

## Contractor Insurance Claim Resource Guide

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*Educational materials for contractors dealing with scope disputes, code upgrades, pricing issues, appraisal, and assignment-of-benefits questions.*

### 1. Scope Disagreements

- Scope disputes happen when an insurer misses items, undermeasures quantities, or refuses to include hidden damage or necessary repairs.
- Contractors should prepare a side-by-side comparison showing the carrier estimate and the contractor estimate.
- Useful support includes photos, measurements, moisture readings, sketches, specialist reports, and a supplement estimate.

### 2. Code Upgrade and Ordinance or Law Issues

- Code upgrade disputes arise when the repair must comply with current building code, but the carrier tries to pay only for the original damaged item.
- Contractors should identify the exact code section that requires the upgrade and explain why the work is mandatory.
- Colorado policies often include ordinance or law coverage, and the amount available can depend on the policy language and selected limits.

### 3. Pricing and Labor Rate Disputes

- Pricing disputes usually involve labor rates, material costs, disposal charges, overhead and profit, or geographic pricing differences.
- Contractors should document actual local pricing with supplier invoices, job-specific notes, and market support.
- A clean pricing packet helps show why the carrier's estimate is too low for the actual work required.

### 4. Appraisal Process

- Appraisal is usually used when the parties agree coverage exists but disagree on the amount of loss.
- The process normally involves one appraiser for each side and an umpire if the appraisers cannot agree.
- Contractors can help by organizing the scope, pricing, photos, and repair rationale so the claim is ready for a value determination.

## **5. Assignment of Benefits Questions**

- AOB questions focus on whether the insured validly assigned claim rights to the contractor and whether the contractor can seek payment directly.
- Contractors should keep a signed assignment, proof of work, invoices, and all claim correspondence.
- Because standing and enforceability can turn on the exact wording and facts, contractors should use carefully drafted forms and legal review.

## **Practical Tools for Contractors**

Use the following forms and checklists with every claim file:

- Claim intake checklist.
- Photo and documentation log.
- Scope comparison sheet.
- Pricing support packet.
- Code upgrade worksheet.
- Appraisal request checklist.
- Assignment of benefits and authorization packet.

## **Sample Forms and Checklists**

### **Claim Intake Checklist**

- Policyholder name and address.
- Claim number.
- Date of loss.
- Type of damage.
- Photos and videos collected.
- Measurements taken.
- Supplements needed.
- Carrier contact information.

### **Scope Comparison Form**

- Carrier line item.
- Contractor line item.
- Difference noted.
- Reason for discrepancy.
- Supporting photo or document reference.

### **Pricing Support Checklist**

- Current supplier invoices.

- Labor rate support.
- Zip-code or market pricing comparison.
- Dump and disposal pricing.
- Overhead and profit justification if applicable.

### **Code Upgrade Worksheet**

- Code section cited.
- Reason the code applies.
- Scope affected by the code.
- Estimated cost of compliance.
- Policy coverage check.

### **Appraisal Request Checklist**

- Policy appraisal clause reviewed.
- Written demand sent.
- Appraiser selected.
- Documents assembled.
- Timeline and response date tracked.

### **AOB Packet Checklist**

- Signed assignment of benefits.
- Owner authorization.
- Work authorization.
- Invoices and proof of work.
- Claim correspondence log.