**NRMC / HUB Claims Handling Procedures**

 The NRMC Program of Insurance is administered by HUB International, Ltd., the broker for the Program. HUB is our link to the insurance carriers and the Third Party Administrators (“TPAs”) and assists in the processing of all claims relating to the NRMC Program.

The HUB claims department is currently staffed by 16 individuals, including 11 technical claim professionals and 4 technical assistance. HUB’s claim processing system is fully automated and integrated.

1. **INSURANCE and CLAIMS IN GENERAL:**[[1]](#footnote-1)

**Insurance is a mechanism whereby risk of financial loss is transferred from an Individual, Company or Organization to an Insurance Company.**

**The insurance policy is a legal document (contract) that defines the circumstances under which the insurer will pay.  This instrument is used to manage possible risk.  In all cases an insurance policy has terms, conditions, limitations and exclusions.  Claims are received and evaluated by the carrier subject to the language of the policy.**

**When to report an incident or claim?**

Any and all claims, incidents or situations that may give rise to a claim should be reported directly to the HUB claim department immediately.  HUB is there to protect our member’s interests. Therefore, it is imperative that HUB be notified as soon as possible after an incident is reported. The HUB Team will then work with our member to promptly report the incident to the carriers and address the matter at hand.

**How to report an incident or claim?**

The attached notice reports should be **FULLY** completed and emailed to the Hub Claim Department as soon as the insured is made aware of the incident. The report should be forwarded to:

**NRMCclaims@hubinternational.com** **or**

**Property Claim Emergency After Hour Phone (P)** **866-402-5252**

**What to do after an incident happens?**

For all incidents, whenever possible, gather as much information as you can.

* Take photos / videos of the impacted area(s) or property(s) as soon as possible after learning of the incident. Make sure to record the time, date and location of the photos.
* If applicable, identify witnesses, logs and other information relevant to the incident. If applicable, draw a map of the area.
* If emergency repairs are needed (see below), save all original parts for inspection, and only discard when so instructed by the adjuster or insurance carrier.
* **INVOICES AND QUOTES: Retain all invoices and quotes for your files.**

**Absolutely no permanent repairs should be made until there is an agreement between you and the carrier on the scope and costs of the repairs and a remediation plan has been created. See Below for further details.**

1. **PROPERTY INSURANCE COVERAGE AND PROPERTY CLAIMS[[2]](#footnote-2)**

**Property Insurance is first party coverage, and protects the owner of property from the loss of, or damage to, the insured property. The Property Insurance policy provides coverage subject to the terms, conditions, limitations and exclusions set forth in the policy to *specifically listed or scheduled* building structures or contents that has sustained damage for which the named insured has an “*insurable interest*”.**

In the event of a fire, water damage or any other type of property damage sustained, you should call Hub immediately. HUB will arrange to have the carrier’s adjuster schedule an appointment to inspect the property quickly.

**Emergency temporary repairs should be made. If necessary to make emergency repairs, you should:**

* **Take photos / videos of damage prior to making the emergency repair. Make sure to record the time, date and location of the photos.**
* **Save all original parts for inspection, and only discard when so instructed by the adjuster.**
* **INVOICES AND QUOTES**

**Absolutely no permanent repairs should be made until there is an agreement between you and the carrier on the scope and costs of the repairs and a remediation plan has been created. Each claim will take on a life of its own, so be prepared to address each claim individually.**

Retain all quotes and invoices. (Not just for your claim itself, but as part of your financial record.)

Property claims cannot be settled by the insurance company until you present your claim.  Ideally, you should provide HUB with your written estimates and all emergency invoices within 15 days from the time the claim is first reported to HUB. This will expedite the approval of the scope and cost allowed by the carrier.  In the event you determine that the claim will not exceed the deductible, written notification should be provided to our office so we can notify the insurance carrier and close the file.

**All covered Property claims for the NRMC Program are subject to a $5,000.00 deductible per occurrence. That means that your organization is responsible for the first $5,000 of covered loss.**

For large and more complex claims, the carriers may require certifications and other documentation as a condition for payment(s).

To expedite the processing of your claim, prepare a list of All contact representatives at all CERTIFICATE HOLDERS/Mortgagees on the impacted properties. Your claim checks will include mortgagees as co-payees, and their signatures are required on your claim checks. To expedite, know who you will need to contact (and their schedule!) and also consider waivers.

**Absolutely no permanent repairs should be made until there is an agreement between you and the carrier on the scope and costs of the repairs and a remediation plan has been created. Each claim will take on a life of its own, so be prepared to address each claim individually.**

1. **BUSINESS INTERRUPTION – LOSS OF RENTS[[3]](#footnote-3):**

**Business Income coverage responds to a “loss of rent” claim sustained by the insured building ownership. The damage sustained must be due to a covered cause of loss that renders the apartment uninhabitable. To qualify, it is essential that the unit be subject to a valid lease or rental agreement in effect at the time of the incident/loss.**

o   Example: Fire in an apartment and the tenant has to move out of the apartment for two months while the repairs are being made.  If under the lease the tenant(s) are not required to pay the rent because the unit is uninhabitable due to a covered casualty, the policy will reimburse the building for the lost rental income.

