

FED NAT HOME INSURANCE GENERAL GUIDELINES AND REQUIREMENTS

Adjuster contact information will be provided with the assignment whenever possible. If it is not provided at the time of assignment, please contact Sedgwick Repair Solutions (Please allow 4 hours after receipt of the assignment before calling). For escalations/unable to reach adjuster, please contact the FedNat claims department at (800) 293-2532.

WATER MITIGATION SERVICE STANDARDS		TIME FRAME
1	Initial Contact with Customer	30 minutes from receipt of job
2	Onsite Inspection/Job Starts	4 hours from receipt of job
3	Initial Loss Description and upload photos	24 hours from inspection
4	Job Complete	72 hours after job start
5	Estimate and all documentation returned to Xactanalysis	48 hours from job completion
6	Submit requested revisions or additional support to estimate/documentation	24 hours from request

Any delays or exceptions must be noted in the file. In the event of a CAT, you will be notified if any time frames are relaxed.

TARPING/BOARD UP/ TREE AND DEBRIS REMOVAL SERVICE STANDARDS		TIME FRAME
1	Initial Contact with Customer	30 minutes from receipt of job
2	Job Start	24 hours from receipt of job
3	Job Complete	24 hours from job start
4	Estimate, photos and all documentation returned to Xactanalysis	48 hours after job completion
5	Submit requested revisions or additional support to estimate/documentation	24 hours from request

Any delays or exceptions must be noted in the file. In the event of a CAT, you will be notified if any time frames are relaxed.

ROOFING/SIDING/GUTTER SERVICE STANDARDS		TIME FRAME
1	Initial Contact with Customer	24 hours before appointment
2	Onsite Inspection	48 hours from receipt of job
3	Estimate and photos returned to Xactanalysis	48 hours from inspection
4	Submit requested revisions or additional support to estimate/documentation	24 hours from request
5	Job Start	15 days from inspection
6	Job Complete	45 days from job start

Any delays or exceptions must be noted in the file

GENERAL RESTORATION/RECONSTRUCTION SERVICE STANDARDS		TIME FRAME
1	Initial Contact with Customer	1 hour from receipt of job
2	Onsite Inspection	48 hours from receipt of job
3	Estimate and photos returned to Xactanalysis	48 hours from inspection
4	Submit requested revisions or additional support to estimate/documentation	24 hours from request
5	Job Start	10 days after client approval
6	Job Complete	20 days after job start

Any delays or exceptions must be noted in the file

REQUIRED DOCUMENTS IN ADDITION TO THE ESTIMATE		TIME FRAME
1	24 HOUR REPORT - include brief description of the loss and upload with inspection photos	24 hours from inspection
2	LABELED PHOTOS OF INITIAL INSPECTION/WORK IN PROGRESS - exterior of property, room overviews, affected areas, continuous areas, closeups of damages, debris removed, equipment in place, moisture readings, contents, specialty items, roof layers, pitch gauge for steep, etc. Photos must have detailed labels/descriptions.	24 hours from inspection
3	WORK AUTHORIZATION - must be signed. Separate WA form needed for each job type.	24 hours from job start
4	DRYING REPORT - Any software is acceptable (not handwritten). Upload with estimate and photos.	48 hours from completion
5	LABELED PHOTOS OF COMPLETED JOB. Photos must have detailed labels/descriptions.	48 hours from completion
6	SKETCH/DIAGRAM of affected areas (interior and exterior)	48 hours from completion
7	CERTIFICATE OF SATISFACTION - must be signed and free from Assignment of Benefits language.	48 hours from completion

All required documents with the exception of photos must be uploaded in PDF format.

