

# LETTER TO DISASTER RECOVERY VICTIMS

## Farms, Businesses and Homeowners

As the owner of Grown Here Farms, a 60-acre organic farm in Cawston, BC, I've endured three catastrophic "100-year" flood events between 2018 and 2021. Over these years, I've fought a grueling battle with our insurance company, **AVIVA**, to secure what was rightfully owed under our policy. Through this journey, I've learned hard lessons about how the insurance system operates—and how you can protect yourself in the face of disaster.

If you have gone through a disaster like this, then you know what it feels like. Your nervous system is completely fried, you've just watched your entire livelihood, everything you've worked for all these years, get swept away. Even if you try to stay in good spirits and have a positive attitude, the affects on your state of being are there. Your entire body has gone into a trauma response fight or flight mode and it will take a long time before it recovers. As the days of having no help have gone on, with each passing day, the feelings of desperation, fear, panic and survival increase and it is almost impossible to make good decisions when your body, mind and spirit are in this state. You're going to make a lot of mistakes. You are in a war zone. And the rules of life change in a war zone. It took us a long time to figure that out.

I was hopeful I could take our experiences to help you learn from our mistakes and not have to endure as much suffering as we have. It is hell, I won't sugar coat it, but I hope there is some information I can help with that may make it less of a deep state of hell.

## INSURANCE IS A GAME, HERE IS HOW THE OTHER SIDE IS PLAYING.

Insurance companies are not our friends. They are in the business of making money. And, unfortunately, with the increasing levels of disasters happening around the country, they are doing everything they can to delay, deny or reduce the amounts payable under your policy. Most of their tactics involve forcing people into more and more desperate positions to accept far less than they should on their coverages, or forcing them to litigate the insurance company in order to get what they are owed.

We were very naïve in 2018 and we thought, because we had paid for a deluxe policy with our insurer, AVIVA, that they would pay us on the claims that were owed. It was a massive disaster that was not our fault and we had the policy coverages. We could not have been more wrong.

Here are some of the tactics that the insurance company will deploy, so that you can be aware when you see them coming:

**THEY CREATE LEVELS OF DENIABILITY:** They hire these "third party representatives" who act as agents of the insurance company when dealing with your loss claim. These third parties are technically not "employees" of the insurer and when they tell you something that the insurance company later denies, they will try and say that whatever the third party told you, they don't represent the insurer. There are more details on this in #3 below.

**THEY SAY THINGS VERBALLY AND THEN DENY THEM IN WRITING:** They will tell you to incur expenses or that you have coverages in a phone call, but then when you remit those same

expenses for reimbursement, they will deny the coverages in writing. RECORD ALL PHONE CONVERSATIONS WITH THEM.

**PRETENDING THEY HAVEN'T RECEIVED THINGS:** They will have accepted the documents you remitted say, in an email attachment or as a Dropbox link repeatedly throughout your claim. Then, suddenly, they will just stop responding to your remittances this way and say that they haven't received them and that now they need you to remit these documents in a new format, for example, that you need to save them on an external drive and mail the drive to them, or print out and courier the documents.

**DELAYING PAYOUTS:** They will use the tactic above to delay payments to you. Stating that they haven't received documents that you've sent numerous times, or saying that the "format" they've received them in isn't sufficient. Just delay tactics to keep the feelings of desperation, fear and frustration alive in you.

**DELAY TACTICS:** These are MANY. They will ask you to get reports from experts, and then ignore those reports completely. For example, they will say you need a professional accountant report to have them review all of your expense submissions. So you will engage an expert accountant, have them complete this report (which will take weeks to months), the accountant will review all of your expenses individually and ensure that they are qualified expenses for your insurance policy. Then you'll send the report in, they will ignore it, then ask you to send in each individual receipt and an itemized list of your expenses. You'll do this, likely with a corresponding spreadsheet that itemizes the list and labels the invoices, because you're thorough and organized. Then they will say that the way you have organized the spreadsheet needs to be changed to match their format and they will have you redo all of your work. Then they will say that the format you sent the receipts in isn't sufficient, so they need you to scan them and send them, or put them on an external drive and mail it to the insurer. Then, 6 months later, they will finally get back to you on your expense submission with a letter that denies, at least, 50% of your submissions. And this will go on and on. The point of it all is to bury you in so much frustration and so many delays that they hope you will be desperate enough at the end to just take whatever they offer.

