



STITCHING IT TOGETHER

Temp Housing Providers Are Keeping Policyholders Cozy and Warm

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Property loss is what every homeowner fears. The emotional turmoil that the affected person or family experiences is deeply personal and can cause an extraordinary amount of stress. When disaster strikes, people are most concerned with fulfilling their primary requirements of food and shelter, stemming from basic physiological needs. Claim adjusters serve as the primary resource for help in the eyes of the displaced policyholder who is confronting the unknown. For even the most seasoned adjusters, helping put clients' lives back on track is challenging.

While additional living expenses (ALE) represent only one component, it can set the tone for the entire claim. Homeowners can view the claim adjuster as either a friend or a foe, depending on the adjuster's initial response to meet their basic needs. It is only after those needs are met that homeowners can begin to focus on the other details of claim handling. Locating temporary housing is a crucial step in the recovery process.

Even though each case is distinct, simple guidelines can be used to assess the specific temporary housing needs of most clients.

Evaluating Circumstances

The first step when determining an appropriate housing option is to review the insurance policy and understand the coverage and any limitations. ALE coverage terms vary from an established period of time to a percentage of the policy. The more time you invest in explaining the nuances of the policy, the less likely the homeowner will be to overspend and exceed the limits of the policy. Even the most endearing clients can become resentful and uncooperative if expenses are not reimbursed entirely.

Another consideration is whether the disaster is an isolated incident affecting just one homeowner or if the damage is widespread throughout a community. When a natural disaster covers a large area, the complexity of the situation is daunting. This involves more than just locating temporary accommodations for the homeowner. Under these circumstances, temporary housing options may be limited because of the higher demand within a concentrated area. Thus, it is useful to examine the gamut of available temporary housing offerings, from hotels to rental properties.

The final factor to consider prior to making a housing recommendation is the amount of time needed to make the home livable again. Estimating the time to complete the necessary repairs or to find a new home is crucial, as coverage begins the day the home becomes uninhabitable and ends when the client is resettled. Again, this situation becomes even more difficult during an extensive disaster, which can drain local resources.

Choosing a cost-effective temporary housing solution for both the carrier and the homeowner can be a tricky endeavor. Fortunately there are several options available, including hotels, corporate housing, and rental apartments.

Short-Term Fixes

After determining the coverage amount and the recovery period, the adjuster must seriously weigh housing options. For policyholders who need immediate shelter, the best solution may be to stay at a hotel or with family for a couple nights. Unless a disaster covers a wide geographic area, hotels within a 10- to 15-mile radius should have availability, and this will minimize the impact of displaced houseguest on nearby friends and family.

Hotels are a wise choice if the home can be inhabited again in five to seven nights. If the client requires a bit more time to search for a more permanent arrangement, then a conventional hotel stay still makes sense for as many as seven to 10 nights. The homeowner should be aware that expenses beyond the basic cost of the hotel room may not be covered in the policy. For example, the carrier may not be willing to pick up the tab for delivery charges on room service and will certainly not cover pay-per-view movies or a trip to the spa. Conveying this to the client upfront can reduce the likelihood of future problems or misunderstandings.

If a homeowner requires lodging for more than a week but less than 30 nights, then it is wise to recommend an extended-stay hotel. This type of hotel offers minimal living space but includes a separate living area and kitchenette. It allows the policyholder to buy groceries and prepare meals, thereby dramatically reducing the cost of food. The kitchens are equipped with a refrigerator, stovetop, microwave, pots and pans, dish ware, and cooking utensils. Although extended-stay hotels offer more space for a longer-term stay than traditional hotels, these chains are somewhat limiting in that a generic hotel experience is provided to the client.

Whether adjusters opt for a typical hotel or one designed for extended stays, clients should stay in close proximity to their homes, if at all possible. Being close to school and the workplace and even being able to shop in familiar stores contributes to displaced policyholders' sense of normalcy, meaning they can focus on the other tasks in the claim process.

Going the Distance

If policyholders will be displaced from their homes for over a month, then a more spacious and cost-effective answer is needed. Options include a DIY effort in which the client finds an appropriate rental apartment and coordinates all of the setup details or selects a corporate housing provider for a fully furnished apartment.

Setting up an apartment entails a lot of phone calls and legwork, all of which takes time away from other claim details. Searching for an available apartment and negotiating the lease terms are the first hurdles. The length of the lease must be taken into account, as most apartments do not offer a lease term for less than six months without substantial penalties. Most apartments require a security deposit, which is not covered by ALE expenses. Additionally, arrangements must be made for utilities as well as furniture rentals. Both may require additional deposits, resulting in more out-of-pocket expenses for the client.

There are service companies available to handle the DIY apartment setup on behalf of the client. Although there will be additional charges associated with this service, it is certainly a viable alternative — especially in more remote or rural locations with otherwise limited options. Just be certain beforehand that the carrier approves the cost of such services.

An alternative solution that more and more adjusters are turning to is corporate housing. These companies offer completely furnished apartments along with electric, phone, cable TV, and high-speed Internet services. The apartment rent and all related services are consolidated into a monthly billing statement, making management of these costs more controllable and consistent from month to month.

Local area experts help clients determine the corporate housing location that best fits their specific needs while staying within budget. With a focus on customer care, corporate housing providers can help alleviate the stressful situation and make guests feel not only welcome but also comfortable in a temporary home. There are comprehensive guest services programs featuring 24/7 concierge service and a local point of contact who is on-call to ensure clients are fully acclimated to their new apartments.

Some firms provide value-added services to the adjuster, such as dedicated account management. Thus, a corporate housing coordinator can deal directly with the insured when deciding on accommodations and processing paperwork. At the adjuster's request, a full service corporate housing company can alleviate the bulk of the adjuster's work, leaving only the approval of the housing option selected by the insured.

Corporate housing provides all of the conveniences of an extended-stay hotel with the space, comfort, and privacy of an apartment. While an extended-stay hotel may make sense for a few weeks, corporate housing offers a distinctly "warmer" accommodation that allows clients to transition more fully into their neighborhoods right away. An extensive selection of one-, two- and three-bedroom apartments are available for booking in most major metropolitan areas. Many locations offer amenities including pools, exercise facilities, and storage spaces.

Choosing Wisely

Coordinating a reasonably priced housing solution reflects positively on an adjuster's ability to contain costs. To fully accommodate the client, adjusters must consider policy coverage, housing options in the area, and the length of the client's stay.

The challenge of delivering a diverse set of services under the restrictions of a policy can be daunting. To successfully meet this challenge, adjusters must evaluate the accommodation needs of the client upfront while applying some simple rules. By matching the temporary housing solution to the client's needs, an adjuster can not only save work but also set the tone for a successful, seamless resolution process for the client.

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