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Beware of predators bearing clipboards

My name is Trey Hutt, and I am proud to be working with the Florida Medical Association and the Emerald Coast Medical Association to provide you with all the information you need to recover from what must be an overwhelming experience following the landfall of Hurricane Ian. I'm a licensed agent and a licensed adjuster, and I spent the last 30 years or so in this business.

But more importantly, the reason that I want to talk to you is that I've been right where you are. Four years ago, when Hurricane Michael hit the Panhandle, I spent several weeks doing what you're just about to go through. So I would like to give you the benefit of some lessons learned and help you through this experience.

The very first thing I want to tell you is the first priority, of course, is the safety of yourself and your family and your practice. We tend to get a little aggressive after a storm like this. Those that have made it through sometimes can feel a little bit superhuman. And while it's admirable, you have to realize that you have physical limitations, and this is a marathon, not a sprint.

So I would encourage you to take care of yourself and the people around you so you can also take care of your patients. The first thing that you should do if you haven't already is to call your provider. My preference, of course, would be that you call your agent. Hopefully, you have a local agent that provides your property insurance for wind and perhaps for flood as well.

And if you don't have a local provider, then call your broker or the company itself if you need to. If you're unable to get in touch with your local agent, you're certainly welcome to call our office. The Florida Medical Association can put you in touch with me, and we'll be glad to get the information you need because there are agents in your town. They're certainly in the same position as you. And they may be struggling with issues of communications or power.

We were without cell service for nine weeks after Hurricane Michael in 2018. So those kinds of things can certainly affect response. But if you have relatively minor damage, I would recommend that you wait two or three days to contact your insurance provider and let people with really catastrophic damage get ahead of you in line.

And if not, if you have severe damage, then obviously you need to go ahead and get that information reported as the most significant danger you're going to face here in the next few days, particularly the next, say, 72 hours, in my opinion, is predators. And by predators, I don't mean gators swimming in canals. I mean predatory contractors, predatory public adjusters, and predatory attorneys.

What we found after Hurricane Michael, which you're certainly going to see after Hurricane Ian, is yard signs pop up. You're going to have signs on the sides of buses, and you're going to have a lot of people that show up at your door with a smile and a clipboard wanting to help you. I will tell you, in my experience, most of the people that approach you after a storm are going to be there to line their own pockets.

They're not really interested in helping you. It's just a mechanism for them to get paid a very steep amount for the kind of work that they do. And this is going to sound a little funny, but people that are wearing a tie, people that are wearing skinny jeans, carrying a clipboard and telling you all the things they can do, making big promises with slick talk, that's not the guys you want.

In a perfect world, you will find a local contractor you know something about. If you can, lean on your local relationships, that is always the best. That's a known quality. And the other good thing is they have some responsibility in your community after this is over with. If things aren't going well you can go to those people directly.

You can sit in their office or you can have your practice manager reach out to them and go in and find them physically, if need be, to make them do what they said they were going to do. But once somebody goes back to Louisiana or Georgia, Alabama, or Texas, there's not much you can do to track them down. And there's not going to be any leverage that state regulators have over those people. So wherever possible, use local folks. And I will say that more than anything else, trust your judgment. If something feels a little bit off, if you feel like you're really under pressure to sign something, then that's not the person you need to use.

It sounds like it goes without saying, but you need to read the contract and not only read it, but understand it. If it has any language talking about assigning benefits or an AOB assignment of benefits, something like that, you need to run the other way. And if you express concern about such language and the contractor says something about how it's only needed, you just have to sign this so that we can be authorized to start work. Frankly, that's not true. You can give them a verbal okay to start work. You can even give them a deposit. Do not give them a ton of money. If somebody says it's going to be a \$40,000 roof job, they don't need \$40,000 up front because, after our experience, we saw a lot of those people put the \$40,000 in their pocket and either use that to start another job or worse yet, simply disappear and go back to their home out of state.

So be very, very careful. It's really sad. It's very unfortunate. But predators are your biggest problem in the next few days as far as some of the other more mundane problems, but still significant to water and fuel, in my experience, this is pretty significant. So you need to plan for gasoline. You need to plan for water. It does appear that they're going to be significant assets headed your way.

And a lot of these issues may be less for you than they were for us. But I can tell you that having to drive an hour and a half or 2 hours, one way to get fuel was a problem for us for upwards of two or three weeks. So plan for that. Something else you may not have thought much about are little electronic power banks, the little spare battery packs that you use for your cell phone.

