

**Red River
Mutual**



make it your own.

Loss of Personal Property

**What
happens
now?**



This document is intended to provide you with some general guidelines and direction in the preparation of your Schedule of Loss and replacement of items.

Specific situations may differ from these guidelines and should be addressed to your claim specialist.

Step

1

UNDERSTANDING YOUR POLICY

POLICY LIMITS

In most cases your home, personal property and additional living expense are covered with specific limits which can be found on your policy. Each policy limit may affect the amount you can claim in any one area.

REPLACEMENT COST

Means the cost, at the time of the loss, of repair or replacement (whichever is lower), with new property of similar kind and quality, without deduction for depreciation.

ACTUAL CASH VALUE (ACV)

Means the cost, at the time of the loss, to repair or replace property less depreciation. In determining depreciation, your specialist will consider, but is not limited to the age, condition, resale value, obsolescence, and normal life expectancy of the property at the time of the loss.

Step **2**

PREPARING A SCHEDULE OF LOSS

The next stage of any loss is to document the items lost or destroyed. This information is gathered in a Schedule of Loss form and usually must contain the following information on each item:

Item No: Each item should be given a unique number starting with 001.

Quantity (Q): The number of articles which may carry the exact same description (i.e.) tea-towels, toothbrushes.

Item Description: Brief but accurate description of item including brand name, model number, size, colour or any other information that will reflect the value of the item.

Where Purchased: The store, place or person where the item was purchased.

Date Purchased: The age of the item in years. If you bought the item used then estimate the age of the item, know the length of time you've owned it.

Purchase Price: The original amount paid for the item.

Present Replacement Cost: Today's cost to replace this item with the same quality and features. Do not include any taxes in this amount.

Step **3**

REVIEW & ADJUSTMENTS

Once the Schedule of Loss is prepared and submitted to your specialist for review, the following adjustments may be made:

CALCULATION OF ACTUAL CASH VALUE

This will occur whether you have Replacement Cost coverage or not. Generally the calculation is used to provide a cash advance in order to begin purchasing the items lost.

In the event of non-replacement of any one item this ACV may be used as your basis for settlement.

Step **4**

REPLACEMENT OF ITEMS

Generally you have a time limit to replace the items you have lost. It is best to check with your specialist as to the specifics of your policy. As each item is purchased, identify on the original receipt the item # from the Schedule of Loss that you are replacing. Submit the receipts in a batch form with any other documentation that may be pertinent.

To speed up the payments, receipts received by your specialist should all be numbered to correspond with the item number. They will use them to calculate the difference between the allowable amount and any ACV previously advanced to you.

SCHEDULE OF LOSS

ITEM #	Q	ITEM DESCRIPTION	WHERE PURCHASED	APPROX. DATE PURCHASED	APPROX. PURCHASE PRICE	PRESENT REPLACEMENT COST	DEPRECIATION %	ACTUAL CASH VALUE	COST OF REPLACED ITEM	DIFFERENCE ACV TO R. COST
001	1	Drymore C110 Dryer	Store	1992	399.00	499.00				
002	1	Shoes - Baby	Gift	2 Months	17.97	20.00				
003	1	Brand 35mm Auto. Camera	XYZ Store	2000	239.60	199.00				
004	12	Go Far Golfballs	ABC Store	6 Months	19.99	20.00				

Q: What about items that weren't destroyed but are damaged. Do I list them?

A: Yes, but on a separate schedule.

Q: How do I know if something is restorable?

A: Usually a professional restoration firm is involved to help you identify the restorable items.

Q: If something is repaired or restored, who pays for it?

A: Subject to your policy limits and approval from your specialist, your insurance company will reimburse the repair firm.

Q: What happens to my items once I've been reimbursed for them? Who owns them?

A: Normally your insurance company retains the salvage rights to any item(s) replaced.

Q: What if the items were gifts and I don't know where they were purchased or how much they cost?

A: Mark them as gifts and check with the person who gave them or check with a retailer or in a catalogue for values.

Q: What if I don't know or remember the age of an item?

A: Estimate the age as best you can.

Q: What about my photo albums, keepsakes or ornaments that I can't price or replace?

A: If an item of like, kind and quality cannot be identified, ACV will be used to calculate your loss. Therefore, a value should be established in order for a payment to be made. There is no monetary consideration for sentimental value.

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