

NATIONWIDE MUTUAL INSURANCE COMPANY 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 or if after hours, wait until the next business day). For escalations/unable to reach adjuster, please contact Nationwide at 1-800-421-3535.

WATER MITIGATION SERVICE STANDARDS		TIME FRAME
1	Initial Contact with Customer	45 minutes from receipt of job
2	Onsite Inspection/Job Starts	4 hours from receipt of job
3	Initial Loss Description and upload photos	12 hours from inspection
4	Job Complete	4 days 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	12 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.		

EMERGENCY SERVICES (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	2 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.		

EXTERIOR ONLY: ROOFING/SIDING/GUTTER SERVICE STANDARDS		TIME FRAME
1	Initial Contact with Customer	1 hours 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	Varies; based on job size
6	Job Complete	Varies; based on job size
Any delays or exceptions must be noted in the file		

MANAGED REPAIR/GENERAL RESTORATION AND TEXTILES/DRY CLEANING 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	12 hours from request
5	Job Start	Varies; based on job size
6	Job Complete	Varies; based on job size
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, source, 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	LABELED PHOTOS OF COMPLETED JOB. Photos must have detailed labels/descriptions.	48 hours from completion
4	WORK AUTHORIZATION - must be signed. Separate WA form needed for each job type.	24 hours from job start
5	DRYING REPORT - Water Mitigation assignments. Any software is acceptable (not handwritten).	Submit with estimate
6	SKETCH/DIAGRAM of affected areas (interior and exterior)	Submit with estimate
7	SUPPORTING DOCUMENTATION such as Sub Contractor bids, invoices, expert reports, etc.	Submit with estimate
8	CERTIFICATE OF SATISFACTION - must be signed and free from Assignment of Benefits language.	48 hours from completion

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

Any delays or exceptions must be noted in the file.

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MANDATORY SERVICE APPROVALS

1	Emergency Services: Contact adjuster/examiner if emergency service costs will exceed \$1,500. Must provide estimated cost, reason for cost 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	Water Mitigation: Contact adjuster/examiner if drying will exceed 3 days or if costs will exceed \$1,500. 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.
3	Textile Restoration/Dry Cleaning: Contact adjuster/examiner if textile service costs will exceed \$1,500. Must provide estimated cost, reason for cost 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.
4	Repair/Recon/RSG: Contact adjuster/examiner if repair costs will exceed \$5,000. Must obtain adjuster approval/agreement to any repair estimates that exceed \$5,000. Document approval in Xactanalysis notes before beginning repair work. Approval note in the file must include date, time and adjuster name that provided approval.
5	Coverage Concerns/Mold Protocol. If mold/rot is found, or if there are any coverage concerns (i.e. flood, foundation/slab leak, 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.
6	Third party services such as IH/Environmental testing: Contact adjuster/examiner immediately if hazardous materials (mold, lead, asbestos, etc.) are found or suspected, and/or if testing or additional services may be required on a job. Secure permission before retaining such services and document approval in Xactanalysis notes before continuing with services. Approval note in the file must include date, time and adjuster name that provided approval.
7	Specialty 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.
8	Tarping methods: Non-invasive tarping methods must be used to avoid causing further damage to existing roofing materials. If other methods are necessary due to the condition or type of roof/loss, you must contact adjuster/examiner immediately secure permission before proceeding with tarping 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.
9	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.
10	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.
11	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.
12	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.
13	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.
14	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.
15	Sub-bids. BIDITM line items should only be used in the estimate in the rare cases that the correct line item cannot be found in the Xactimate pricing database. Usage of a sub-bid requires adjuster approval. Document approval in Xactanalysis notes before beginning services. Approval note in the file must include date, time and adjuster name that provided approval. Sub bid must be itemized and uploaded with the estimate. Emergency Services should not be sub-contracted.
16	Supplements. All supplemental estimates must be discussed with and approved by the adjuster/examiner prior to supplemental work starting. 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.

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.

**NATIONWIDE MUTUAL INSURANCE COMPANY
GENERAL GUIDELINES AND REQUIREMENTS**

PROCESS AND PROCEDURES

1	All direct referrals for this client must be reported to Sedgwick Repair Solutions, regardless of the source of the referral.
2	Contractor must update the Workflow status in Xactanalysis at each stage of the process.
3	ITEL Lab Report: Usage of above average grade flooring line items (High, Premium, Deluxe) in excess of 144 SF requires ITEL for price verification. Customer approval required prior to taking sample. If customer does not approve, you must contact adjuster and note in Xactanalysis. Provider must note in Xactanalysis that sample has been taken and submitted to ITEL. Any deviations from this requirement must be approved by the adjuster and noted in Xactanalysis. No ITEL sample should be taken for standard or average grade flooring unless directed or approved by the adjuster/examiner. Roofing and siding samples should only be sent to ITEL with adjuster request/approval.
4	Contractor 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.
5	Deductibles. Do not request a down-payment or collect a deductible upfront for emergency services without adjuster approval.
6	Draws. Discuss any advance draws needed with the adjuster prior to starting work.
7	Service Fees. All referrals are considered a lead. Do not charge any fees (inspection fees, deployment fees, service fees, trip charges, etc.) unless specifically requested to provide a service by the client/adjuster. For client/adjuster service jobs (i.e. consulting, Expert Opinion, ladder assist, moisture check, peer review, comparative bid), please abide by the Client Services Fee Schedule. If the assignment is sent to you to do the work, but you do not get the job (the insured refuses your services or there is no damage), you may NOT charge any fees.
8	Work change orders: all agreed upon change orders with the insured must be uploaded as a PDF document to Xactanalysis.
9	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.
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.	

ESTIMATING GUIDELINES

1	IICRC protocol and guidelines, as well as all state and local laws should be adhered to.
2	Estimates must be written in Xactimate format and returned to Xactanalysis (by completing it in Xactimate) 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. Contractor must ensure estimate is uploaded into the correct XA assignment/shell, and should not combine services into one estimate, or upload PDF of an estimate (unless requested to do so). If another XA assignment is needed to accommodate additional services, please request it from the assigned Concierge.
3	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.
4	General Restoration: Deductible should be applied. Depreciation should be applied to estimates if requested by the adjuster.
5	Please refer to the attached Nationwide Contractor Instructions for more information.
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.	

**NATIONWIDE MUTUAL INSURANCE COMPANY
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OVERHEAD AND PROFIT

		O&P	NON-O&P
1	Water Mitigation/Emergency Services		X
2	Mold Remediation		X
3	Structural cleaning		X
4	Contents/textiles/dry cleaning		X
5	Contents Pack Out and Pack Back		X
6	Exterior only (Roofing/Siding/Gutters)		X
7	General Restoration/Reconstruction (if justified)	case by case	
8	Sub Bids/Sub Contractors (requires adjuster approval)	case by case	

Non-O&P Items: O&P can only be applied if justified AND approved by the adjuster. Adjuster approval must be documented in the XA file notes to include adjuster name and date/time that approval was given. 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.