If you can get your hands on some of those and get them charged, you'll be better off. We ended up having to go out of town to buy burner phones because we didn't have cell service from Verizon for a while. They took down some towers. If you find a particular provider is problematic, then send somebody that is out of the impact zone to go buy burner phones or something that will get you internet service via cell.

Those kinds of things are perfectly reasonable, but you need to go ahead and execute those plans now because the longer you wait, you're going to be behind other people in line. Something else for communication that was very effective for us is, don't forget, most of you can push a button on the top of your car and OnStar will respond or something very much like it.

And that's a satellite-based service that helps you make phone calls. You can get Internet service, all kinds of things. So if you're in an area that's very heavily impacted and they haven't put up a temporary cell tower near you yet, sign on to OnStar. I can tell you that when we were impacted, we signed up and they gave us great deals, realizing where we were in the impact area we were in, the sign-up process was very, very quick and simple. We accomplished this in three or four minutes and it was nice, particularly with no power and no cell service, to be able to go out and sit in their conditioned car and talk to family and come down off

of whatever high we were on. And to be able to really just take a breath in the quiet and the air conditioning. So don't forget that that's an asset you might consider. I want to give you two phone numbers before I get too far down the road here, too.

One is 800-22-STORM. That is the Florida Department of Financial Services. That's the insurance guys who will help direct you to resources. That is the enforcement arm of the insurance industry. So if you have a public adjuster or a company adjuster, some insurance company misbehaving, those are the people you want to talk to. And they were extremely professional and very helpful after our experience.

We will continue to provide you with information and videos like this one that will help you navigate the recovery of your family, your home, and your practice. Next Monday, October 10th, is a very important day. I'm going to join the FMA and Emerald Coast Medical Association for a webinar that is going to walk you through all kinds of insurance-related issues.

We're going to talk about topics such as flood versus wind losses, and what public adjusters do, don't do, and can't do. We will also discuss how to document your claims so that you get paid properly and don't shortchange yourself and what to do to get your claim on the very top of the pile that's on your adjuster's desk. You ought to get paid first so you can get back to what you do, which is taking care of your patients.

You're going to have the opportunity to ask all kinds of questions and learn how you can quickly and successfully recover from this event, which is no doubt devastating. We're here to help you with this. It's overwhelming. There's no way to put it any better. But we're going to be here to help you through it.

And if you run into a brick wall and you feel like you don't know where to go, call FEMA or reach out to me, and we will get you to the right resources and put you in touch with somebody that can help you.

Remember, it's a marathon, not a sprint.

Finances and avoiding scams

Back to the video series provided by the Florida Medical Association to help you recover from Hurricane Ian. My name is Trey Hutt, and I'll be with you again today. Today, we're going to talk to you about emergency expenses and we're going to talk to you about how to avoid scams. First of all, with emergency expenses, I want you to be aware that emergency expenses such as tarping a roof, those absolutely are going to be included in your claim.

And they are very easy expenses to get an adjuster to pay. So if you are going to have someone come tarp your roof, remove trees, or even move stuff to a storage unit somewhere, maybe to protect it from further damage. Those kinds of expenses are certainly going to be covered. I would say a couple of things. First of all, safety first. While some of you out there may be capable of tarping a roof, I have to say that I don't think it's the best use of your skill set. As you know, climbing around in poor conditions on a slippery roof is probably not the best use of your time and skills. And I would encourage you to hire somebody because, again, the insurance company is going to pay for it.

And I would much rather see you treating patients than being a patient. I think we'd all agree that's the best way to go. I want to be a little bit more clear, though, on tree removal, because there is some confusion sometimes for the removal of a tree to be covered by your insurance policy. It has to fall on a covered structure. So in other words, the tree will need to have fallen either on the roof of the building or maybe an outbuilding, say, a storage building or shed, or in the case of a home, or your detached garage, it could fall on a fence as a covered structure. But if it simply falls in a yard or a parking lot, that's something that's generally not going to be covered by your insurance company.

Now, having said that, if you have several trees down, some are on building and some or not, if you get one receipt from a tree removal service, it's going to be very difficult for an insurance company to determine what was and was not on the building and how those charges work. So, frankly, it's possible you may get those paid for anyway, but if you just have trees down in your parking lot or your yard, that's something you're going to bear responsibility for.