Coverage for loss of rents will not exceed the amount of the rent less any discontinuing expenses (i.e.: advertising, utilities) during the period of restoration.  The carrier will only allow the length of time required with due diligence and dispatch to rebuild or repair the unit to its pre-loss condition. No coverage is afforded for any unit(s) that are vacant or that for which a valid lease has not been executed for prior to the loss.

1. **RELOCATION EXPENSES[[4]](#footnote-4):**

The NRMC Program does not cover relocation expenses of the residents. Have a list of emergency relief agencies on hand. Also consider the special needs of your residents (like hospital beds, wheelchair access, etc.)

1. **BOILER AND MACHINERY (EQUIPMENT BREAKDOWN COVERAGE)[[5]](#footnote-5):**

**The NRMC Program includes coverage pays for loss or damage resulting from covered accidents or breakdown to: pressure and refrigeration objects, including boilers, air conditioning and refrigerating objects; turbine objects; mechanical objects; electrical objects including elevators and other equipment that is a part of the building.**

o   Example: Low water cut off valve of boiler fails and causes the boiler wall to crack.  Boiler policy to pay for the replacement of the boiler wall.

This coverage is important because the machinery and equipment breakdown protection extends to cover the objects that may be damaged due to a mechanical breakdown, arching, rupture or bursting due to centrifugal force and explosion of gases or fuel within a furnace or any other fired vessel all of which are not covered causes of loss under a property policy.

1. **GENERAL LIABILITY COVERAGE AND CLAIMS[[6]](#footnote-6):**

**General Liability (“GL”) insurance is coverage for third party liability: your potential liability as a property owner to third parties arising out of the operation of your properties. GL provides first dollar[[7]](#footnote-7)  coverage for an insured’s negligent acts or omissions that result in  Bodily injury, Property Damage or Personal Injury to another person or its property.  The General Liability policy subject to the terms, conditions, limitations and exclusions and will protect the named insured for losses occurring on specifically listed property for which the named insured has an “insurable interest”.**

·        Bodily Injury – Claimant slips and falls on wet floor in lobby and sustains a physical injury. Pain and suffering is a component of bodily injury.

·        Property Damage: - Super making a repair in apartment and while doing so he accidently breaks a TV, home entertainment system or other property of the resident.

·        Personal Injury – means

o   False arrest, detention or imprisonment;

o   Malicious prosecution;  (Coverage for allegations of filing a false lawsuit)

o   The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor; (Wrongfully lock a tenant out of their apartment)

o   Libel or slander Oral or written publication, in any manner, of material.  (At a  meeting disparaging remarks are made about a tenant overheard by others)

1. **UMBRELLA LIABILITY:**

**A form of "catastrophe" liability coverage usually issued in $1 million dollar increments, intended to protect policyholders against high damage awards in excess of the limit provided by a basic, or primary policy. Think of umbrella coverage as sitting about the basic coverage like an umbrella above your head.**

o   Trip and fall at building and claimant sustains brain damage. Case settles for $2,000,000.  Umbrella responds for the $1,000,000 over the GL limit of $1,000,000.

1. **SUMMONS AND OTHER LEGAL DOCUMENTS:**

**In the event your organization receives a lawyers’ letter and/or a summons or any other legal document relating to an insurance matter, the documents must be sent to the HUB Claim Department immediately.**

HUB prefers that you send the document via fax and overnight mail.  When you send the document you should include a cover letter with the following information critical for the attorney to know how and when to respond:

Ø      The manner of service, (i.e. mail or personal service).

Ø      The date received.

Ø      The name and title of the individual who accepted it.

Ø      Provide the names of all related entities and any individuals for whom an answer must be filed with the relationship to the lead named insured.

**Glossary of terms:**

Property insurance

General Liability insurance

Named Insured

Covered Property

Covered Claim

Insurable Interest

Claims adjuster

Public Adjuster

TPA

Blanket coverage

Excess Insurance

Umbrella

Subrogation

1. This is a general summary, and not a statement or pronouncement on coverage or policy terms. Consult the Policy and HUB for further details on coverage terms. [↑](#footnote-ref-1)
2. This is a general summary, and not a statement or pronouncement on coverage. Consult the Policy and HUB for further details on coverage terms. [↑](#footnote-ref-2)
3. This is a general summary, and not a statement or pronouncement on coverage. Consult the Policy and HUB for further details on coverage terms. [↑](#footnote-ref-3)
4. This is a general summary, and not a statement or pronouncement on coverage. Consult the Policy and HUB for further details on coverage terms. [↑](#footnote-ref-4)
5. This is a general summary, and not a statement or pronouncement on coverage. Consult the Policy and HUB for further details on coverage terms. [↑](#footnote-ref-5)
6. This is a general summary, and not a statement or pronouncement on coverage. Consult the Policy and HUB for further details on coverage terms. [↑](#footnote-ref-6)
7. General Liability coverage and claims under the NRMC Program is not subject to a deductible. The carriers’ liability and loss payments start at the first dollar of loss. [↑](#footnote-ref-7)