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MANDATORY SERVICE APPROVALS

1	Water Mitigation: Contact adjuster/examiner if drying will exceed 3 days. Must provide estimated cost, reason for extended drying time, and estimated time of completion. Document approval in Xactanalysis notes before continuing with services. Approval note in the file must include date, time and adjuster name that provided approval.
2	Speciality Equipment (water mitigation): Contact adjuster/examiner immediately if specialty equipment such as thermal imaging, thermal heating systems, desiccant dehumidifiers, injection dry systems, rescue mats, fogging machines, etc. are required on a job and secure permission before retaining such services. Document approval in Xactanalysis notes before continuing with services. Approval note in the file must include reason specialty equipment is needed, date, time and adjuster name that provided approval.
3	Third party services such as IH/Environmental testing/ITEL: Contact adjuster/examiner immediately if additional services are required on a job and secure permission before retaining such services. Document approval in Xactanalysis notes before continuing with services. Approval note in the file must include date, time and adjuster name that provided approval.
4	Subrogation Protocol: Contractor must identify, document, photograph and contact adjuster if the prospect of subrogation exists. Provider must inform the insured to retain the part or item in question for pickup by a client representative and document file accordingly.
5	Reconstruction/General Restoration estimate. Contact adjuster/examiner to obtain approval before writing a repair estimate if you did not receive a repair assignment. You also must obtain adjuster/examiner approval prior of your estimate prior to sharing it with the insured or beginning any repair work. Approval note in the file must include date, time and adjuster name that provided approval.
6	Time and Material: Must receive approval from adjuster to provide T&M estimate. Approval note in the file must include date, time and adjuster name that provided approval.
7	Contents Losses. Notify adjuster and obtain/document approval if any contents cleaning or contents packout is needed. Approval note in the file must include date, time and adjuster name that provided approval.
8	Demolition. Contractor must not demolish or remove any cabinets, wood/tile/stone flooring, shower/tub enclosures, or any other similar material until receiving approval from the adjuster. An inspection by the adjuster may be required prior to giving any approval. Approval note in the file must include date, time and adjuster name that provided approval.
9	Coverage Concerns/Mold Protocol. If mold/rot is found, or if there are any coverage concerns (i.e. flood, ongoing issue, etc.) contractor must contain the area and contact adjuster for further direction. Do not set any air movers and do not proceed with services until you have received and documented approval from adjuster.
10	Travel Expenses. Contractor must inform Insurance Company of any mileage or travel expenses that will be incurred to service a loss. Insurance Company must pre-approve any such travel expenses and written approval must be noted in the file. Insurance Company will not be responsible for any unapproved travel expenses. Approval note in the file must include date, time and adjuster name that provided approval.
<p align="center">All adjuster approvals must be documented in Xactanalysis notes. Approval note in the file must include date, time and adjuster name that provided approval. Failure to obtain required approvals AND document in the file may result in removal of applicable line items from the estimate.</p>	

SPECIAL REQUIREMENTS

1	All direct referrals for this client must be reported to Sedgwick Repair Solutions, regardless of the source of the referral.
2	Service Provider will not discuss the deductible or coverage with the insured and will refer the insured to their adjuster/examiner for information. Note that Independent Adjusters do not have the authority to make approvals or verify coverage. Please contact the staff adjuster or examiner.
3	Deductibles. Do not request a down-payment or collect a deductible upfront for emergency services without adjuster approval.
4	Draws. Discuss any advance draws needed with the adjuster prior to starting work.
5	Inspection Fees. No inspection fees should be charged unless requested to provide consulting/expert opinion services. For consulting/EO jobs, please abide by the Consulting Fee Schedule.
6	Work change orders: all agreed upon change orders with the insured must be uploaded as a PDF document to Xactanalysis.
7	If contractor becomes aware of any issues, allegations, or complaints, you must alert Sedgwick Repair Solutions immediately. We will make reasonable efforts to assist you with resolving the issue.
<p align="center">Facts of the loss may warrant deviations from the program guidelines and deviations should be discussed and approved by the handling adjuster. All adjuster approvals must be documented in Xactanalysis notes. Approval note in the file must include date, time and adjuster name that provided approval.</p>	