Beyond that, again, moving, particularly when there are flood waters, you may have to take a lot of equipment, records, things like that, and move them to safety somewhere else. I want you to be aware

of two things. Number one, the cost of that move is an expense that should be covered by your insurance company. And second of all, your insurance follows that equipment and contents where they go.

Your policy automatically adjusts to the new location, even though you haven't informed the insurance company of that new location. So be aware you have automatic coverage for a temporary storage location after a storm. Moving beyond emergency expenses, I want to talk to you about scams because unfortunately, the first people that we saw and probably that you're seeing now are people that are predators and they're looking to take advantage of the situation.

Jimmy Patronis, the CFO of the state, has called them locusts. And I think that's a pretty apt description. And by that, we're talking about predatory contractors and public adjusters and people that are anxious to get a signature on a form so that they can get their hands on your insurance money. So you have to be careful. What I would say is, in general, to try to avoid the big national roofing companies and bear in mind that companies with the best marketing and the best salesmanship are often the ones that do the poorest work.

I want to hire a roofer that does great roofing work. I don't necessarily want to hire a roofer that has the slickest

marketing materials, so bear that in mind if they have yard signs, if they have door hangers.

Marketing materials like that are usually an indicator of an outfit that's just there for your insurance money and a lot less interested in maybe helping you in the long term. If you can, the ideal way to handle this is if you had someone do roofing work for you before, hire them again. If you can stay with someone local, that's the ideal situation because they'll be there long after the hurricane. And if you have problems with the roof, then you can get your hands right on them.

If somebody goes back to Texas or Louisiana after putting on a roof and it turns out they did a poor job, you're going to have a rough time getting to those guys. And Florida regulators are not going to be able to reach those folks either. So a Florida-licensed contractor is your best option and a local obviously is your best choice.

One red flag, in particular, is if they asked to see your insurance policy, you need to send them on their way. Your insurance coverage is none of their business. Now, later on, we'll talk about how adjusters and contractors may coordinate and talk with one another. But you need to have them work as if they're assuming you're going to write the check out of pocket and you have no insurance policy.

If they insist on seeing insurance, send them on their way. They're not there for your benefit. They're there for their benefit. One final thing I'll say before I close is do not be afraid to ask for an advance from your insurance company. If you show them that you can email your adjuster a picture that shows significant damage to your building and your practice, you should have absolutely no difficulty asking them for a check right now.

And that applies to both the flood and the wind insurer. Your wind insurer is going to be a little bit more cooperative with that because they don't have to deal with some of the strictures of a federal flood policy. But ask for advances on both of your policies if you have more than one policy involved. And don't be afraid to do it.

You're going to need some money. And it will also help establish a flow with them. So ask for money now. If you can't get an advance, please get in contact with the FMA and let them reach out to me and we'll see what we can do to help sort of improve the situation. I'm going to close there, but I would encourage you to look at other videos in our series.

And don't forget to join us on October 10th, when we're going to have a live webinar with FMA staff and me. And I'll be able to answer specific technical questions and insurance coverage questions for you.

And other than that, we wish you well. We wish you the best of luck. And we'll see you soon.

Wind vs. flood

Hi. We're back with you with the Florida Medical Association's Hurricane Ian Recovery series. My name is Trey Hutt. I'm an agent and adjuster and Hurricane Michael survivor. And I'm here to help you get through what is undoubtedly a tremendous upcoming effort. I'd like to talk to you today about wind versus flood. Most hurricanes have some sort of combination of wind and flood elements. Hurricane Michael, which was my experience, was a very windy event. There's been a tremendous amount of flooding and Hurricane Ian and that can be even more devastating. Wind is from above and flood from below. Generally, if water rises in your building or if you have wave action against your building, that's flood insurance. If you have impact on your roof or a broken window and water rains and you have rain intrusion, that's going to be wind coverage.

And those are two different policies, flood insurance, as always, except with one exception. I'll talk about it a bit later, but flood insurance on your building and your contents is going to be a completely separate policy from your normal property insurance. Federal rules dictate kind of how flood insurance works. And we'll talk a little bit about that. You may walk into your practice and see a lot of damage and be a little confused about what's flood and what's wind damage.

The general trauma of everything and your lack of experience with this would make it seem a lot more difficult than it is in practice. In its simplest terms, if there's a line on the wall from where the water rose, everything below that line is flood damage probably, and everything above that is going to be wind damage.