They will conveniently create these kinds of delays leading up to someone's holidays (see below), so that even once they have to admit that they have every shred of evidence for the submission, suddenly, the accountant is on holidays for a month, or the adjuster is away for 2 weeks. Apparently, none of these massive companies have other people who can make decisions or issue payments, there is only 1 person you can get an answer from, which is ridiculous, but they use that to continue to push delays.

**EVERYONE'S ON HOLIDAYS:** The insurer will have an internal accountant that they use to validate your claims or calculate what their accountant thinks should be payable to you, especially if you have a Business Income Loss coverage policy. This accountant will likely be on holidays for the entire month of December and most of January, or mid-December to mid-January. They will also be on holidays in July and August, likely for at least a whole month. Then your insurance adjuster, if they are shrewd as most are, knows how to play the game and will take his or her holidays on a schedule that leaves you without responses much of the time. For

example, they will take their 2 week vacation December 5 – 20, knowing full well that almost everything is shut down, including the accountants office, between Christmas and New Years. So if you don't have things done by Dec 5, they won't be getting done until after January 15.

Same thing with long weekends, they'll take days off on Tues – Thurs, knowing Friday is a long weekend, or coming "back to the office" on Friday, but then Monday is the holidays.

The insurer will use the fact that the accountant is on holidays for months at a time as an excuse not to respond to you. Like somehow it is your responsibility for their holidays, while you suffer waiting for responses. They don't care and they do this all the time.

**ATTEMPTING TO FORCE SETTLEMENTS:** They will deny coverages you are owed, and when you push back and push back and it becomes clear that they cannot deny paying the coverage any longer, they will send you an email stating they will pay out said amounts if you sign the settlement document attached. This is obviously an attempt to force you to sign away your claim completely, because they hope that you are desperate enough or stupid enough to take the money and sign the document. **YOU DO NOT HAVE TO SIGN THAT DOCUMENT TO GET THE MONIES THEY OWE YOU.** This is another nefarious tactic they use and it's horrific, they bank on the fact that they understand more about your rights than you do. The response to send is to say thank you for payment of the amounts owed, that you will accept this payment as a partial payment under your claim, and will not be signing the document.

**CONSUMER PROTECTION AGENCIES ARE A JOKE:** They have something called the "Ombudsman's Office" in BC. It's supposed to be a consumer protection agency to help consumers that are being taken advantage of by insurers who are deploying nefarious tactics. This agency is a complete joke and will do nothing to help you. Just as an example, there is a representative inside the insurance company, whose salary is paid for by the insurance company, who works FOR the insurance company, as part of the Ombudsman's Office. And somehow you are supposed to believe this person is an independent advocate for you.

We went as far up as we could go with the Ombudsman's Office, asking for assignment of an independent party, sending emails, letters and phone calls. They did nothing to help us. They were more than useless, they were a front. They are not looking out for you, they are just there to give the appearance that they are.

**EXPERT REPORTS:** You will need your own expert reports and you have the right to these under your insurance policy. Any accountant report the insurer will provide, will likely be 100% lower than any report your own expert would provide. This will likely be true of every area of your claim. If you get a report from the insurer's "expert" and the results are unfair or not correct, engage your own expert. This is critical. Anyone the insurer engages likely has a long history of working for, and being paid by, that insurer. They are loyal to the insurer and coached to ensure the numbers are low. Any expert you engage would be independent of this system and working in your best interests.

**EVERYONE GETS THEIR POUND OF FLESH:** If things go sour and you finally have to sue your insurance company, **you're now in a new game.** The insurance company will have a lawyer who is being paid a lot of money hourly, likely somewhere around \$500/hour. And the accountant

that the insurance company uses internally will also be involved, likely at a similar rate of pay. These individuals will want their pound of flesh. They have a gravy train set up with the insurance company and they will want to prove how valuable they are to the insurer, how “complex” your file is and do whatever they can to keep their billable hours up. Prepare to have your file be delayed ad infinitum at this point. It will take 1 – 2 years of complete nonsense before you’ll even get close to a courtroom.

