

Elements of Proper Documentation

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Elements of Proper Documentation

One of the greatest challenges participants in the claims ecosystem experience on a regular basis is the lack of incomplete documentation related to a property loss. Incomplete documentation usually results in inaccurate and/or delayed claims payments, restorer and adjuster frustration, and lower customer satisfaction. Our objective is to specify the elements that should be contained in a 'common file' to facilitate a better claims experience for all.

Philosophy

Properly documenting a property loss can be compared to the manner in which a lawyer assembles evidence for a trial. The lawyer seeks to pull together all the documentation necessary to present their case in a clear and concise manner to the jury. The most effective presentation tells a story everyone can understand and from which a rational conclusion can be drawn.

The Common File

Every participant in the property loss process has data that is available for sharing, and data intended to be kept for internal use. This latter dataset may contain salaries, maintenance costs, profit margins, claims history, premium amounts, and similar trade secrets or Personal Identifiable Information (PII). This document will primarily focus on those elements that would be expected to be shared between the primary parties – the restorer, the insurer, a Third-Party Administrator (TPA), if involved, a Third-Party Consultant (TPC), if involved, and the customer. We will refer to such elements as the Common File.

Elements of the Common File

Visual Documentation

The file should contain crisp visual images of the property loss, captured by still photos, and any supplemental video. Such images should be taken upon arrival. They should be thorough enough to provide sufficient documentation, so all parties can visualize the state of the property and its contents prior to external mitigation efforts.

It is recommended to capture, document and communicate such images in accordance with the Best Practices for Photo Documentation adopted by PIRC.

<http://gotopirc.com/work-products>

Images should be captured throughout the life of the project, clearly documenting progress as it occurs. Images should be captured daily during mitigation efforts, and by material phase during reconstruction efforts, but no less than weekly. The purpose is to tell "the story" of the job,

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phase by phase, providing visual evidence to support the scope of work required, such as the amount of the invoice for the restorer, or the claims payment by the insurer.

Commented [1]: grammar?

Images should be captured at the conclusion of the project, showing the return of all damaged areas to what is presumed to be the pre-loss condition.

All images should be labeled and dated to make clear to all future viewers what the images represent.

In addition to images, the Common File should contain any hand-drawn sketches and notes taken regarding the physical loss, especially those taken during or with respect to the initial inspection.

Process Documentation

Visual documentation shows how things may have looked prior to and following the loss. Process documentation consists of those items required to properly document a property restoration project, whether legally, ethically, or by contractual agreement, and from beginning to end. Properly assembled in the Common File, process documentation paired with visual documentation, will tell the full story of the restoration project and should answer any questions from any party involved in the loss.

The following elements of Process Documentation should be placed in the Common File:

Prior to Job Start

As near to the start of the job as possible, the following should be signed and/or collected before any work commences*. Except where noted, all should be placed in the Common File.

Customer and Property Information – Restorer should document:

- o The address of the property
- o The owner of the property (if different from tenant)
- o The tenant of the property (if different than owner)
- o The mortgage holder of the property (if there is one)
- o The party responsible for payment (the customer)

**In the event of emergency, the minimum recommended to start would include address, owner and party responsible.*

Loss Information – Restorer should document the following items, as soon as practical:

- o Damage assessment, description of damage
(Different than determination of cause and origin)

Commented [2]: Determination of Cause of Loss may be identified as responsibility of the insurer (not Contractor); consideration for "adjusting"

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- Insurance company name
- Claim number
- Policy number,
 - Relevant coverages, limits and exclusions (obtained by either insurer or customer)
 - Deductible
- Impact of loss, to the best of ability. This may include professional assessments relative to sewage, mold, food spoilage, etc.

Commented [3]: This may be information not shared by insurer (party to contract issue); knowledge of limits is useful for communications with the customer on coverages of operations, so customer may need to obtain and provide

· A Signed Agreement (contract) with the party responsible for payment, authorizing the commencement of work, and agreeing to payment in whole upon its completion. (Known commonly as "Work Authorization".)

