBA for assistance in the form of a loan. Customers who apply for SBA loans are required to sign an "Assignment of Insurance Proceeds" form that gives the SBA the legal right to be listed as a co-payee on all future claim checks.</p> <p>The SBA sends a copy of this Assignment Letter to Allstate. Once Allstate receives the Assignment, if any claim check goes out without the SBA listed as a co-payee, Allstate <u>may be required</u> to make additional payments to the SBA.</p> <p>It is not uncommon for the claim department/claim personnel and/or agent to receive calls from the customer or the SBA regarding how to forward this information to the appropriate claim file.</p> <p>SBA Notification Process</p> <ul style="list-style-type: none"> If you receive an Assignment of Insurance Proceeds letter from the U.S. Small Business Administration, you have two options: <ul style="list-style-type: none"> If received in an <i>email format</i> – Forward the electronic transmission immediately to the new Outlook address of 306-SBA. Employees in the National Catastrophe Center (NCC) monitor this Outlook folder. If received in a <i>hard copy format</i> – Fax the letter immediately to the Allstate National Catastrophe Center (NCC) at 1-866-295-5657, attention SBA Coordinator. The fax transmission will be sent automatically to the appropriate personnel at the NCC. It is important that you fax all pages of the Assignment of Proceeds notice <u>on the date</u> you receive it. If you cannot fax it on the same day, then please indicate on your fax cover sheet or the email transmission of the date that you did receive the assignment letter. Please ensure that there is sufficient information in your transmission to identify the customer and/or the claim number. <p>Federal Emergency Management Association (FEMA) Requests</p> <p>The above referenced notification process can be used for ANY requests that are received from FEMA. These may be for any of their assistance programs or for requests to send other documents/items to a catastrophe claim file.</p> <p>The personnel at the NCC will handle these types of requests along with any SBA requests</p>
S.I.U.	Local Allstate employees investigate losses involving unusual factors. If a loss is suspicious contact the File Examiner.

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Subrogation	A comment regarding subrogation, whether "yes" or "no" must be entered into the diary. Bring to the attention of the File Examiner any files with subrogation potential. Potential subrogation files have damage or extent of damage that would not have occurred if type and style of construction were proper.
Underwriting	<p>Complete an underwriting referral when identifying risks that are:</p> <ul style="list-style-type: none"> • Unusual • Under-insured • Over-insured • Liability • Condition • Business • Ongoing losses <p>Discuss other situations with FPL</p>
Vendors	Contractors are not recommended during an event. If you need assistance from a local MCO vendor consult your File Examiner.

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Estimating Guidelines

Additional Living Expense (ALE)	<p>ALE can enhance customer service on a severe loss by projecting and paying up to 3 months ALE. As soon as an ALE exposure or loss of rents is determined, open the proper coverage by completing the green processing sheet. Use the "ALE Worksheet" to document payments and properly subtract normal expenses.</p> <p>Receipts must document all other payments.</p>
Contents	<p>Work with the customer to develop a list of contents. Obtain pricing through your own research – do not ask the customer to do the pricing for you. A verification of contents pricing is required. A reasonable effort must be made to support the value of the item being claimed. Attempts should be made to repair content items when feasible.</p> <p>Content items that are \$100.00 or more per single item require documentation of verification. The adjuster must properly identify the item and use reasonable means to price the item.</p> <p>CSA guidelines or state regulations always take precedence.</p> <p>SALES TAX: Add sales tax for content items paid at ACV or FRO. Sales Tax must be added, unless stated otherwise in the local issue page. Food items do not require sales tax unless specified on the storm issues page. Refer to Storm Issues Page.</p>
Depreciation	<p>When depreciation is applied (whether recoverable or not), each appropriate line item should be depreciated on a percentage basis. IntegriClaim provides a guide on the standard useful life. If this amount is used an explanation on the estimate for each item needs to read "based on standard useful life". If there is something that changes this percentage then that must be explained on the estimate. Depending on applicable state laws, the depreciation must be explained on each line item or for the entire damaged area.</p>
Diagrams: Roof/Fence and Siding	<p>Roof/fence/siding diagrams are required on all losses (including ECH files), even when the insured believes that they have a claim and we are denying it due to no visible damage. Losses involving siding should be diagrammed with the elevation of the home identified. For roof diagrams use the diagram sheet in the Roof Assessment Package. The diagram must be uploaded to the Integri system whenever Integri is utilized.</p> <ul style="list-style-type: none"> • When repairing a slope, designate the areas included in your estimate. • A diagram indicating the damaged area is required for a minimum repair charge. • Measurements are required on all other losses.
Other Areas	<p>Other areas of damage, such as interior water damage, may require a diagram. Include measurements on diagrams.</p>
Express Claim Handling (ECH)	<p>A claim can be settled as an ECH for a maximum of \$2500 GROSS, without inspecting the loss. ECH handled claims in excess of \$2500 require documented approval by your File Examiner. Mark your paperwork and Quality Control Package "ECH".</p> <p>ECH means you <u>write your own estimate</u> based on the customer's description of damage. It does not mean just accepting a bill or estimate. All payments must be justified by writing your own estimate.</p> <p>ECH claims should be settled with the insured on initial contact, while the insured is on the phone. If research is required to complete the estimate, the research should be completed and a settlement with the insured attempted within 5 days. The settlement must be a Voice-to-Voice settlement. The check must be sent out within 5 days of settlement. The reason for the research must be clearly documented.</p> <p>Document your diary accordingly. Diagrams as to where the damage is located (per insured description) are still required for ECH (e.g. Roof and Fence repairs).</p> <p>Roof Losses can <u>only</u> be ECH'd:</p> <p>With an estimate or paid bill that can be validated – up to \$250.00. Get a copy for the file whenever possible.</p> <p>The adjuster <u>never</u> asks the insured to climb on the roof.</p>