Now, that's a general idea. Really, what happens in the case of flood damage... let's assume for a minute you had water rising to your building and you also had roof damage, so you had rain intrusion. Well, how is that going to be handled? Well, what's going to happen from the flood insurance point of view is all the carpeting and things on the floor were damaged by floodwaters.

The process generally is to come in and cut the drywall out at four feet because it will have soaked up a good bit of water. And four feet is the width of a typical piece of drywall. So it just is it's become common practice to do it that way. Everything above that line where you're looking at damage to ceilings, fixtures, the roof, things like that, those kinds of things will be paid for by your wind adjuster.

Now, you may get into a position and if you do, you certainly are going to want some help. But there are occasions where you get the wind adjuster and the flood adjuster pulling at each other. And if you feel like you're in that situation, please get in contact with the FMA and let them reach out to me and we'll help you figure out how to negotiate that.

The best case scenario is the wind and flood adjuster coordinate. They sort of pick who's got responsibility for what. And if that happens, the claims process generally goes much, much smoother.

You should be aware that deductibles are a little bit different as well. When you're dealing with a flood insurance policy, you're going to have two deductibles. A separate deductible for your building and another deductible for your contents.

The most common is \$1,000 each, so you probably will have to pay the first \$2,000 there. When deductibles are much different and they're usually a percentage of your building coverage. If you have a 2% wind deductible and you have a \$1,000,000 building where you can do the math on what 2% of a million is, there

are flat deductibles for wind.

They're much less common. And if you have one, you're in great shape. That's less that you have to come out of pocket with. You should also be aware that flood insurance in some cases can be more limited in its coverage than your typical property insurance policy. You have to try to remember a property insurance policy is put together by an insurance company.

And in you know, in an ideal situation, they're trying to compete in the regular market. That's not the case with flood insurance, where coverage is very carefully scripted and dictated by the federal government. And I have to tell you, my opinion is private industry does almost everything better than the federal government. So some quirks might be unexpected.

And I'm not going to go through a list of them here, but there are some little quirks. So just be aware that your flood insurance policy is going to behave slightly differently than your typical property policy. I want to give you two exceptions to some of the flood rules I've given you. One is that for some of your medical equipment, some of you may have scheduled that equipment very specifically like you had scheduled personally say a jewelry policy or schedule guns or something like that.

That's a special value. Medical equipment is often scheduled on its own, separate policy, and those policies do typically include flood coverage. So what I would tell you is if you have those equipment schedules and you have scheduled coverage for a specific piece of medical equipment, try to make sure that you get the coverage for that gear on that policy so that you can save your general flood insurance policy for other things, because you'll you may be surprised at how quickly those expenses add up.

The other thing that you may face, it's going to be probably fairly uncommon for most of you, but private flood insurance has made inroads into the state in the last five, six, or seven years. So some of you may have policies with a private company that is not stuck with the strictures of a federal flood insurance policy. And I don't want you to get confused, because federal flood insurance policies are issued by normal insurance companies.

They pay the insurance companies to do the mechanics of issuing the policy, printing the policy, accepting payments, policy service, and claims, of course. But when I talk about private flood insurance, it is a flood policy designed by a private company, fully insured by that private company. And they tend to be broader. They have a little bit better coverage and usually, they have lower rates if they're available in your area.

If you have specific technical questions about that, again, please reach out to the FMA so they can get in touch with me and I'll be happy to answer specific technical questions. Always, always, always. If you can reach out to your agent, they should be able to quickly and easily answer your questions. If they're able to function and their offices are not completely damaged. Again, reach out to us if need be.

And if you can, please join us on the 10th. We're going to have a live session, and a webinar, and we'll answer your questions live. And we'll be in league with some of the FMA staff, which will have some additional answers for recovery. Good luck and we'll see you soon.

Estimates and adjustors

Today, I want to talk to you about estimates and adjusters. And they're both very important, very timely and I'll try to make this quick today.

The first kind of gesture that I want to mention to you is called a Public Adjuster. There's somebody that you hire to work for you. They take a fee, which is generally 10% of your claim. And the first thing I want to tell you about public adjusters is, frankly, you probably don't need one. Most public adjusters advocate for their involvement in every single claim. But my advice to keep things moving quickly and kind of on a collaborative basis is to give your insurance company a chance to do the right thing because most of the time they do.

Certainly, there are times when insurance companies misbehave and they need to be taken to the woodshed. But frankly, most of the time, especially in catastrophe situations, insurance companies do what they need to do. They get out there, they give you an estimate, and they pay the claim fairly. Public adjusters will try to convince you that that's not the case.

