REROOF AMERICA CONTRACTORS

Your insurance money, explained



Insurance checks can be confusing. Here's how the money works, what you pay, and when.

How it works

Insurance pays you, and you pay us. You're your insurance company's customer, so they send the money for your roof to you. Over the course of the project, you pay us what they paid you for the work we complete, plus your deductible. Any money they send for work we don't do stays with you.

Your checks

Once your roof is approved for replacement, your insurance company sends its first check, usually the depreciated value of the work, minus your deductible. Go ahead and deposit it. That doesn't mean you've accepted their offer, and we can still go back to them on anything they missed. If we get more added to your claim along the way, that often comes as its own check, so three or four checks isn't unusual.

Depreciation

Depreciation is the value your roof has lost to age. On a replacement cost (RCV) policy, your insurance company holds that amount back until the work is done. Say your roof costs $20,000 and its 30-year shingles are 15 years old. That puts depreciation at about half, or $10,000. With a $2,000 deductible, here's how it's paid:

Your roof costs	**$20K**
1st check, before install: $20K − depreciation − deductible =	**$8K**
2nd check, after install: depreciation	**$10K**



Once the work is done, we send your insurance company the final invoice and the certificate of completion, and they only pay up to that amount, minus your deductible. If the final invoice came to $18,000, your second check would be $8,000 instead, so a lower price from any roofer wouldn't put money in your pocket.

What you pay

Our agreement with all our customers on insurance projects is that we work for insurance proceeds, and your guaranteed out of pocket is your deductible and any policy exclusions.

Policy exclusions are anything your policy doesn't pay for. The most common is rotted decking. It develops over time and isn't tied to the storm, so insurance doesn't cover it, but if we find it when we tear off your roof, it has to be replaced. It usually adds up to only a few hundred dollars. Others depend on your policy: without law and ordinance coverage, code upgrades aren't covered, and on an actual cash value (ACV) policy, the depreciation isn't paid back. Your declarations page shows most of this, and you'll usually find it in your email by searching for your insurance company's name.

When you pay

When you sign the work authorization: 10%, covered by your first insurance check.

When your materials are delivered: 25%.

When the job is complete: the remainder.

Good to know

- Sometimes your insurance company pays for more of the work even after the job's done. Say your roof has six vents and they only paid for five. If they later pay for the sixth, that money comes to us for the work we did. If they never do, it comes out of our pocket, not yours.
- If your mortgage company is on a check, they'll need to endorse it. Send us the document that lays out their process for insurance claims, and we'll fill out what we can and walk you through the rest.

Questions about your money at any step? Just ask us.

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