General Restoration: O&P should be considered for estimates that require substantial coordination for repairs. O&P should only be utilized on repair/rebuild portions of estimates where warranted. No O&P on licenses or permit fees.

Sub Contracted Work: Sub bids can only be included in the estimate if justified AND approved by the adjuster. Adjuster approval must be documented in the XA file notes to include adjuster name and date/time that approval was given. 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	Emergency Services: Direct payment to the contractor may be made if all required documents are uploaded.
2	Non-ES: A 2 party check to insured and contractor may be issued if all required documents are uploaded. If applicable, Mortgage Company may also be included on the check.
3	In certain situations, the client may choose to pay the insured/property owner directly and Contractor must collect payment, as well as any applicable deductible. If applicable, Mortgage Company may also be included on the check.
4	Any fees such as expert opinion fees will be paid directly to Sedgwick Repair Solutions, who will then pay the contractor.
5	For payment inquiries, please contact the assigned adjuster.
6	Collections: Contractor must contact Sedgwick Repair Solutions at least 30 days prior to filing any liens or initiating any collections or legal action.

NATIONWIDE CONTRACTOR INSTRUCTIONS

MANAGED REPAIR PROGRAM

Nationwide Insurance

Date: 10/07/2019

To increase efficiency in navigating the contractor instructions, an index has been created that includes hyperlinks to specific sections of the contractor instructions. Please utilize this feature by left clicking the section to quickly locate important requirements of the program. Additionally, "Return to index" hyperlinks have been included to return you back to the index to prevent unnecessary navigation.

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A. Contractor Program Administration

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1. Nationwide Program Assignments: Any referral received for Nationwide or its affiliated company's customer, regardless of the source of the referral, where claim repairs are completed, **MUST** go through the Nationwide program and comply with these Contractor Instructions.
2. Contractor should not engage in any discussion of policy language or coverage with the customer. Coverage will be evaluated and determined solely by the Nationwide associate. Any coverage questions or concerns brought forth by the customer should be referred to the Nationwide associate.
3. **Begin Work: ALL ESTIMATES FOR REPAIRS Greater than \$5000.00 MUST BE AGREED TO WITH THE ADJUSTER PRIOR TO BEGINNING REPAIRS. Those repairs less than \$5000.00 can be initiated without estimate approval.** A signed Work Authorization form for repairs from the homeowner must be uploaded to XactAnalysis before work begins. **Nationwide reserves the right to withhold payment for any repairs not receiving prior authorization from the Adjuster.**
4. Nationwide requires the use of a state specific Satisfaction of Repair and Authorization to Pay document for all assignments resulting in a Job Sold with the Nationwide policyholder, with the exception of emergency board-up/tarping services. These forms can be found in the program library on your Contractor Summary Page. If the state involved is not listed, please use the non-state specific form found in the program library. A copy of this document must be uploaded to XactAnalysis and the form must match the state where the loss is located. A job may not be marked "Job Completed" until this document has been uploaded.
5. The expected job start date and expected completion date must be entered in the assignment notes as soon as it is confirmed with the Nationwide policyholder. Include any additional comments or

special notes as necessary. It is expected that Service Providers will adhere to these dates, and any deviations from the dates established will be clearly explained with a file note.

- a. In the event a customer is displaced from their home, Service Provider is required to reach an agreed period of restoration with the handling adjuster
 - i. Should the Service Provider deviate from the agreed period of restoration, Nationwide has the right to seek reimbursement for additional expenses incurred as a result of delays deemed to be within Service Provider's control.
 - b. The Job Start control point in XactAnalysis should be updated upon receipt of a signed work authorization or when work first commences, whichever occurs first.
 - c. An update noting the status of the job should be entered once the job is approximately 50% complete. The update is to include any additional comments or special notes as necessary.
6. **Payment:** to Insured and Contractor (provided signed Work Authorization has been uploaded) at Actual Cash Value less deductible upon Client Approval of estimate. Upon Job Completion, final recoverable depreciation payment may be made directly to Contractor, provided signed Satisfaction of Repair and Authorization to Pay is uploaded to the file.
- a. **Mortgagees:** Mortgage Company (if applicable) will be included on all Replacement Cost estimates over \$10,000. Following settlement of a loss at Actual Cash Value that includes a lien holder and/or mortgagee on the loss payment and confirmation of the completion of repairs, inclusion of a lien holder and/or mortgagee is not required on the payment for recoverable depreciation when the total amount of recoverable depreciation payment is \$5,000 or less.
 - b. To speed processing of the contractor's payment, the contractor is to include their TIN (Tax Identification Number) in their Company Header.
7. **Deductible: Collected by the Contractor from the Customer** unless otherwise directed by the adjuster.
- a. **SPECIAL NOTE:** If the policy deductible is not included within the assignment template, please refer to the notes section in XactAnalysis for the specific deductible amount provided by the assigned adjuster. It is the contractor's responsibility to enter the appropriate deductible amount in Xactimate prior to uploading the final estimate. Failure to include the deductible will result in assignment rejection by Nationwide.
8. All Supporting Documentation (defined below) is to be transmitted electronically via XactAnalysis for all assignments.
9. Length of Workmanship Warranty: **5 Years**
10. Length of Materials Warranty: **1 Year**
11. All Service Provider Estimators/Project Managers are required to maintain and have available Smart Phone technology during the inspection and damage evaluation process for all assignments received. This may also be required during the repair process. A Nationwide representative may engage the Service Provider via video chat to provide visual details and conditions of the loss site. You will be provided with additional technical information to ensure this functionality is available to you.
12. Service provider, including all subcontractors and their employees/representatives, on all job sites must be free of alcohol, tobacco, drugs and illegal substances, cannabinoids, firearms, and any other items that could be considered unprofessional, inappropriate, offensive, or hazardous in nature. Additionally, in accordance with the Agreement to Provide Services, Service provider must be in compliance with all local, state, and federal laws, ordinances, and regulations to include securing proper permits for all work being performed.

B. Contractor Response Standards

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1. Contact Insured within **1 hour** of assignment notification.
2. Perform Site Inspection within **48 hours** of assignment notification.
3. Provide updated assignment status in XactAnalysis within **12 hrs.** of Site Inspection.
4. Upload completed Estimate and Supporting Documentation within **5 days** of assignment notification.