We were even able to contact the CEO of AVIVA, our insurance company, directly, who personally intervened on our behalf to try and move our file forward. But even the CEO is held hostage by all the greedy hands that are leeching on to the insurer. Having the CEO step in wasn’t enough to get the insurer’s lawyer to move things forward to a resolution – because why resolve our case when the lawyer is getting \$500/billable hour? The lawyer is incentivized to inflate how “complex” the matter is and to say he’s moving forward when he really isn’t at all. The same is true of their accountants, and every greedy little leech along the spectrum.

**IT’S ALL ABOUT POWER** – Insurance adjusters are similar to agents you’ve likely encountered in other areas of life that would best be summed up as small people who wield a lot of power. Not all adjusters are like this, but there is a personality profile that fits this kind of individual. Many of them are the same personality profile as collection agents – they have a ton of power in this one role, and likely have no power at all in the rest of their lives, but once they have you under their thumb, it is all about their power over you. And they wield it mercilessly. You can ask for another adjuster to be assigned to your file if the one you have is like this. Although you roll the dice there too, but if you have met this personality profile, as we did, it is a death sentence for progress in your claim. I would strongly advise adamantly requesting a new adjuster be assigned if you can, although you roll the dice on a new one, you are guaranteed of failure if you stay with this individual. You won’t win, because their entire existence is built on destroying people like you, and they have the power to do it with your claim. They are dangerous and even if you think you can manage it, as we did, you will be wrong.

**DENIAL, DELAY AND DEFERRAL** – Never forget that your insurance company is in the game of making money, not in helping people. If you are owed money and your claim has now gone to a lawsuit, the name of the game will be delay. At this point, even if the insurance company will lose in trial, the amount of time that payout of your claim will be delayed before it gets to a trial (2 years at a minimum) means the insurance company is making a return in the markets on money they haven’t paid out to you during that time.

For example, in the last 2 years, if the insurance company owes you \$1 million, they will have made 30%+ return by not paying out your claim during that time. So even if it gets to trial and they have to pay you, they’ve made a ton of money on your own claim by delaying the payout.

**FORCING YOU INTO A DESPERATE SPOT:** Insurers have millions and billions backing them, as well as an army of accountants and lawyers. You have just gone through a massive catastrophe, have lost everything and are likely holding on by a thread. Your nervous system is fried, you’re exhausted from the process of recovery and the insurer is banking on the fact that you will not have the resources or the personal will to see your claim get to trial. At best, they hope you’ll go bankrupt and drop the case completely. The more desperation they can feed in you, the better

it is for them. Don't give in to this. Find a good lawyer that is willing to work on contingency to move your claim forward, keep your chin up and see it through.

**PUNITIVE DAMAGES:** In the USA, you can sue people for punitive damages for big dollar amounts. For the stress and duress the insurer has caused you, the egregious nature they've conducted themselves in, etc. In Canada, unfortunately, punitive damages are rarely handed out and if they are, they are for extremely small sums of money. I believe, if you are on the right side of the law and your case is communicated clearly, you can trust our judicial system to do its job and ensure you are paid what you are owed, however, there will likely not be any damages paid for how the insurance company conducted themselves, or all of the stress, duress and pain they have caused you. This is something you'll just have to live with and it isn't fair, but it's the way that it is. And it's why these insurers can continue to conduct themselves, and will, in these ways. This is called Bad Faith in legal terms, and judges do take bad faith seriously in insurance cases, so it's important that you have written records of all the bad faith circumstances that your insurer has conducted, however, this won't necessarily mean big dollars for you, it will just likely mean you're paid what you owed when a judge sees the case.