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ESTIMATING GUIDELINES

1	Please see attached Estimating Guidelines and Best Practices document for detailed information.
2	IICRC protocol and guidelines, as well as all state and local laws should be adhered to.
3	Estimates must be written in Xactimate format and returned to Xactanalysis with photos and all supporting documentation. Estimate cover page must include your company name, address, phone number, company tax ID #, claim number, insured and insurance company information, and estimator name.
4	Estimate line items must be supported by photos. Uploaded photos must be clear (not blurry) and labeled. Missing or inadequate photos could result in removal of applicable line items from your estimate.
5	Labor Minimums should not be applied (if applied, these would appear automatically at the end of the estimate.)
6	Emergency Service Fees: After Hours ES Fee may only be applied if the claim is received after 5:00 PM or on a weekend/major holiday and serviced before 8:00 AM on the next work day. During Business Hours may only be applied if the claim is received and serviced on the same day during regular business hours (8:00 AM - 5:00 PM.)
7	Missing walls and openings should be deducted for all openings that exceed 32 SF.
8	Fuel Surcharges/Truck Fees: Do not apply fuel surcharges or service truck fees to estimates.
9	Equipment decontamination, antimicrobial application, and air scrubbers/negative air charges should not be used on Category 1 losses.
10	Equipment amount and sizing. Dehumidifier size used in estimate is determined not by what is placed, but by the IICRC calculation based on room/chamber size and Class of the loss. Equipment must match what is recommended by the drying software.
11	Monitoring and setup/takedown charges. Must be reasonable based on the amount of equipment placed (0.5-1.5 hours per day is typical), and readings are required for any day that monitoring is charged. No readings = no charge.
12	HEPA vacuuming: HEPA light should be used for mold estimates. If HEPA heavy is used, include a detailed F9 note to explain the reason.
13	Filters: often used on multiple jobs, unless directed otherwise by an IH report because cross-contamination is a concern (please upload IH report). Accordingly, filter charges should not be included, or prorated. Please add F9 note to explain any filter charges.
14	Debris disposal: Disposal charges should be based on the amount of debris that is being removed. For small loads, the same pickup can be used to dispose debris from multiple jobs. Please prorate disposal charges accordingly. For example: 0.25, 0.5, or 0.75 pickup truck load.
15	Lump Sums/write ins: Should not be used unless an itemized supporting subcontractor bid is uploaded, or a detailed F9 note to describe the services.
16	Sub Contractor Bids. If Sub-Bid line item is used within Xactimate estimate, an itemized and detailed sub-bid must be uploaded to Xactanalysis. Adjuster approval is required. Emergency services should not be sub-contracted out. Testing fees/invoices do not qualify as a sub-bid.
17	Content Manipulation Charges/Block and pad furniture: should be billed at Xactimate room size only, not hourly.
18	Testing/3rd party services. Invoices for testing or 3rd party service fees should be uploaded directly into Xactanalysis. These should not be entered in the Xactimate estimate, and no O&P should be applied. (If you include in your estimate, then referral fee will be applied to the cost of the invoice.)
19	Hourly Labor Rates: should be avoided. However, if hourly labor is necessary, include a detailed F9 note to explain the breakdown of the charges and reason for the hourly labor.
20	Xactimate Price variations: should be avoided. However, if a price deviation/override is necessary, include a detailed F9 note to explain the breakdown of the charges and reason for the price change.
21	Project Management/Supervisor Costs. Do not apply PM costs to estimates. Supervisor costs may be acceptable on a case by case basis. Please include a detailed F9 note to explain the need for the supervision costs.
22	Repair or cleaning vs. replacement: must provided detailed explanation for thought process and reasoning if replacement is needed.