5. When estimate changes are requested from Nationwide or the designated reviewer, revised estimate and/or response to change request must be uploaded within **12 hrs**.
6. Upon Client Approval, follow up with customer a minimum of every **5 days** (or as agreed upon with the customer) with status update until Job Completion. Customer's follow up preference should be documented in XactAnalysis if deviating from the every 5 day expectation.
7. Job progress milestones:
 - a. Estimate value of \$0 - \$5,000.00
 - i. Client Approval to Job Start target – **10 days or less**
 - ii. Job Start to Job Complete target – **14 days or less**
 - b. Estimate value of \$5,000.01 - \$10,000
 - i. Client Approval to Job Start target – **12 days or less**
 - ii. Job Start to Job Complete target – **21 days or less**
 - c. Estimate value of \$10,000.01 - \$20,000.00
 - i. Client Approval to Job Start target – **14 days or less**
 - ii. Job Start to Job Complete target – **28 days or less**
 - d. Estimate value of \$20,000.01 - \$50,000
 - i. Client Approval to Job Start target – **21 days or less**
 - ii. Job Start to Job Complete target – **42 days or less**
 - e. Estimate value of \$50,000+
 - i. Client Approval to Job Start target – **As agreed upon with adjuster & customer**
 - ii. Job Start to Job Complete target – **As agreed upon with adjuster & customer**
8. **Assignment cancellation & re-send:** In certain circumstances, it may be appropriate for an assignment to be cancelled and re-sent at a later date.
 - a. The following are general instances where this may occur:
 - i. Abatement of hazardous materials (mold, asbestos, etc.) is needed prior to the work beginning.
 - ii. Extreme Mitigation dry times (7 days or greater)
 - iii. Access to the home is unavailable for an extended period of time (homeowner out of town, crime scene, infestations, etc.)
 - b. The following circumstances will not generally be considered for assignment cancellation & re-send
 - i. Service Provider is experiencing high volume
 - ii. Difficulties with scheduling or responsiveness with homeowner
 - iii. Extended drying times for mitigation work (up to 7 days)
 - c. The Nationwide adjuster will have the final decision for when a cancellation and re-send is appropriate.

C. Supporting Documentation – Photos

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1. Digital photographs are required for all assignments and must be uploaded to XactAnalysis for Service Providers. Photographs must be labeled according to the room or area and should illustrate damages associated with the loss and clearly support the estimate scope.
2. **Photo requirements:**
 - a. One Front of Building (“Risk photo”)
 - b. Photo(s) of the point of origin (if applicable)
 - c. Overview photos of every room with damage
 - d. Overview photos for each area of damage
 - e. Detailed/close-up photos of damages
 - f. All photos should be clearly labeled including room name
 - g. Roofing photo requirements:
 - i. Photographs of roof damage should be taken from the subject roof. Estimates written for hail damage must include digital photographs of an outlined 10’ by 10’ test square

with all hail hits circled in chalk. When circling hail hits only one hail hit per shingle should be circled not all hail hits within a shingle. This will provide the true number of hail impacted shingles per test square. Photographs of hail hits should give an overall roof field view, intermediate shots, close up shots, and must be taken for all slopes requiring repair/replacement. Photographs should be labeled to indicate the slope that they represent. If photos are not able to be taken from the subject roof due to a steep slope, photos from a ladder at the roof's edge must be taken.

- ii. Photos of roof damage should include the labels and identifiers described above. Without this information confirmation of the extent of the damages cannot be made and will result in delaying completion of the review process and Client Approval of the estimate.
 - iii. When estimating for a partial or full roof replacement, photos should be taken showing the pitch of the roof, the number of layers of material, the presence of drip edge, and the presence of ice & water shield.
 - iv. When estimating for a partial or full roof replacement, photos should be taken of all accessories with indication of whether they will be replaced or detached & reset.
- h. All emergency photos should be uploaded in the MITIGATION ASSIGNMENT only. Any additional photos should be uploaded in to the MRP ASSIGNMENT. Photos should not be duplicated unless required.**
- i. Floors that are continuous beneath base cabinets, vanities, built-ins etc. should be supported with photos.
 - j. Photos of a straight edge placed on wood flooring to show cupping should be provided to confirm extent of damages to flooring.
 - k. Photos of multiple layers of material should be supported with photos, i.e. multiple layers of flooring, shingles, etc.
 - l. Oversize items (such as baseboard, casing, etc.) should be documented with a photograph showing the tape measure held next to the item.
 - m. Non-standard/unusual operations should be clearly supported with photo(s)
 - n. If the member elected to have one or more items completed by another contractor resource, photos of incomplete work should be provided.
 - o. Upload as many photos as necessary to support the scope of repairs.
 - p. Service provider should be prepared to return to the site if insufficient photos are provided.

D. Supporting Documentation – Diagrams

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1. **A diagram is required for:**
 - a. All structural losses.
 - b. All floor covering replacements.
 - c. Entire roof when completing roofing repair/replacement
 - i. Roof diagrams/sketches must indicate the damaged slopes/areas.
 - d. Partial or full replacement of one or more exterior elevations on any damaged building.
 - i. Dimensioning of exterior elevations can be an alternative for sketch.
 - e. All fence repair or replacement.
2. Sketches should be inclusive of descriptive information that would allow quick reference to groupings in the estimate as well as photos.
3. When completing a roof sketch individual slopes should be set as subgroups of the main roof area to prevent excessive waste due to the estimating system rounding to the nearest bundle.
4. All roof sketches should include roof annotations.
5. Diagrams should include:
 - a. All door and window openings, regardless of size.
 - b. Cabinets, tubs, vanities, etc.
 - c. Roof vents, pipe jacks, etc.

- d. Multiple ceiling heights, offsets, etc.
 - e. Notation of the origin(s) of damage
 - f. Notation of the area(s) of damage
6. When estimating carpet or vinyl sheet goods replacement it is preferred that a sketch showing the floor coverings and run direction be provided to confirm the line item quantities are accurate.
7. All sketches for fence repairs or replacement must include the height of the fence as well as an indication of which section(s) is damaged.
8. Confirm and document the ceiling height on the estimate for each room.
9. Measurements should be made from finished surface to finished surface. If there is no finished surface present, measurements should be from stud to stud.
10. Measurements should be rounded up to the nearest inch.
11. **Aerial Measurements:** There may be circumstances when Nationwide will agree to incur the cost for an aerial measurement report. The Nationwide adjuster will have sole discretion in determining when an aerial measurement cost will be incurred by Nationwide, and this will only be allowed when it is determined that the complexity, height, and/or steepness of the roof would be prohibitive to manual measurements. In situations where Nationwide does not agree to incur the cost, Service Provider may elect to order the report at their own expense.
 - a. In cases when the aerial measurement report cost is approved to be incurred by Nationwide, the report must be ordered by the Nationwide adjuster and will be delivered as a sketch file to the Service Provider's Xactimate estimate, as well as added as a Document in Xactanalysis. Reports ordered by the Service Provider will not be reimbursed.
 - i. Service Provider should identify the need for an aerial measurement report as early as possible to avoid delays in estimate upload
 - b. Should Service Provider elect to utilize aerial measurements (either incurred by Nationwide or not), Service Provider is responsible for confirming the accuracy of the measurements prior to initial estimate approval. Supplements for additional material(s) due to inaccuracies in aerial measurements will not be approved.

