

The TPC Claims Process



Actual Cash Value Settlement

If Ben has selected a policy with Actual Cash Value settlement and a \$1,000 deductible, the Living Room settlement portion of the claim might look like this:

Replacement Cost:	_____	+\$4,225.00
Emergency Services Invoice:	_____	+\$1,350.00
Applied non-recoverable Depreciation:	_____	-\$915.00 (depreciation is based on age and condition)
Deductible:	_____	-\$1,000.00
Settlement:	_____	=\$3,660.00 (final payment, no recoverable depreciation)

In this scenario Ben receives a check for the Final Settlement amount and may need to pay an additional amount to replace the existing plaster & woodwork with the same materials, as the final settlement is intended to reimburse for the emergency services as well.

Functional Replacement Cost Settlement

If Ben instead had selected a policy with Functional Replacement Cost settlement, they would be entitled to a full repair using more conventional and cost-effective materials, such as drywall and conventional 2-piece baseboards. In this instance the Contractor's conventional repair estimate comes to \$2,900. With their \$1,000 deductible, the Functional Replacement Cost settlement of the claim might look like this:

Functional Replacement Cost estimate:	_____	+\$2900.00
Emergency Services Invoice:	_____	+\$1,350.00
Deductible:	_____	-\$1,000.00
Settlement:	_____	=\$3,250.00 (final payment)

In this scenario, Ben receives a check for the final settlement amount and will not need to pay any additional funds beyond their deductible to cover the cost of the conventional repairs and remediation.

Replacement Cost Settlement

If Ben has selected a policy with Replacement Cost settlement, he is entitled to the full settlement amount with Franks estimate once repairs have been completed as outlined in the estimate and Ben provides proof of payment and the paid invoice from their chosen contractor.

Replacement Cost Estimate:	_____	+\$4,225.00
Emergency Services Invoice:	_____	+\$1,350.00
Recoverable Depreciation:	_____	-\$915.00
Deductible:	_____	-\$1,000.00
Initial Actual Cash Value Payment:	_____	=\$3,660.00 (paid at claim settlement)
Additional Recoverable Depreciation:	_____	+\$915.00 (paid at completion of repairs)
Total Payments:	_____	=\$4,575.00

In this scenario Ben receives a check for the Final Settlement amount and may need to pay an additional amount to replace the existing plaster & woodwork with the same materials, as the final settlement is intended to reimburse for the emergency services as well.