- Notice to Owner - Notification signed and documented, by the Legal Owner of the property (regarding what? We should explicitly say.). May be part of the Agreement or Work Authorization.

· A Third-party Payment Authorization, Direction to Pay or Assignment of Benefits – A document which allows a restorer to more easily work directly with and receive funds from an insurance carrier.

Commented [4]: (Bernie)With the negative stigma this term resonates, should it be included in the document?

An Estimate or Price List with Scope, signed by the customer:

- An Estimate is, as it suggests, a financial estimate of what a job will cost based upon a specific list of tasks to be performed and materials that need to be purchased. An Estimate usually has a time and/or cost broken out on each estimate line. In the event of a water loss, a moisture mapping report/form should be an element of the Estimate.
- A Price List is a summary of the restorer's standard rates for the variety of services it provides on a Rate and Materials basis. It is generally paired with a scope document which outlines all of the work that a restorer intends to do to complete the project, often without the precise knowledge of how long such a project will take as all loss circumstances are different.
- Consent to Dispose form – Restorer should secure~~have~~ an executed form prior to disposing any customer property, and preferably before starting any work on the project.
- Customer Standard Operating Procedures (SOP) – Whether work is being done for an existing commercial client or a third party administrator, or any other entity for whom existing protocols apply, the restorer should review such protocols before commencing work and place a copy in the Common File.
- Complexities - Documenting any complex issues, specialty products or workmanship necessary to complete the job. Any uncommon situation~~interference~~ that could result in delays, such as a historical building, outside parties, engineers, permitting, structure remains occupied, health concerns, water remediation deterioration, or other factor~~instance~~.
- Limitations or deviations from industry best practice – From time to time, a customer will demand that certain operations not be performed which causes a~~that~~ deviation~~e~~ from the

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restorer's standard protocol. All such deviations should be documented fully and **signed by the customer** before overtly omitting the operation or procedure.

- Project Plan – When possible, it is advisable to create a timeline that outlines what will be done when and by who, prior to starting work. This plan sets an expectation for the customer that can limit future misunderstandings.

During the Project

It is necessary to document all activity that is taking place on the job, from initial commencement to final signoff. ~~throughout the work effort~~—This documentation supports daily decision making, provides back-up for invoicing, and provides the substance for answers to questions that may come up days, weeks or months after the project is long since completed. All these items should be placed in the Common File.

- Time Tracking – A daily log should be maintained of all workers on the job site, the specific hours they worked, the respective rate classes of their efforts, and the specific tasks they performed.
- Equipment Tracking – A daily log should be maintained of all equipment deployed on the job and where it was used.
- Materials Usage - A daily log should be maintained of all materials /supplies/ consumables used on the job.
- Daily Moisture Readings - If it's a water loss, daily moisture readings should be taken and logged.
- Project Monitoring Logs – Any time that a worker is on-site monitoring equipment, the activity, the equipment and the equipment's location should be logged.
- Work Activity Logs – At the conclusion of each day, a detailed summary should be produced answering the following questions as to what occurred on the job site that day – who, what, where, when, why, and how.
- Contents Inventory and Handling – If contents handling represents a component of the loss, comprehensive inventory lists, by room, with condition and photo image support, should be created. Handling should be consistent with Consent to Dispose forms captured at the job's outset and in collaboration with insurance personnel, when possible.
- Expert Opinions and Reports – On certain jobs, it is necessary to obtain third-party reports or opinions to support the restorer's work effort. Common examples are flooring analyses from a materials lab and air quality reports from IEPs (Indoor Environmental Professionals). These documents should be placed in the Common File.
- Sourced Material Invoices – Any material purchased exclusively for use on the project should have its related invoice maintained in the Common File.