**TECHNICALITIES THAT CAN BURY YOU** – if your claim is going to have to go to legal action and eventually make its way in front of a court or a mediator, there are some technicalities that can bury you. And this is what happened to us. We were decimated by not knowing this one, incredibly critical thing. We had engaged our own accountant for our Business Loss Claim report. The idea here is that at the end of the day, if your claim is going to make it to a court – it's going to come down to a battle of the experts. Your accountant versus their accountant. The insurance company will always have their own accountant who provides some sort of low ball report. Your accountant will provide something more realistic and on the higher side. These 2 experts battle it out in front of the judge or mediator. And having your expert fight for your report is critical. You want someone that's going to show up to the court and adamantly declare that they stand behind their numbers, provide the evidence they were based on and fight for you.

**Here is the technicality that buried us.** The accountant that you engage as your forensic accountant may not be the same person that signs the report. For example, in a lot of these large firms they delegate an accountant to your file, but then they have the report itself signed off on by one of their senior partners. If your claim goes to court, it may NOT be the accountant that you worked with directly to build the report that represents you. It is the senior partner, or whoever it was that **SIGNED** the report.

This seemingly small item can be a death sentence. What happened to us was that we worked diligently with our forensic accountant who put together a fantastic accurate claim loss report, they fought for us and worked to understand the complexities of our business, which were complex. This is who we wanted on the stand, defending their report. But what we got instead was a senior partner of the accounting firm, someone already one foot into retirement, living part time in Palm Springs, with almost zero engagement with our story, our business or to fight for our numbers. He was already checked out, didn't really care about our case and just assumed it would be fine to "split the difference". In most cases that do get to a judge or

mediator, that's often what they do – they look at the insurers' accountant report, they look at your accountant report and they split the difference.

That's really what it will all come down to. So your expert report and your expert are **CRITICAL**.

They may factor in the bad faith dealings of the insurance company in a leaning towards your favour, but honestly, these judges are reviewing a ton of cases every day. They aren't engaged in yours. They really just look at the facts, look at the report and come up with a fast solution to get on to the next one. It really sucks, because if your case is complex, it's hard to communicate that complexity in a way that makes the judge care, they're almost immune to these cases and glazed over. So having an accountant who is also not going to fight for your report and your numbers, it's a death sentence.

Because of the complexity of our business, having someone like this was a deal killer. We needed our accountant to fight for our report, because of the complexity of our business operations. So after fighting for 4 years, finally getting to a binding mediation, we were hit with the freight train of realizing **THIS GUY** was who was going to be on the stand in front of the judge and would decide our fate. And if THIS guy isn't going to fight for our numbers, we are not going to win.

**MAKE SURE** – when you engage your accountant, you are extremely clear about who it is that will represent the report in court, if the claim has to go in front of a judge. I cannot stress that enough.

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## HERE'S WHAT YOU CAN DO ABOUT IT.

### 1. YOUR STATE OF BEING HAS TO BE YOUR TOP PRIORITY

- You're in a trauma response, even if you don't think you are, you are. And your nervous system is going to take a long time to recover, likely a full year after you get to the end of all of the recovery efforts. It's important not to deny this and to recognize what you can do to stay in balance;
- Yoga, meditation, healthy eating, prayer, exercise, walking in nature, spending time with your pets, kids or grandkids. Make a list of all the things that deeply nurture you and **do those things first in your day** and make time for them in your day, no matter what. If you already do these things, deepen how you do them and how frequently.
- If you have a spiritual path, commit to it more deeply and lean on it, as well as your community there. If you don't have a spiritual path, I would highly recommend you start finding one now. A place to ground yourself to that can help you make sense of things.
- Keep books nearby that inspire you. I love Marcus Aurelius' Meditations. But any inspirational books, poems, Youtube videos, Instagram quotes – whatever can help you keep your thoughts and focus in a positive and inspired state.
- I would highly recommend creating a discipline around these things – at least 15 minutes every morning where the first thing you do is ground yourself, get connected to something positive in your day and set your frame of mind.

- If you can, create a small budget for things that really nurture you – massage, spa day, golfing, arts, culture, go to the ballet, the opera, a great musical performance, a nice dinner out, buy yourself something that makes you feel good, take yourself for a latte and leave your phone at home.
- When things get really bad, I would go back to these disciplines religiously. It helped me immensely.