E. Supporting Documentation – Subcontractor Bids

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1. The estimate should contain pricing from the pricing database, however in the rare event that a line item cannot be found in the database, a subcontractor quote will be considered and ultimately require approval by the adjuster. If subcontractor bids are approved, contractors must document the reason(s) the subcontractor bid was required and Xactimate pricing could not be utilized. Subcontractor bids must be itemized to include details as to the repairs proposed to be completed in the affected areas of damage. Subcontractor bids must be written on the subcontractor's letterhead and uploaded in XactAnalysis under the "Documents" tab.
2. If the estimate includes O&P and tax the subcontractor quote should not include these charges as well. If these charges are included in the quote line item(s) in the Xactimate estimate should be removed from the consideration for O&P and be set to tax exempt.
3. Notify the handling adjuster of the need for a subtrade quote as early as possible to prevent any delays in the review process.
4. Subcontractor bid items added to the estimate must use the correct category code as well as the selector code BIDITM.
5. All communication with the adjuster regarding subtrade quotes should be documented in XactAnalysis.
6. Service provider should be prepared to support the quoted price by soliciting multiple quotes in the event the pricing is considered to be high.
7. Quote should be itemized.
8. Quote should be submitted on the subcontractor's company letterhead.

F. Supporting Documentation – File Notes

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1. Any time contact has been made regarding a claim, documentation of the conversation must be noted in either XA Notes or the Activity Report. All documentation needs to be specific and detailed; templates should not be used. Proper documentation will include:
 - a. The first and last name of the person spoken to, the date and time of the conversation as well as the telephone number (if applicable).
 - b. A summary of discussion and any commitments by contractor or policyholder.
2. Service provider should designate a single point of contact within their office to ensure notes are addressed timely and forwarded to the correct staff.
3. Service provider should expect the estimate reviewer to request same day turnaround on addressing revision requests or other items specific to the assignment.
4. When adding notes to XactAnalysis intended for the reviewer or Nationwide adjusters an email should be sent through the system to ensure immediate notification of the communication.
5. Any changes that will not be made to the estimate after the revision requests are posted must be documented with reasonable explanations as to why the change(s) will not be made.
6. It is expected that all change requests or other questions are responded to in a maximum of 12 hours. Failing to respond to requests from the reviewer within this period of time is the most frequent cause for delaying assignment completion.

G. Applied Labor Minimums

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Estimates utilizing Xactimate Version 28.0:

1. Labor minimum charges are intended to be used when the labor portion of a trade/task group is less than the trade minimum charge specified in the local price list. Labor minimum charges should be applied for all trades that do not overlap and are necessary to complete the services.
2. Labor minimum charges will be evaluated to include instances of multiple minimum charges of the same trade as well as any overlapping or unnecessary trades.
3. Labor minimum charges are not permitted to be used in conjunction with repair minimum charge line items or labor minimum charge line items. Any estimates found to be inconsistent with this requirement will be sent to the service provider for revisions.
4. All labor minimums should be evaluated to determine if each applied charge is necessary and does not overlap with an existing charge. For example, estimating to replace a small portion of batt insulation will trigger a labor minimum charge to populate in the estimate. It is likely that a trade on site is capable of replacing the insulation and a separate insulation trade is not necessary therefore removing the need for the labor minimum. If the labor minimum is determined to be overlapping or not necessary the estimate will be returned to the service provider for revisions.
5. All estimates must use the Labor Efficiency selection of Restoration/Service/Remodel with Service Charges broken out separately.
6. In the event a Labor Minimum is used it is incumbent upon the estimator to ensure the material included in the unit cost line item is adequate to complete the repair. If additional material allowances are required in addition to what is already allotted in the individual line items these can be added to the Material Section of the Labor MN Item Activity Screen. An attachment line is required to explain the reasoning and material items being added.
7. Additional information about Labor Minimums can be found in the eService Center of Xactware.com.

H. EPA Lead Testing Requirements

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1. In compliance with the RRP Rules, all dwellings built prior to 1978 will require testing to determine the presence of lead paint. The protocol for Nationwide claims is that the testing is to be added to the first estimate upload. The sample should be obtained during the inspection process to determine the effect it will have on the estimate and to speed the process for the customer.
2. Any situation where it is economically feasible to assume that lead is present should be discussed with the claims associate prior to starting the repairs or conducting testing. This includes losses with a large number of components and homes built prior to 1910.
3. As a requirement of this program, all contractors are required to maintain their EPA licensing. Thus, the contractor will be completing all testing on Nationwide claims. No allowances will be made for third party vendors to complete testing of surfaces, outside of lab testing for drywall/plaster.
4. Appropriate tests will be based upon the current RRP requirements. At this time, swab tests are the expected procedure under normal circumstances. Further testing may be necessary depending on the circumstances of the claim and should be discussed with the claims associate.
5. Documentation must be provided to confirm the results of all testing. Photos should be taken of swab tests and must be labeled annotating where the sample was obtained. Any authorized 3rd party tests must be supported with documentation confirming the results.

I. Estimate Expectations

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1. **If hazardous material (mold, asbestos, lead, etc.), a foundation leak, or a plumbing leak under the slab is discovered on any loss the assigning adjuster must be contacted immediately for further handling instructions. A Nationwide field associate may be assigned for further investigation. All repair activity should cease until Nationwide has an opportunity to determine next steps required.**
2. In the event you are in disagreement with the Nationwide adjuster's final determination, and feel you have appropriate information and documentation to support your position, you will need to communicate with the handling adjuster and request the matter to be escalated to the local Nationwide Vendor Manager for further review. At that point your request will be submitted for review and a final determination will be made based on the merits of the information you provide. The local Nationwide Vendor Manager will advise of their final decision. It is expected that all final determinations will be accepted by the contractor. Further pursuit for collection through the policyholder is discouraged and the Vendor Manager should be notified before this occurs. This action may jeopardize your future participation with Nationwide.
3. **Scoping the loss and estimate overview:**
 - a. Estimates should be completed on-site.
 - b. The estimate should only reflect activities necessary to restore the insured's property to its pre-loss condition (e.g. no betterment or upgrades).
 - c. Develop a complete list of operations that include the four elements of a quality scope (item ID, quality, quantity, operation).
 - d. Known scope items without specific line item references (e.g. permits) should be priced as their own line item and should not be added to, or included in other line item costs.
 - e. Measurements should be rounded up to the nearest inch.
 - f. Measurements should be made from finished surface to finished surface. If there is no finished surface present, measurements should be from stud to stud.
 - g. All structural estimates should include a diagram of the structure including dimensions, room names, openings, point of origin, and annotation of the damages.
 - h. Confirm and document the ceiling height on the estimate for each room.
 - i. All doors, windows and missing walls should be shown in the diagram and deducted from surface areas. All other missing wall areas (for example: cabinets, fireplaces, shower enclosures, etc.) should be deducted when appropriate based on the facts of the claim.