Estimating Database	<p>The adjuster will use the Integri claims estimating database.</p> <p>Please adhere to the areas below:</p> <ul style="list-style-type: none"> • The current version of Integri should be installed on your laptop. If a different version is in use, it will be noted in the "Storm Issues." • A Home Depot flag reflecting Home Depot pricing should appear on the estimate. If Home Depot is not seen, please contact your FPL. • Adhere to the Integri best practices as outlined in the Integri Implementation Guide.
Fences	See Storm Issues; Always consider repairing or re bracing the fence when it is appropriate.
Food Spoilage	<p>Food spoilage losses can be settled for a maximum of \$300 with a list of categories involved. Check the customer's policy type because some policies extend coverage for off premises power interruption.</p> <p>Any applicable taxes must be shown as a single line item.</p>
Full Replacement Cost vs. Actual Cash Value	Depreciation withholding must be explained to the customer. Send the appropriate FRC letter to the customer; only letters from the Oaysis system or the Est. Team Intranet site can be used. Thoroughly explain what is required for them to be reimbursed for the depreciation that was applied on the estimate and what constitutes non-recoverable depreciation. The "State Issues" page states if the CSA requires an FRC letter when only non-recoverable depreciation is involved.
ITEL	See Storm Issues
Labor by Insd	See Storm Issues
Measurements	Measurements are rounded to the nearest inch. Use a 25', 30' or 100' tape for accurate room measurements. Measuring wheels are not acceptable
Minimum Charges	A minimum charge for a single trade item can be used only <u>once</u> on a loss. Document file with the location and scope of work to be done. No other estimate dollars should be entered for that trade in the estimate. MSB applies tax to the material portion of the minimum charge.
Openings	Deduct all openings on clean and paint operations. Single items over 40 sq. ft. should be deducted for drywall, sheet siding, paneling, and sheathing.
Overhead and Profit	<p>General Guidelines:</p> <p>The following guidelines should be utilized anytime we are considering paying Overhead and Profit. Whether or not overhead and profit should be included in the estimate should be determined on a case-by-case basis.</p> <p>For structural losses, typically requiring the services of a tradesperson(s) who is capable of handling one or more trades, the material, labor and equipment cost of the estimate is generally adequate for the job.</p> <p>However, where market or job conditions warrant, and/or our experience or investigation indicates that a single trade or specialty contractor may have special equipment, crews, offices, company trucks, etc. (e.g. roofing contractors, siding contractors, flooring contractors), reasonable overhead and profit may be allowed.</p> <p>General contractor overhead and profit should be considered whenever the extent and complexity of the loss suggests the need for a general contractor, and/or the degree to which non-related trades involved in the loss requires a high level of coordination.</p> <p>Note: Some states have mandated specific guidelines for the use of O & P. Please be aware of those guidelines and handle the losses accordingly. If inclusion in the replacement cost estimate of separate overhead and profit charges (whether for a general contractor or otherwise) is appropriate, those charges should also be reflected in any ACV payment. If you decide that O & P is warranted and you have communicated this to our customer, do not remove or deduct this amount from the actual ACV or FRC payment.</p>
Re-inspections	Quality Control Representatives ensure quality service by re-inspecting losses. You are

	<p>notified regarding your individual results. Advise your customer their loss may be re-inspected.</p>
Roof Claims	<p>Consider repair first, but a slope replacement may be preferable depending on the age and condition of the roof. Measurements are required on all roof claims other than minimum charge.</p> <p>Hail Damaged Roof Claim Process:</p> <p>If safe, inspect the roof.</p> <p>Evaluate a 10' x 10' test square for each of the following directions (North/South/East/West) if applicable. Count the number of damaged shingles within the square.</p> <p>Once the amount of damaged shingles per square are noted the adjuster should consider the age, condition and repair ability of the roof or slope. Documentation on the Roof Assessment Packet should explain the chosen repair option.</p> <p>Wind Damaged Roof Claim Process</p> <p>Count the number of damaged shingles on each slope.</p> <p>Conduct a shingles reparability test. This requires using a putty knife or similar object to break the seal on a composition shingle and lift it to determine how brittle the existing shingle is.</p> <p>Determine whether an effective repair can be made.</p> <p>The Roof Assessment Packet including roof diagrams must be uploaded, whenever Integri is utilized</p>
Sales Tax	<p>Payment issued on all property lines losses whether on an actual cash value or a full replacement cost basis should include all applicable sales taxes.* This includes payment of applicable taxes on an incurred and non-incurred basis. Payments based on appearance allowances or cash allowances (see definitions below) are acceptable as exceptions to this rule. Any other exceptions must be approved by the MCM or their designate on a individual file basis.</p> <p>*Note: Some states apply sales tax on both labor and materials. Please adhere to local requirements in your area.</p> <p>Definitions: (Examples)</p> <p>Cash Allowance... insured has 10 boxes of old, worn out clothes in the basement that were intended for use as cleaning rags. We issue one payment based on an agreed value for all ten boxes. The cash allowance is based on the value of these items as "rags" and is substantially less than the ACV of useable clothing.</p> <p>Appearance Allowance... an insured item is still useable/functional and the customer wishes to keep the item in its damaged condition. We issue a payment based on an agreed upon value (less than ACV) and the customer retains the damaged item.</p>

CONFIDENTIAL AND SUBJECT TO PROTECTIVE ORDER