## #2. DO NOT TRUST YOUR INSURANCE BROKER

- If you have an insurance broker, remember they are not really that qualified. Most of them have a certificate that has not taken much time at all in school to obtain and they got paid a percentage of your insurance premium already up front. They have no vested interest to help you really. So they will likely be somewhat helpful at first and then not helpful at all, especially if you have a large loss claim at hand.
- Anything your insurance broker tells you, unfortunately, you have no recourse with them if they've misrepresented your policy or coverages. They aren't your insurance company, they don't represent your insurance company.
- Anything they say is basically worth nothing for you and it is very likely they are ill equipped for the disaster you are in and will tell you that you have coverages that, once you get into the details of the policy wording with the insurer, it turns out they were wrong. And there is nothing you can do about it.
- **MAKE SURE you get a copy of your own insurance policy, print it out and go over it with a highlighter to understand what your policy coverages are, do NOT rely on your broker.**

## #3 DO NOT TRUST YOUR INSURANCE REPRESENTATIVE

- The insurance company will assign a representative that will help you figure out what you are eligible for and get your coverage payments going, etc. These individuals always seem very helpful at first, but the way the insurance company sets them up is as **independent third parties**. What that means is that when you end up in a position where your insurance company will not agree to continue to pay out your claims owed, or decides not to pay the full amounts, etc, they will say that whatever this representative said isn't valid because they are not the insurer, they are a third party.
- It is a sneaky way for the insurance company to attempt to find ways not to have to pay out on your policy.
- For example, the representative may tell you verbally, or in writing, that you have coverages for certain items, or to incur certain expenses because they are approved. Then you incur said expenses and once submitted, the insurance company will not pay them. After long debate, you will say something like, "but the representative stated we could incur the expenses and would be reimbursed" and the insurance company will then say something like "they are a third party and don't act for the insurer".
- This is, of course, ridiculous. But this is what they will do.
- **So anything the insurance representative tells you verbally, get it in writing.**
- **Follow up every phone call with the notes from the call, in writing, confirming what was agreed to and what was said.**

- **Also keep your call notes, date them and put them in a folder, together with your email confirming what was said in the call to the representative.**
- Any advice the representative gives you, especially around things like Business Income Loss Coverages, ensure that this advice has been corroborated by the insurance adjuster on your file.
- **The insurance representative is NOT the insurance adjuster. This is an important distinction.** The insurance adjuster is the one that works at the insurance company and will adjudicate your file – they make the decisions on whether the amounts you submit for coverages will be reimbursed. The insurance representative is a third party shield the insurance company attempts to use to buffer themselves from liability.

#### **#4 GET EVERYTHING IN WRITING**

- Every phone call, follow up with your meeting call notes confirming everything that was said.
- Record those phone conversations is a good idea as well, you can keep a data file with all of the recordings.
- Make your own notes on paper, date them and keep them in a file.
- Print out the meeting call notes that you send to anyone and keep those in a file, it's likely you'll need them all later.

#### **#5 KEEP ORGANIZED RECORDS**

- Act as if you are in an audit. Put a file together and keep records of every call, every email print out and keep in chronological order.
- This will save you a ton of time on recall later on, and if things go to trial or legal

#### **#6 BAD FAITH**

- Judges take bad faith by insurance companies very seriously. And almost all of the instances of the tactics insurance companies use that I have described above are examples of bad faith. The problem is that most of the time we trust these people in the beginning and think they are acting in our best interests, so we don't record the conversations or get things in writing. This is a fatal mistake.
- Act as if you can trust no one, get everything in writing and keep your records. This will help prove your case of bad faith, not just your word against theirs. This is really important.
- Also keep records of any health issues or concerns that arise as you are dealing with the process. If the stress and duress you are under is a direct result of the situation you're dealing with with your insurance company, make sure you go to your doctor, get your doctor to make clear notes, indicate clearly the nature of what you are dealing with and that the reason you are dealing with it is the stress of what you are managing with your insurer. This is extremely important – I suffered silently with migraines, sleep problems, severe depression and anxiety. I was often suicidal throughout the process, especially when you have one of these adjusters basically threatening to take away everything you have worked your whole life for. It is not easy to manage – I chose to manage it alone and this was a terrible mistake. Those notes and records will be extremely important in your legal case



against the insurer, to help a judge understand the toll it has taken on you personally. Don't try and be tough, go and get help, make sure you have a doctor or a practitioner that keeps good notes. Keep your own mental health journal throughout the process. All of this will help your case.