- j. Use the Restoration Pricing Database to estimate repairs or replacement except when a structure must be completely rebuilt.
- k. All structural repair estimates should include:
 - i. Complete contractor company information including any company logo, the contractor's mailing address, telephone number, cell phone number, fax number (if any), and e-mail address will be included in the Header.
 - ii. The customer's name, claim number, mailing address, location address, and contact information will be included in the estimate
 - iii. Each area should be separately defined. (e.g. room, elevation, roof)
 - iv. Pricing will be consistent with Xactimate estimating system pricing unless otherwise agreed to by the contractor and Nationwide representative.
 - v. Text lines should be used to explain any deviations. (e.g. pricing, other special directions, quantity, job site conditions that would result in additional labor costs)
 - vi. Follow state and local approved guidelines for the application of sales tax. Sales Tax will be shown as its own line item at the bottom of the estimate.

4. Capturing Age, Life, & Condition

- a. For all estimates involving replacement of materials or items, Service Providers are expected to capture the Age, Life, & Condition of certain items within the estimate. Service Providers should inquire with the homeowner regarding the age of items, and/or use their own observations to determine Age, Life, & Condition.
- b. The following guidelines should be followed for when to capture Age, Life, & Condition:
 - i. **Age, Life & Condition should be captured in the following situations:**
 - For items that are normally subject to both repair and replacement during the life of the structure (water heaters, floor coverings, interior and exterior wall finishes, roofing materials, etc.)
 - When Appliances or contents are included for replacement on the estimate
 - ii. **Age, Life, & Condition does not need to be captured in the following situations:**
 - For labor only items, including but not limited to: tear out, debris removal, tree removal, or remove and reset.
 - Items not normally repaired and replaced during the life of the structure. Examples include, but are not limited to: framing, sheathing, drywall, plaster, sub flooring, plumbing, electrical, certain windows or doors, etc.
 - iii. Age, Life, & Condition should be captured on all applicable items in the estimate on an item by item basis if it is applied to the settlement.
 - iv. Where state law requires payment of replacement cost regardless of repair or replacement, Age, Life, & Condition does not need to be captured on the estimate. However, where the potential for subrogation exists, Age, Life, & Condition must be included on all applicable items in the estimate on an item by item basis, regardless of whether or not it is actually applied to the settlement.
- c. Xactimate settings
 - i. To ensure Age, Life, & Condition is captured appropriately, Service Providers should ensure the 'Depreciation Options' settings on the estimate are set as follows:

The screenshot shows the 'Depreciation Options' window in Xactimate. On the left, there is a list of options with checkboxes: 'Depreciate Material' (checked), 'Depreciate Non-Material' (unchecked), 'Depreciate Removal' (unchecked), 'Depreciate Overhead and Profit' (unchecked), and 'Depreciate Sales Tax' (checked). On the right, there is a 'Max Depreciation' field set to '100%'. Below that is a 'Depreciation (Default)' dropdown menu currently showing 'Recoverable'. At the bottom right, there is a 'Depreciate By:' dropdown menu currently showing 'Age/Condition'.

- ii. For line item entry, Service Providers should ensure the 'Depr:' box is set to 'Age/Condition', the 'Condition' box is set to 'Average', and the 'Recoverable' button is checked.

Quick Entry		Misc. Item		Attachments		Salvage/Restored		OK	Cancel
Cat:	RFG	Sel:	300S	Act:	+				
Desc:	Laminated - comp. shingle rfg. - w/out felt								
Calc:	SQ	19.33	SQ	@	189.49	=	\$3,662.84		
Cov:	Dwelling								
Depr:	Age/Condition	Age:	10	Condition	Average	<input checked="" type="checkbox"/>	Recoverable		

- d. The Nationwide adjuster will have the final authority on whether Age, Life, & Condition should be captured for items on the estimate. Any questions related to Age, Life, & Condition should be directed to the handling adjuster.
5. **Salvage:** In circumstances where there are salvageable materials/items included for replacement on the estimate, Nationwide may choose to apply a credit to the estimate reflecting the potential salvage value for the materials. In most cases, this amount will be listed on the estimate as "Owner-retained Salvage" and will result in a reduction in the Service Provider's estimate amount. It is expected that the Service Provider will then retain the materials to be taken to a scrap yard for compensation. Before applying to the estimate, the Nationwide adjuster will discuss the salvage consideration with the Service Provider to confirm the amount being applied.

J. Overhead & Profit

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1. Overhead and Profit (O&P) will be addressed by the handling adjuster. In most qualifying cases 10% Overhead and 10% Profit is permitted (20% non-cumulative). Some market conditions may dictate different O&P amounts, this should be discussed with the handling adjuster who will have final authority on the appropriate O&P amount to apply. Any questions regarding O&P should be directed to the handling adjuster.
2. O&P should be included when it is reasonably necessary for a General Contractor to facilitate the repair process. In determining what is reasonably necessary, the Claims Associate may consider what is usual and customary in the market such as the number of trades people needed to repair the covered damaged property, the need for supervision over, and coordination of, the multiple trades' people, and the technical difficulty of the covered repairs. The involvement of the customer in the repair process, or whether or not a general contractor is utilized in the repair process are not factors considered in the determination of when to pay overhead and profit.
3. Subcontractor bids or invoices that are being supervised by a General Contractor should be included within the estimate and profit and overhead should be included in the estimate. The sub bid(s) or invoice(s) are required to identify the rate and amount of tax paid.
4. Subcontractor bids or invoices that are not being supervised by a General Contractor where it is not reasonably necessary for a general contractor to facilitate the repair process, should be added below the line without profit and overhead, e.g. emergency services obtained prior to General Contractor involvement.
5. O&P is not allowed for Mitigation or emergency services, including water extraction, drying or dehumidification equipment.
6. No O&P on licensing, permit fees or content cleaning.
7. Contractors can supplement for Residential Supervision/Project Management hours in certain, specified, claims situations outlined below.
 - a. To account for costs associated with smaller repair job assignments, we find it appropriate to allow for Residential Supervision/Project Management – per hour (LAB SUPERR). The actual time (up to 6 hours) needed to complete administrative activities should be added to the estimate once the job has been completed and re-uploaded with a Certificate of Satisfaction.
 - i. **This will apply to claims which:**
 1. do not include an allowance for Overhead and Profit.

