

## **Member Repairs of Property Damage**

HARRP and its members have, on a number of occasions, received contractors' bids for repairing property damage that appear to be excessive. In some instances, the members have indicated that they could satisfactorily make the repairs themselves for considerably less cost.

It is in the best interests of HARRP and its members to resolve claims in the most efficient and cost effective manner. In furtherance of this objective, the HARRP Board of Directors has adopted this loss control practice.

When a member has suffered a covered property damage claim and all responsive contractors' bids appear to be excessive, the member may propose that its staff make the repairs. HARRP, in its sole discretion, may accept this proposal if it finds that:

1. The member can make all necessary repairs at a cost significantly below the lowest responsive contractors' bid.
2. The work can be done in a satisfactory and timely manner which results in the restoration of the property to its pre-loss condition (or better).
3. The member will be responsible for the entire restoration of the damaged property which might include the member subcontracting some of the needed repairs to specialists.

If HARRP accepts the member's proposal, the Claims Manager will notify the member, in writing, and specify the maximum amount the repairs will cost to qualify for this loss control practice.

In those cases where the member satisfactorily completes the repairs for a sum that is less than sixty-five percent of the lowest responsive contractors' bid, HARRP will share equally with the member, the savings that result from the member's repairs.

Members will be responsible for paying their normal property deductible for each such claim and the costs will be calculated on the net claims costs.