## #7 MEDIA COVERAGE

- If you can, as concisely and clearly as you can, put your story together. Try not to tangent, but communicate the facts and the situation as clearly as possible. And reach out to any media sources you can to help tell your story. Do some research to see what angle may make for a good news story for the media outlet you are talking to. Refine things as you get feedback and do what you can to put as much of a spotlight as you can on your situation.
- Though we all want to think that if we are on the side of righteousness that our case will be heard. The reality is that there may be a few news stories, but for the most part people will say that's too bad, and then get distracted by the next news cycle and just move on.
- Having some media coverage could be important, because you never know who it could reach that could help you, but if you are really in trouble, the best thing you can do with the media is put together a full court press. This takes a lot of time and can be exhausting, at a time when you're already exhausted, and it really isn't for everyone. You need an organized plan of attack, not just one or two media sources, but you need to follow up, engage, diversify and try and reach as many as you can on all sorts of different platforms – social media, print media, news programs.
- This could be a time to engage some help. This is tough to manage on your own, especially with everything else you're managing already. Having some friends and family that can help you put together press releases, reach out to reporters, put together a social media video, post and links, etc could prove very valuable for you.

## #8 YOUR OWN LAWYER

- In your policy, **you will have coverage for your own legal counsel and accountants**, that the insurer is obligated to pay for. In most cases, this is true up until you file a lawsuit against the insurer. So you want to be strategic about how you engage a lawyer and accountant.
- Once you get to an impasse where you know you are getting nowhere with your insurance company, you can ask for something called a CLAIMS POSITION LETTER.
- This letter is critical for your process, it forces the insurer to outline their position on your claim, exactly.
- Once you have that letter, you can attempt to negotiate with the insurer, but that will likely fall flat. It is best to turn things over to your lawyer at that point.
- Your legal fees are supposed to be covered for this under your policy, but actually getting the insurance company to pay you, after you've requested the claims position letter and engaged a lawyer is extremely difficult. Prepare for more delays. If you have a fair and competent lawyer willing to help you, they will likely be able to wait for payment knowing that it is covered under the policy you have. It will just take a long time.

## #9 YOUR OWN ACCOUNTANT AND EXPERTS

- Under your insurance policy, you will have coverage for your OWN accountant and expert reports. So if the insurer is getting any reports about the valuation of your claim or business income loss, you have the right to also get your own report, and you will have coverages under your policy for this;
- The insurance company usually doesn't tell you this;
- Once they are getting any sort of valuations on your property or loss claim, you can ask for your own independent report or accountant to prepare a report for you, and they will have to pay for the cost of these reports or experts under your policy
- You can criticize any loss claim report that the insurance company provides you, if you do not feel it is a fair or accurate representation of the value of your loss claim and you can get your own reports.

## #10 ITS ALL DOWN TO YOU

- I'd love to tell you that the people you engage will be incredible advocates for you and everything will go smoothly and no one would try and take advantage of someone who had been through something so horrific. Unfortunately, this is not true.
- You are going to have to be your own advocate, at a time when your nervous system is already in crisis and you're in survival mode. Lean hard on your spiritual path, do what you can to stay grounded, trust that if you stay the course, everything is going to be ok.
- When you catch yourself in emotions like panic, overwhelm, reaction, over-reaction, getting short with people who are trying to help you, etc – this is a red flag that it's time to take care of yourself. Get grounded again, go walk in nature, do something for yourself to calm your nervous system and don't go back to the issue until you are settled in calm again.
- You will have to be your own lawyer, you will have to be your own insurance adjuster, and your own accountant. You'll need to work with these people as part of your team, but you are going to have to be the one to drive the results.
- Ask a ton of questions of your lawyer and your accountant, educate yourself as much as you can
- **GET A COPY OF YOUR POLICY AND ALL THE POLICY WORDING** – this is now your new bible. Make sure you understand **all** of your coverages clearly.
- **You have to stay in integrity** – you have the truth on your side, but you have to be disciplined and stay in integrity with yourself. Don't lie, don't cheat, don't manipulate. Just stick to the facts, record everything and keep your integrity clean. The truth is your only real weapon and if you stay the course with it, it will serve you in the end.
- The insurance company has a war chest of infinite resources available, and all they really have to do is wait. If they just keep delaying things, they know you will run out of resources. So be strategic.
  - **Engage a lawyer who is willing to work on contingency** once your lawsuit is filed;
  - **Negotiate with your creditors and vendors** – you are going to need a lot of time, at least a year, to settle things up, likely more. If you can create smaller payment plans, do so immediately. Don't wait until you're under more financial duress, do it proactively;
  - Work with your bank if you can, do not incur more debt, but ask for more time. Go to interest only payments if you can as soon as you can;