2. the total covered repair of damages is estimated to be less than \$5,000 before the application of the fee.
 3. the repairs have been completed by the OYS Property Repair Network (or their subcontractor).
- ii. In addition, this allowance does not apply to assignments for water mitigation only, whether assigned directly to a mitigation vendor or general/specialty contractor.

K. Estimate Review Specifications

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1. Service Provider will utilize Xactimate estimating software and XactAnalysis for the purpose of providing a detailed scope and repair estimate, required documentation, digital photographs, status updates, and updating of assignment milestones.
2. Service provider will utilize the local Xactimate (or agreed) price list for all program assignments. In general, the price list that is delivered with the assignment should not be changed unless directed by the Nationwide adjuster. All estimates are subject to final approval by Nationwide.
3. All estimates/invoices uploaded for this program are subject to review by Nationwide and/or Nationwide's representative. Service Provider agrees to revise any estimate at the request of Nationwide and/or their representative that does not meet program guidelines, pricing database, and industry standards.
4. **Travel Charges:** the estimate should not include any line items relating to travel charges. The area the service provider selects to be serviced is done so without consideration for compensation for travel. In the event that there are circumstances out of your control that would necessitate a travel charge to be included in the estimate a detailed line item note should be provided for review.
5. **Minimum Charge line items:** Minimum charge line items (e.g. ELE MN) should be avoided in favor of the system-applied Labor Minimum charge. In most cases, the estimate should include the line item(s) and quantity for the actual work that is being completed, then the system-applied Labor Minimum should be allowed to apply when necessary.
6. **Hourly Charges:** Should only be used in extenuating circumstances that do not support Xactimate unit pricing such as unusual installation methods, tight working conditions, etc. Please note that opinions on the adequacy of Xactimate unit pricing does not constitute including additional labor hours. Apply estimate line item charges whenever possible to an estimate. If an hourly rate is needed, a line item note that includes a reasonable explanation as to why the labor hours are needed is required to justify the hours. For example, content manipulation should be estimated using the CON ROOM line item. If additional hours are needed due to an amount of contents in that room above what would be considered the standard amount supporting documentation, i.e. photos of the contents should be added and accompanied with a line item note.
7. **Emergency Service Call:** There will be no additional charges for Emergency Service if within normal business hours. For this agreement, normal business hours are between 7:00am and 5:00pm, Monday through Friday. This is based on the time assignment is received and not at time when work commences. Any time after those hours of operation, an emergency service charge will be accepted as outlined in the pricing guidelines. Emergency Service fees may also be applied on the following national holidays: New Year's, Martin Luther King, Memorial Day, Independence Day, Labor Day, Thanksgiving (and the day after), Christmas Eve and Christmas Day.
8. **Missing Wall Areas:** When related to wall painting, wall masking, or any other item that would be estimated using the wall dimension, all openings should be accounted for as a missing wall opening. In order to complete this step; the door/window properties should be set to "Yes" and "Deduct opening if > 0sf". Due to this standard, door/window trim painting will be excluded if the opening is not deducted.
9. **Code Upgrades:** The contractor will notify the adjuster when a code upgrade repair is identified. The adjuster will review the Best Practice and assist the contractor with the appropriate estimate repair. The completion of the final review will not be delayed while determining code upgrades. The code upgrade(s) should be noted to the adjuster when emailing notification of completion of the review process.
10. **High Grade Materials:** Use of high grade materials must be documented with a line item note attachment explaining the type of material used. E.g. high-grade faucet- document the type of faucet and model #

Photo documentation of the high grade material is also an acceptable means of documenting the grade of the material. High and/or Premium grade flooring requires a sample be sent to ITEL to verify the material pricing.

11. **Waste:** Waste is already factored into each line item by the Xactimate estimating program with the exception of carpet, vinyl sheet goods and roofing shingles therefore it is not necessary to add waste to most line items. If additional waste is required due to extenuating circumstances, a note containing a detailed explanation should accompany the line item for consideration.
12. **Dimensions**
 - a. All measurements should be rounded up to the nearest inch.
 - b. When diagramming, confirm the ceiling height is accurate as system will default to 8'
13. **CAB – Cabinetry**
 - a. Cabinet repairs should always be considered first. If repair is not possible, consider replacing the portion that is damaged and refinishing the undamaged portion. E.g., water damage to lower cabinet. Remove doors and drawers and rebuild boxes. Refinish doors and draws.
 - b. Openings such as range, dishwasher, refrigerator, etc. should be deducted from applicable line item quantities.
 - c. Quality above average grade should be supported with line item notes as well as photo documentation.
 - d. Review the line item description to ensure the line item selected matches like kind and quality cabinets on site. For example, older site-built cabinets are not necessarily custom-built cabinets in Xactimate. Consider the quality of the site-built cabinet compared to the quality of the cabinet being estimated when selecting Custom grade.
14. **CLN – Cleaning**
 - a. General/Final Clean up - Xactimate line items include a labor allowance for cleaning after the completion of a trade. For larger jobs or jobs which create a large amount of dust or debris, such as drywall replacement and sanding, the potential for additional cleanup should be considered after all restoration is completed. The estimate should include notes to justify this need.
 - b. Clean ceilings, walls, flooring, etc. - When cleaning of all the surfaces in a room, efficiencies can occur and should be estimated as such. The estimate should be completed based on the square foot pricing. The square footage pricing should be considered to include the cleaning of all surfaces and items attached to those surfaces such as electrical plates, light fixtures, molding, etc.
 - i. When estimating cleaning for a larger loss, including an entire structure, efficiencies can be gained through estimating by labor hour. The estimate should reflect the most efficient method to determine and accurately estimate the cleaning exposure.
15. **CON - Content manipulation**
 - a. Content manipulation is generally considered where repairs involve replacement of floor coverings, significant repairs to drywall/plaster, painting or texturing of ceiling surfaces, etc. Only one manipulation charge should be used per room based on its size and amount of contents. If additional charges are required, it should be explained and documented with sufficient photographs showing the room contents.
 - b. Prior to providing an allowance for move out then reset of contents, an estimate writer should determine if the “cover and protect” line item would be sufficient.
16. **DMO – General demolition**
 - a. If dumpster or hauling fees are estimated, dumpster or hauling fees will be considered in lieu of debris removal fees.
 - b. Pickup trucks for debris removal - If there is a minimum amount of debris created during demo and repairs, a partial pickup truck is appropriate based on increments of 0.25. So, if a loss requires that 6 sf of drywall be repaired and no additional debris is created, an allowance of 0.25 of a pickup truck is appropriate.
 - c. Estimating multiple pickup truck loads is discouraged as the preferred estimating method would be to consider a dump truck or dumpster.