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- Subcontractor Invoices - Any subcontractor used on the project should have their related invoice maintained in the Common File (only for sub invoices that are marked up.)
 - Lien releases corresponding to the payment of these subcontractor invoices should be captured and saved, though do not have to be placed in the Common File.
- Complications - Documenting and communicating any unforeseen changes in the previously agreed upon scope of work due to~~for~~ conditions that surround the job, that requires a change in the work procedures that may impact scheduling and/or pricing should be clearly documented and communicated to all relevant parties. (this is a run on sentence/fragment)
- Change Orders – From time to time, the scope of the job will change during the course of the project. Examples are a complication (as defined above), hidden damage is found, the customer changes their mind on fixture selection, the customer decides to have additional work done, etc. In each case, it represents a change in the original agreement between customer and restorer. Before accepting the change and proceeding with any modified work, the change must be memorialized in a Change Order, specifying all changes requested/required, and signed by the customer.
- Punch List – Once the primary work is done, a walk-through is performed with the customer identifying those tasks that must be performed to consider the job complete. This list should be memorialized as a checklist. While not necessary to be included in the Common File, it can often prove useful to demonstrate project alignment with the customer late in the project and rebut potential issues after the fact.

Special Situations

- Permits – Certain types of jobs will require the procurement of a work permit from the local jurisdiction. The permit should be obtained before the permitted work commences, and a copy of the permit should be placed in the Common File.
- Insurance – Certain types of jobs may require the restorer obtain special insurance coverages or performance bonds. If so, these risk-related instruments should be obtained before the related work commences and a copy of the instrument should be placed in the Common File.
- Certifications and Licenses – In certain jurisdictions, certain types of work require that the business (or its workers) hold specific certifications or licenses to perform the related work. In such cases, copies of such documents should be placed in the Common File.
- Liens – From time to time it may be necessary to file liens to protect the restorer. A copy of all lien paperwork should be captured and saved, though may not be placed in the Common File.

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Job Completion

Most of the documentation is captured before and during the project, but there are a few documentary items produced at a job's conclusion. (Bernie- Most of the documentation is captured before and during the project. The creation of new documentation at the end of the project is straight forward.) ~~The creation of new documentation at the end of the project is pretty light.~~ Each document should be placed in the Common File.

- Final Itemized Invoice – The restorer should prepare a final itemized invoice in clear, understandable support of all charges.
 - A copy of any interim invoices should also be placed in the Common File.
 - A copy of any payments made against any invoices should be placed in the Common File as well.
- Certificate of Completion – Restorer should obtain a statement, signed by the customer, that all tasks contained in the work agreement have been completed, and no further work remains ~~to be done~~.
- Lien Releases - ~~d~~Documentation of any subcontractor lien releases.

Communications

Throughout the project, from the initial contact regarding the loss, through to final payment, there will be frequent communications between the restorer and the customer, as well as other materially-interested parties, if involved, regarding the project. (These could include insurers, TPAs, TPCs, experts, and others.) The following best practice applies to what should be included in the Common File:

- All~~Any~~ email communication between any of the parties listed above.
- All~~Any~~ written communication between any of the parties listed above.
- All~~Any~~ text communication between any of the parties listed above, including First and Last Name, Company if applicable, and phone number used (though text communication is discouraged due to its ability to be easily deleted.)
- A brief summary of any phone calls between any of the parties listed above in which any aspect of the project is discussed, and who was party to the conversation - First and Last Name, Company if applicable, date and time, along with the and phone number used. Any decisions made or communicated are especially important to note, and the mere fact a phone call took place can be highly relevant.
- Generally speaking, communications within the respective organizations of the parties should not be included in the Common File; however, if a party finds it advisable to share internal discussions in the Common File, it should do so as quickly as possible after the discussion, generally through a time-stamped electronic communication.

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- One additional caveat – Documented communications appropriate for the Common File should relate to performance of the work and the restorer’s bill for the work. For example, nothing in the above should suggest a communication between the insurance and the customer regarding coverage, or between the TPC and the insurer regarding their fees, should be in a shared Common File. Common sense should prevail.
- All documentation should be fact based and should exclude the subjective opinion of the author/creator.

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Once there is consensus, that this list properly addresses what should be documented in a Common File across segments, and when each piece of documentation should be captured as a best practice, then we can consider best practices for some of the individual components themselves.

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