- Go into austerity measures – spend only what is necessary and critical for your survival. Do not spend extravagantly.
- Stay in integrity, be honest about your situation, don't lie, don't make excuses – just communicate authentically your situation, ask for help and negotiate, negotiate, negotiate

## #11 REBUILD AS BEST YOU CAN

- You'll need to create financial independence as quickly as you can, without your insurance payout this can be extremely difficult.
- Get creative, pivot your operations, look at shorter term cash crops or lower input cost items, work with your suppliers on terms to help you get started without having to put out the full capital required up front, try not to take on more debt if you can, form strategic partnerships or alliances with other people, look at Joint Ventures where you can provide the work if the other party can provide the capital and split the profits. Find ways to get back to cashflow positive.
- Work on getting your revenues back as quickly as you can, on your own. This may require a TON of ingenuity, but some of the best ideas come from times when you have no resources. Duct tape and matchsticks your way to financially stabilize, the more financially stable you can become, the better equipped you will be to withstand the battle with your insurance company.

And remember, this is just a moment in time. It will pass. It will be particularly horrible and you're going to need some time to recover when you're done. But you're strong, you've got this.

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Thanks to our friends over at ChatGPT, I've outlined a bit more concisely all the things to look out for described in my letter above:

### **Understanding the Insurance Landscape**

Insurance companies are businesses, not altruistic entities. Their primary goal is profit, which means they may employ various tactics to delay, deny, or reduce payouts. Recognizing these tactics can empower you to anticipate challenges and protect your interests.

### **Common Tactics Insurance Companies Use:**

1. **Creating Layers of Deniability:**
  - They often use third-party representatives who claim to act on the insurer's behalf but are not official employees. This allows the insurer to later deny statements or commitments made by these representatives.
2. **Verbal Promises Without Written Confirmation:**
  - Verbal assurances about coverage or expenses are often denied later in writing. Always record conversations and request written confirmation.
3. **Claiming Non-Receipt of Documents:**

- Insurers may allege they never received your documents or demand new formats for submission to delay payouts.

**4. Delays Due to "Internal Processes":**

- Expect repeated requests for additional reports or document formats. Insurers may ignore expert reports you've submitted or ask for unnecessary reorganization of your submissions.

**5. Strategic Holiday Absences:**

- Adjusters or accountants may take vacations at critical times, further delaying your claim. Insurers may claim only one person can address your case, compounding delays.

**6. Forcing Settlements Under Duress:**

- They may offer partial payments contingent on signing away further claims. Remember, you do not need to sign any settlement to receive what you are already owed.

**7. Weaponizing Legal Costs:**

- If litigation becomes necessary, insurers use costly, drawn-out legal battles to exhaust your resources and resolve claims on their terms.

**8. Depreciation Disputes:**

- Insurers often undervalue claims by attributing excessive depreciation to damaged property, reducing payout amounts significantly.

**9. Misinterpreting Policy Language:**

- Policies are often written in complex, technical language. Insurers might exploit ambiguities to interpret terms in their favor.

**10. Failure to Disclose Full Policy Benefits:**

- Insurers might not proactively inform policyholders of all their entitlements, such as additional living expenses or extended replacement cost coverage.