- d. Demolition is considered a trade for the purpose of removing a structural area whereby specific trade labor must be used. If demolition or tear out is included within the particular line item description it should not be listed separately as this would represent duplication.
- e. **Dumpster Containers:** The following is a list of the various dumpster container sizes and their load capacities. The contractor when calculating debris removal quantities should utilize these:

Xact Item	C.Y.	Capacity by Tons
DUMP<	12	1-3 Tons
DUMP	20	4 Tons
DUMP>	30	5-7 Tons
DUMP>>	40	7-8 Tons

17. DRY - Drywall

- a. Patching holes used for cavity drying - When the holes are drilled behind a finished molding, the line item to fill holes created by wall cavity drying is appropriate. However, when those holes are drilled into a finished surface, it would be appropriate to allow for a 1sf repair per hole. It is expected that the holes are placed behind molding where possible.
- b. Drywall repair - Occasionally, a loss has multiple small areas of damage to drywall requiring repair. When only one repair is needed, the line item for a drywall patch is appropriate. However, when there are multiple areas requiring repair, the efficiency of the repair is increased. As a result, the estimate should be written according to the actual square feet of damage and if need be, a Labor Minimum is applied.
- c. Use DRY 1/2-, ready for texture, for drywall replacement that will have a separate line item for texture applied.
- d. Use DRY 1/2H or 1/2FT for drywall that will be covered up by another finished surface.
- e. When estimating to replace or repair drywall with a knockdown texture DRY ½+ should be used.
- f. When estimating to repair drywall with a textured finish be sure not to use “remove and replace” texture as the texture would be removed when removing the damaged drywall.
- g. Estimating to install 5/8” drywall should be supported with a line item note and a photo of a tape measure next to the drywall.
- h. When estimating small repairs that support a drywall patch, DRY PATCH, be sure to use one patch line item for small repairs that total up to 4 SF. Do not use multiple drywall patch line items on an estimate (see b. above).

18. Flooring

- a. **Continuous Floors:** If flooring is only damaged in one room, settlement is generally based on that room only unless there is a continuous run throughout other rooms. If a change in direction or transition strip separates the room, the run is generally not considered continuous into the next room and replacement of undamaged areas in other rooms should not be included. Further, if a closing door separates the room and the flooring can be removed at the door opening without cutting or damaging flooring from the adjacent room (e.g. a tile grout line parallel with the opening), the run is also not generally considered continuous and replacement of undamaged areas in other rooms should not be included. The service provider should not delay the review process because of matching concerns instead estimate to repair/replace the damaged material only. Any concerns the service provider has with matching should be noted in the XactAnalysis notes for the adjuster to make a final determination of coverage. If the adjuster supports replacement of the flooring due to matching the estimate can be revised to include the new scope. It is recommended that a diagram be obtained for all rooms containing the flooring in question during the initial inspection to expedite any changes to the scope based on matching.
- b. **Flooring Wizard:** When estimating carpet, sheet vinyl, or other rolled flooring, the expectation is that the estimate writer uses the Xactimate Flooring Wizard to determine waste. They should also view the flooring overlay to ensure that the number of seams and seam orientation is reasonable. When applying the same flooring in multiple rooms, the application of flooring should include all door openings in Xactimate to ensure that waste is an overall amount, not on a room by room basis.

- i. Depending on the loss, it may require distinguishing different qualities, color, or designs to ensure that the scrap from one quality/color/design is not used in the calculation for another. This can be done by using the SKU# line in the Item Property Editor.
 - ii. The suggested defaults for the flooring tool are listed below. Certain losses may require variations in these defaults and would require documentation.
 - 1) Maximum Number of Fill Pieces: 3
 - 2) Minimum Fill Cut Length and Width: 2'
 - 3) Roll Length and Seam Allowance Overcut: 3"
 - 4) Stair Overcut set to 0"
 - 5) The option for using scrap should be selected/checked.
 - c. **Rolled Flooring Removal:** Quantities for rolled flooring only (i.e. carpet & vinyl) must be broken down into separate removal and replacement; waste is not allowed on removal.
 - d. **FCC – Floor Covering Carpet:**
 - i. Relay existing carpeting - The line item to lay existing carpet includes reapplying a seam where necessary. In most situations, it is not appropriate to include additional line items to install a seam.
 - e. **FCV – Floor Covering Vinyl**
 - i. When estimating to install new underlayment it is not necessary to estimate floor prep, FCV PREP, as the vinyl floor covering line items include compensation for minor prep work. FCV PREP should only be used when the underlayment is being salvaged.
 - ii. When removing vinyl and underlayment the services should not be estimated separately as the material is removed simultaneously. FCV ULVR is the correct line item to use when removing these materials.
 - f. **FCW – Floor Covering Wood**
 - i. When using dustless floor sanding the clean-up needed should be very minimal if needed at all.
 - ii. Detaching and resetting the baseboards is generally not necessary when the floors will be re-finished. The Xactimate line item to refinish the floors includes edge sanding.
19. **FNC – Finish Carpentry/Trimwork**
- a. When estimating to detach and reset door slabs only be sure to use DOR DOR-RS as the detach interior door unit line item allows compensation to detach and reset the jamb and casing as well.
 - b. When both the doors and hardware are not being salvaged, the line item for door knobs should be estimated replace only. There is no need to detach the door knob from a door slab when both are being discarded.
 - c. When estimating to remove/replace baseboard, shoe mold, chair rail, or any other trim estimated using the perimeter of floor quantity, all interruptions in material (door openings, cabinets, tub/shower, window, etc.) should be deducted from the quantities regardless of the SF of the opening.
20. **INS - Insulation**
- a. Using the wall or "W" dimension to replace insulation is discouraged as the quantity would include interior walls which are typically not estimated.
21. **PLM – Plumbing**
- a. Before estimating to detach and reset a dishwasher for flooring repairs/replacement consideration should be taken into whether or not the flooring runs continuous under the dishwasher. If not the kick plate can be removed in order to repair/replace the flooring.
 - b. When estimating to detach and reset a sink do not include detaching and resetting of the supply lines or P-trap as these are included in the line item for detaching and resetting the sink.
 - c. When estimating to detach and reset a sink do not include a separate charge to detach and reset the sink faucet as this item is typically left attached to the sink.
 - d. Detaching and resetting a refrigerator includes disconnecting and reconnecting the refrigerator water line.
22. **PNT - Painting**
- a. Taping for painting – Edge taping should not normally be included, except for unusual circumstances which are to be documented. Rooms with large areas deducted (such as cabinets