All estimates and supporting documentation will be reviewed by Sedgwick Repair Solutions. Any deviations from program requirements should be discussed and approved by the adjuster, and well documented in the file. All deviations are subject to approval by Sedgwick Repair Solutions and the client. Sedgwick Repair Solutions reserves the right to modify your estimate (collaborate) in order to comply with these requirements, in order to uphold our contractual agreements with the client. Failure to adequately document a file and/or comply with requests for revisions or additional documentation may result in temporary suspension or removal from this program.

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OVERHEAD AND PROFIT

		O&P	NON-O&P
1	Water Mitigation		X
2	Mold Remediation		X
3	Structural cleaning		X
4	Contents cleaning		X
5	Contents Pack Out and Pack Back		X
6	Reconstruction	X	
7	Sub Bids/Sub Contractors (requires adjuster approval)	X	

Overhead and Profit can only be applied to Non O&P Items if justified and approved by the adjuster. This would occur in rare exceptions due to complexity or severity of the services being provided. All deviations to program guidelines are subject to approval by Sedgwick Repair Solutions and the client.

Contractor must have a GC license and the subcontracted work must include coordination, supervision and warranty. An itemized sub-bid must be included with the estimate. Simply initiating a phone call (e.g.: scheduling testing) does not qualify for O&P.

PAYMENT PROTOCOL

1	Direct payment to the contractor will be made on emergency services if all required documents are uploaded.
2	A 2 party check for non-emergency services will be issued if all required documents are uploaded. If applicable, Mortgage Company may also be included on the check.
3	Collections: Contractor must contact Sedgwick Repair Solutions at least 30 days prior to filing any liens or initiating any collections or legal action.

ESTIMATING GUIDELINES AND BEST PRACTICES

1. Photographs

Photographs should be taken to record the damaged and non-damaged areas and support the cause of loss. Photos should be clear, detailed and annotated. All photos are to be labeled with the room/elevation/slope the photo depicts and a description added stating what the photo is showing. Always keep your labeling neutral. The following is a list of required photos to be taken during your inspections:

- Front of risk
- Building ID showing the address and/or unit associated with the policy
- All elevations
- Fences, if a part of the claim
 - Take photos of where the fence and structure meet to show if the fence is attached to the dwelling
- Pool enclosures
 - Take a photo showing if the enclosure is attached to the dwelling
 - Include all elevations of the enclosure and the related damage/no damage images
- If the roof is a part of the cause of loss, the following photos should be taken
 - Roof edge showing drip edge, layers of roofing and possible gutter attachment
 - An overview photo of each slope
 - Test squares on all directional slopes, if hail claim
 - Close up of damages on each slope
 - Prior repairs, if applicable
 - Repairability test to the shingles
 - Specific photos of each accessory, chimneys, valleys and valley metal, dormers, all flashings – step and counter flashings, skylights, satellite dishes, solar panels – pool, water heater or electrical, etc.
 - Photos to support steep or high charges (Pitch gauge, elevation photos, etc.)
- Interior photos of all rooms starting in the room where the loss originated and going out from there
- Photos of damaged rooms should include:
 - Overview photos from several different perspectives to provide a full overview of the room
 - Ceiling
 - Walls
 - Floor
 - Specific photos of the damages – overview and close up
 - Door thresholds
 - Cause of loss photo – as many as needed to show the cause of loss
 - Continuous areas
- Moisture meters photos for water mitigation jobs
- Photos of extra materials the insured may have that will allow for spot repairs to flooring, laminate, tile and roofing
- Contents
 - All damaged contents should be shown with an overview photo and then a close up of the damages, if possible
 - For items with model numbers, a clear photo is required of the ID plate/info

2. Diagrams

Diagrams are to be completed in Xactimate using Sketch. These diagrams should depict the roof and or the floor plan of the affected areas, as well as the rooms that may be affected if the scope expands beyond the damaged rooms. Diagrams are to include:

- Measurements to the nearest 1" of the actual room/roof dimensions, with offsets and ceiling height adjustments.
- Include all offsets, angle walls, tray ceilings, staircases, etc.
- Large offsets and closets should be separate rooms and not included with the main room
- Showers and tubs should be separate rooms and not included with the main room
- Ceiling types and heights correctly entered
- Include all door and window openings
- Use reference areas to depict cabinets, vanities, tubs and tiled areas, fireplaces and hearths, specialty cabinets, built-in bookshelves, etc.
- Diagrams should be annotated to show the point of origin and affected areas
- Use the box or oval tool to designate damaged areas or test squares (roof claims)

3. Estimating Guidelines

Xactimate is to be used for all estimating. Line items should not be manipulated, changed or revised. If changes are needed due to the specific type of item being estimated, an F9 note is needed. The following are the default settings in Xactimate listed under the Control Center Preferences.

- Labor Minimums turned on
- Deduct all openings greater than 32 SF
- Pricing
 - When you receive an assignment through Xactanalysis, the price guide should already be attached. This should not be changed.
 - Proper line items should be chosen that reflect like kind and quality of what is being replaced
 - Any pricing that deviates from what is provided by Xactimate should be supported by a note added directly under the line item
 - Material grade should be based upon what is existing at the time of the loss
- Sales Tax
 - The sale tax should come to you with your assignment, however it should be reviewed for accuracy
 - The Sales Tax Jurisdictions should be set at the lowest tax amount
 - Do not use the Commercial or Tang. Pers. Prop. Repair taxes
 - Several local municipalities add their own percentage to the state mandated sales tax, so if you are aware of the specific tax, it should be changed and documented accordingly
 - Material sales tax is all that should apply and all others deleted
 - All taxes should be marked "Neither" with regards to applying to O & P and taxes
- Estimate Assembly
 - Exterior - Roofing – Interior - General conditions - Other Structures - Contents
 - Room Assembly
 - Estimates should be set up to display the room where the origin of the loss occurred, going out from there
 - Within each room, top to bottom method of estimating is preferred

- Repairs vs. Replacements
 - Always consider repair vs. replace when estimating. If a repair is not an option document why replacement is a better option. Material quality should correspond with what is being replaced.
 - If an item cannot be found that is of the same quality of what needs repaired/replaced, then a 3rd party may need to inspect to acquire a repair/replacement price. If the material grade is less than or greater than average, it should be noted in your estimate under the line item
- Labor Rates
 - Normal labor rates are figured into the unit cost of most line items. If additional hours are needed, they can be added but need to be supported with a note and photos
- Matching
 - May be needed in continuous areas – be sure photos with descriptions fully document
 - To be considered on a case by case basis
 - Take age of the material into consideration
 - The state of Florida has a matching statute that applies to residential claims. This statute lays out uniformity issues that should be recognized
 - Painting:
 - Consider corners, door openings, with or without doors, trims or moldings to stop painting.
 - Material transitions such as drywall to paneling, tile, etc.
 - Floor Coverings:
 - Doorways that can close off the room or other breaks, such as elevation changes.
 - Carpeting can stop at doorways and other breaks.
 - Continuous tiled areas, wood or laminate flooring generally cannot stop at closed doors, however can usually stop at moldings or other forms of thresholds
 - Cabinets:
 - Newer cabinets may still be available, and a comparable single cabinet replacement may be possible.
 - Consider repair of the cabinet: Rebuild of boxes/ Refacing of cabinets /Reuse of doors, pulls and hardware / Replacement of doors only, etc.
- Floor coverings
 - **Itel is required on floor coverings greater than 120 SF**
 - Floor coverings – carpet and vinyl
 - Carpet and vinyl floor coverings should be estimated from the Sketch tab, not the Estimate Items tab
 - Use the drop and fill method of estimating with Sketch
 - Input of the Itel pricing should be done using the proper line item
 - Only the material pricing from Itel should be input allowing the labor rate for the specific zip code to dictate the labor rate
 - Remember, vinyl floor covering does not include floor prep
 - Floor coverings – wood
 - Consider/document reasoning for repair vs replace
 - Use dustless sanding to keep the dust down
 - If carpet or other floor covering is laid over the top of a finished hardwood floor, it is considered abandoned. All that is required is to replace the carpeting and repair the damaged hardwood floor. Use the line item for a finished hardwood flooring for the repair so the floor has a sealer applied over the wood