**11. Low Initial Offers:**

- A common tactic is making an unreasonably low initial settlement offer, hoping claimants will accept out of frustration or financial necessity.

**12. Blaming Pre-Existing Conditions:**

- Insurers may attribute damages to pre-existing wear and tear or unrelated events to deny or reduce payouts.

**13. Alleging Non-Compliance:**

- Policies require claimants to meet certain obligations, such as promptly reporting damage or maintaining detailed inventories. Insurers may argue non-compliance to deny claims.

**14. Unreasonable Proof of Loss Requirements:**

- They might demand excessive documentation, creating unnecessary delays or leading claimants to give up.

**15. Disputing Cause of Damage:**

- In cases involving multiple potential causes (e.g., wind vs. flood), insurers may argue the damage falls under an excluded category.

**16. Exploiting Statute of Limitations:**

- Insurers may drag out the claims process until you are near or past the statute of limitations for filing a lawsuit.

**17. Partial Denials:**

- Insurers might approve certain aspects of a claim while denying others, forcing claimants to fight piecemeal for the full payout.

**18. Unilateral Policy Cancellation:**

- In extreme cases, insurers might retroactively cancel policies, claiming non-disclosure of material facts during the application process.

**19. Hiring "Biased" Experts:**

- Insurers may bring in "independent" experts incentivized to produce reports that justify claim denials or lower payouts.

**20. Demanding Repeated Inspections:**

- By scheduling multiple inspections of the damage, insurers can delay the process further or use conflicting reports to justify lower payouts.

**21. Shifting Blame to Third Parties:**

- Insurers may argue that a third party (e.g., a contractor, a neighbor) is responsible for the damage and that you should seek recovery from them instead of the insurance company.

**22. Exploiting Psychological Pressure:**

- Insurers know the stress and emotional toll claimants are under after a disaster. They may use this leverage to pressure claimants into accepting less favorable settlements quickly.
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## Proactive Steps You Can Take

### 1. Prioritize Your Well-Being

- Recovering from disaster is traumatic. Make time for activities that nurture your mental and physical health, such as yoga, meditation, walking in nature, or spending time with loved ones. Seek professional help if needed.

### 2. Document Everything

- **Get It in Writing:** After every phone call, email a summary of what was discussed and agreed upon.
- **Record Conversations:** Where legal, record calls to maintain accurate records.
- **Organize Records:** Keep a detailed log of all correspondence, including dates, summaries, and outcomes. File all receipts, reports, and communication in chronological order.

### 3. Understand Your Policy

- Request and thoroughly review your policy document. Highlight and annotate coverage details, exclusions, and obligations. Do not rely solely on your broker for guidance.

### 4. Engage Independent Experts

- Hire your own accountants and other experts to validate your claims and you will have policy coverages for this. Experts hired by insurers are often incentivized to minimize payouts.

### 5. Request a Claims Position Letter

- If you reach an impasse, request this formal document, which outlines the insurer's position. This can help clarify disputes and may be a prerequisite for further action.

### 6. Seek Legal Representation

- Many policies include coverage for legal and accounting fees up to a point. Consult a lawyer experienced in insurance claims, and consider firms willing to work on contingency.

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## Navigating Challenges

### Bad Faith Practices

- Courts take bad faith conduct seriously. Keep meticulous records of any actions that demonstrate bad faith, such as unreasonable delays, verbal misrepresentations, or lack of response. Document health impacts, including stress and mental health challenges, with support from medical professionals.

### Media Advocacy

- Consider sharing your story with the media. A clear, concise narrative can amplify awareness and apply public pressure on insurers to act in good faith.

## **Financial Resilience**

- Reduce unnecessary spending and negotiate payment terms with creditors. Explore creative solutions, such as joint ventures, short-term income opportunities, or partnerships, to stabilize cash flow during this process.

## **Final Thoughts**

Navigating a disaster's aftermath is one of the most challenging experiences you'll face. Insurance claims add another layer of complexity, but with preparation, perseverance, and support, you can endure and rebuild. Stay grounded, remain diligent, and remember that you are not alone.

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