And the very important thing here is there will be a tiny minority of you that probably do need some help. You can always hire that help later. Like I said, if you will give your adjuster a chance with the insurance company to handle your claim and handle it fairly, it generally will go much, much quicker. You may be able to squeeze a little bit more money out with the public adjuster, but you're going to have to pay them a large fee.

And frankly, the other problem is when a public adjuster gets involved, it drags out considerably. What I would say is if you feel the need to hire a public adjuster: first, talk to your agent and discuss it with them. And second of all, if you hire one, do not hire one that has the best marketing plan, just like unscrupulous contractors, those that have the most aggressive marketing plans, lots of stuff on the air right now. I'm sure that down there in the TV and radio markets, you're covered up with advertisements. I'm sure there are signs everywhere, things like that. But the guy that you want, if you do need to hire a public adjuster again, which is unlikely, is the guy that doesn't have to advertise. His reputation speaks for itself or her reputation.

So please bear that in mind. I want to talk to you about two other types of adjusters that you're going to come across. The first is a field adjuster, and that's somebody that works for the insurance company or is contracted to the company, and they're going to come out and do an initial assessment of your damage. They may prepare a preliminary estimate and we'll come back to that in just a minute.

And you will deal with them maybe only once or twice. And then most of the time, what happens is they turn over their report to what's known as a desk adjuster or an inside adjuster. That's somebody that's working at the insurance company at headquarters far away. The downside is they can't appreciate the difficult circumstances that you're in.

The good news is they're out of the blast zone and they can deal with things a little bit more rationally and they can be very helpful. You will develop a relationship with that desk adjuster over a period of time. Now, as this extends and we go into the second, third, fourth, and fifth months, sometimes that desk adjuster changes. I don't want you to get too worried about it, but what I do want you to do is get a notebook and keep really good notes about what is said to you, about who you spoke to, write down their phone number, write down what they said, and you don't have to keep it super neat.

Just keep everything in one place. I prefer a spiral notebook because you can't take things out like you can in

the three-ring binder. And what you'll find is you'll get in a conversation with somebody and you'll say, Oh, I just had a conversation about that, and I don't remember what I said or who I talked to, but if you've written it down, then you know who you talk to.

You have their phone number, you can get back to them if you need to. So your desk adjuster is going to give you an initial estimate, a copy of an initial estimate, and it's going to be done probably using a piece of software called Exactamate. Exactamate is a term that you will hear probably several times over.

Exactamate is a very blunt tool that you use to come up with an initial estimate.

You will probably get this in the mail or you may get it emailed to you. It will absolutely, unquestionably be much, much lower than your ultimate settlement. And what you probably need, is that Exactamate estimate is just a very rough initial sketch and it's kind of an excuse for your insurance company to find a way to pay you some money initially.

Most of that can be ignored. What we found with most Exactamate estimates is they were very low, sometimes by 50 or more percent. And what we did is we took those estimates and we stuck them in a file and we ignored them. What you need to do, in my opinion, if you want to have this go smoothly, is find a contractor that you want to work with, maybe someone you've worked with before.

Hopefully, it's somebody local and you need to talk to them, find out what needs to be done, and then they can work with your adjuster over time not to adjust your claim but can explain to them what needs to be done because there's no way a field adjuster can come in, in the situation that you're all in now and do an accurate, thorough estimate.

As matter of fact, some of the damage won't even be known until you begin the tear-out. So don't worry about that early Exactamate estimate. It's something merely for information, and it's rarely, rarely accurate. Do not think that is what the insurance company is going to try to pay you. You will end up probably with much, much more money than what is on that Exactamate estimate.

And again, you have the right to use your contractor. And if an early estimate says a particular thing costs \$30,000 and your contractor says, well, that's great, but we can't find any material now. Labor is very tough after the hurricane, so it's going to cost \$50,000. Your insurance company has a legal obligation to pay you what it takes to repair whatever your damage is and return you to a pre-storm condition.

Just because pricing right now is unfair. That is not your problem. That is your insurance company's problem. And you are paying them a premium to deal with that. Again, remember, early estimates are going to be very inaccurate and your insurance company has a legal obligation to pay you what is fair. And there are lots of ways that we'll talk about moving on in the future in this series about how we can make sure that happens.

Again, I hope everybody's staying safe. I wish you luck and we'll see you soon.