- Floor covering – laminate or engineered
 - These floors can be repaired if they have not been previously sanded and refinished
- Tile, marble or stone
 - Grout can be replaced, repaired and/or cleaned, so a full floor replacement would not be necessary
- Drywall, Texture and Paint
 - Drywall/texture line item selection should correspond to what exists in the dwelling at the time of the loss
 - Ceiling and wall fixtures would need to be masked OR removed and reset
 - Acoustical texture (popcorn texture): Seal before applying texture to new drywall. No painting of the ceiling is required unless it was previously painted a color other than white. With acoustical texture it is recommended you mask the walls for drywall work prior to beginning, including floor protection.
 - Repairing hand and machine texture walls/ceilings requires a smooth surface for the new texture. Adding a skim coat first to repaired walls gives the surface a smooth surface to apply your texture. Between the skim coat and the final texture, the wall should be sealed with a latex based sealer
 - For walls, 2 coats of paint will be required after texturing is complete
 - For ceilings, the texture dries ceiling white, so unless it was previously painted, no painting should be required. This should be considered on a case by case basis. If painting is required, then 2 coats would be needed
 - Painting should be estimated using 1 coat when painting over existing painted drywall, or 2 coats plus seal when painting over new drywall/texture.
 - Masking should be included as needed and the appropriate line items should be selected:
 - Mask and prep – tape only: When base molding or crown molding is in place and you are dealing strictly with the ceiling or the flooring
 - Mask and prep – paper and tape: When walls and ceilings are being painted
 - Mask and prep – paper, plastic and tape: When drywall or texture repairs are needed
- Roofing
 - Repairs vs. replacement should always be considered and reasoning documented
 - Debris removal is included in the shingle removal pricing. Debris removal (pickup truck or dumpster) should only be added, if necessary, to address the debris removal of any non-roof items. Pickup truck loads should be prorated for smaller jobs (0.25, 0.5, 0.75)
 - Waste should be added as follows:
 - Standard shingles gable roof – 10%
 - Standard shingles hip roof – 15%
 - Tile roof – 20% allowing for breakage
 - Custom cut up roofs may require additional waste – document accordingly
 - Felt – no waste
 - High and steep add on charges apply to the actual SF, without waste
 - Use 3 line items for shingles and felt:
 - Remove shingles: include felt and use actual SF without waste
 - Replace shingles: with waste and without felt
 - Replace Felt – always select 30# felt unless you can verify it is thicker, use actual SF without waste
 - Ridge cap: Included in waste unless high profile/ridge vent

- High roof and steep charges – these would apply to only those areas considered high or steep and would apply to the actual SF, not including waste. An upper level that can be accessed via the lower level roof without any elevation changes to the roof are not considered high roofs
- Labor minimums
 - These are found at the end of most estimates and should be reviewed to see if they are necessary to complete the repairs
 - Those you find that will be completed by other trades should be removed from your estimate. Examples of these include:
 - Window treatment labor minimum when you are detaching and resetting the blinds or window hardware – this is a task that will be performed by a drywall or painting contractor, not a special window contractor
 - HVAC labor minimum when you are detaching and resetting registers – this is a task that will be performed by a drywall or painting contractor
 - Cleaning labor minimum – rarely warranted as each trade has cleaning built into the line items
 - Painting/drywall/finish carpentry: frequently performed by the same tradesperson
 - Electrical/plumbing labor minimums: for minimal tasks such as detaching a light fixture or sink, that are typically performed by the workers doing the repairs
 - The most important point here is to review them and remove those labor minimums where the task estimated will be done by a different type of contractor who is already onsite