

# Claims Procedure Guidelines

Every business should have a procedure to deal with the different types of claims that may arise in relation to their operations. These claims can include; injuries, homebuyer issues, issues regarding the purchase of products or services and even lawsuits. Since fewer claims are litigated when dealt with swiftly, it is important to have procedural guidelines ready in case of any potential issue. The procedure will instruct management and its employees on the steps to be taken to appropriately address any claims. Depending on the size of your company, the claims protocol procedures should be developed and able to address the following issues:

- ✧ Claims during the warranty period which need to be handled in accordance with your customer service protocol.
- ✧ Claims after the warranty period including right-to-repair claims
- ✧ Accidents, including workers compensation claims that may include OSHA protocols
- ✧ Employment related claims, including wrongful termination, discrimination, harassment, etc.
- ✧ For each type of claim the following should be considered:
  - Who will handle each step of the process to resolve the claim and who additionally needs to be contacted
  - Timeframes for addressing issues and claims
  - Recordkeeping of entire process

For claims that involve construction defects, the following your rights of the contract language entered into and the mitigation of the issue should first be addressed. If the issue is a defect claim, the guideline procedure should incorporate the business's warranty and right to repair process, as applicable by state. Thereafter, the claim can be investigated and either handled through in-house warranty procedures or sent to your broker, an outside claim adjuster or your attorney for additional guidance.

A tracking system needs be implemented to track the claim through its resolution. Additionally, it is helpful to have also have a comprehensive list of third party vendors such as repair inspectors, mediators, claims consultants, and attorneys as part of the claims protocol.

Every incident or claim is different and demands special attention. These guidelines are meant to assist in developing a plan to handle claims. Each incident or claim should be investigated and handled accordingly.

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