- and built-in entertainment centers) are better estimated as mask and prep to allow complete protection of the unaffected area/items.
- b. Mask and prep - When there is a large amount of protection needed, such as in kitchens, the line item for mask and prep is appropriate. Also, in situations where the repairs require that a ceiling be sprayed, it is usually necessary to mask and prep the walls to protect them. In this situation, the mask and prep line item should be utilized.
 - c. Removal/Install of Fixtures for painting - The pricing for painting includes removal of/or dropping of fixtures including ceiling lights, ceiling fans, recessed lights, and electrical plates and protecting them. When repairing drywall or applying a texture to a ceiling it may be appropriate to detach and reset these items.
 - d. Seal/prime before paint - When providing an allowance for seal/prime, the entire surface area of the repaired wall/ceiling should receive that seal/prime (corner to corner). The other, undamaged, walls/ceilings should not receive a coat of seal/prime, but may require a finish coat.
 - i. Consider which seal/prime is necessary based on the need of the claim situation. PNT S for situations which require a stain blocker or PNT S- for situations which require primer with no stain blocker.
 - e. Seal then paint - When writing an estimate to seal then paint an area, it should be estimated as one line item, PNT SP and not two separate line items (PNT S and PNT P). Supporting events such as removing electrical plates are applied twice when separating out seal and paint as two line items. Estimates written to seal and paint trim work should also be written as one line item, when a single line item is available, (e.g., PNT C1SP, PNT B1SP, PNT CWN1SP).
 - f. Multiple coats of paint - Typically one coat of paint is sufficient to repaint an area with the same color. In situations where repair or stain has occurred, it may be necessary to apply a tinted sealer/primer then a coat of paint. Multiple coats of paint are not owed for color change made by an insured.
 - g. Estimating to drop light fixtures to paint ceilings or walls should not be included in the estimate as the painting line items include compensation for this service as standard prep work. The same applies to cover plates and minor manipulation of contents. An exception to this rule is large light fixtures such as chandeliers. If you feel that the light fixture is not a typical size please make note of this in a line item note when adding the detach and reset light fixture line item.
 - h. Drop cloths/plastic is considered to be a tool of the trade owned by contractors and should not be included in the estimate.
 - i. Scaffolding is considered to be tools of the trade owned by contractors and should not be included in the estimate.
 - j. Oversized baseboard is any baseboard that is 4 ½" or larger. Please take this into consideration before estimating oversized charges when estimating to replace or paint baseboard. In most cases 4 ¼" baseboard is what is previously installed which would not qualify for oversized.
 - k. High charges for both cleaning and painting ceilings should only be applied when the surface is 11' or 14' above the finished floor.
 - l. When estimating to paint a door opening whether the jamb or casing the opening must be deducted from the room dimensions as a missing wall regardless of the size of the opening.
 - m. MDF material typically is purchased pre-primed therefore it is not necessary to estimate to seal/prime this material.
 - n. Before masking is applied to the estimate consideration should be taken into the need for masking as it relates to the service being performed and/or whether or not a skilled painter would need masking to protect surfaces. Examples include but are not limited to:
 - i. Masking cabinetry, built-ins, fireplaces or other similar items.
 - ii. Protection of walls and floors while removing and applying ceiling texture, i.e. acoustical popcorn.
 - iii. Ceiling fans and light fixtures above average size.
 - iv. Masking to protect floors from drywall removal.
 - v. High traffic areas.
 - o. When masking is necessary 4 mil masking is sufficient to protect surfaces. Any deviations from this must be supported with line item notes.

23. SDG – Siding

- a. The line item for vinyl siding includes all of the necessary material to complete the installation of vinyl siding. That includes the starter strip, undersill trim, j-trim, and corner posts.
- b. All siding replacement line items include labor and equipment necessary to apply siding material up to 20' from ground. Any surfaces above 20' should be compensated for using SDG LAB.
- c. When making repairs on siding, it may be necessary to purchase full cases of material (usually 200sf), despite the repair being a smaller area. The estimate may have to allow for this additional cost of materials – however, additional labor should not be allowed on the additional material.

L. Roofing Specifications

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1. **Test Squares:** For hail damaged roofs: test squares (10' X 10' area) should be drawn with chalk on each directional roof field and photographed from the roof. Proper test squares will consist of the corners of a square drawn in chalk, the direction of the field written as an abbreviation such as S for south, NW for northwest, etc. and the total number of hail hits written next to the direction. When circling hail hits only one hail hit per shingle should be circled not all hail hits within a shingle. This will provide the true number of hail impacted shingles per test square.
2. **Waste**
 - a. The standard waste factors applicable to composition shingle roofing are 10% for gable roofs and 15% for hip roofs. If wastage exceeds these standards it must be explained. Waste is not allowed on material tear off. Additional charges for steep pitch, 2nd story, etc. will be applied to the actual roofing area and not the material replacement amount.
 - b. When installing 3-tab shingles, the contractor usually creates the ridge cap using 3-tab shingles. These shingles are included in the waste calculation, thus no ridge cap should be estimated in addition to the waste factor provided. Consideration should be given if only replacing a single slope on a hip roof.
 - c. At times, the vendor and customer may desire ridge shingles be itemized on the estimate. The use of the ridge shingles decrease the amount of waste needed for the roof, and eliminates the need to cut shingles to be used for the ridge. Thus, in most situations, there should be no allowance for the ridge shingles in addition to the standard waste percentage. This pertains to both dimensional and 3-tab shingle replacements.
 - d. Judgment should be used to best determine how to allow for the ridge cap given the materials on the roof prior to the loss. That can include either option – allow for the ridge cap in the waste percentage OR adequately decrease the allowed waste and provide an additional line item for ridge cap.
 - e. With respect to the above guidelines, waste is the additional dollars to cover the expense of the starter strip, ridge cap and shingle cuts, and is not necessarily meant to imply shingles would always be cut for ridge cap or used for a starter row (e.g. dimensional shingles).
3. **Height Charges**
 - a. Height charges should only be included in the replacement of the applicable slopes, and not in the removal. Each slope should be considered for height charges on its own merits. Height charges should not be applied when a slope can be reached or walked-to from a single-story access point.
 - b. Except for extenuating circumstances, there should be no allowance for height charges on flat or nearly flat roofs (0/12 - 2/12).
4. **Steep Charges**
 - a. Applicable steep charges should be included in the tear off and replacement of the applicable slopes. It is not appropriate to include steep charges on an entire roof when the entire roof is not steep. Each slope should be considered for steep charges on its own merits. It is possible to have only one slope with steep charges.
 - b. Allowance for steep pitch roofs must be supported by photos of a pitch gauge in place.
5. **Installation of Felt**

- a. Felt replacement should be included on the estimate as a separate line item with no waste. While the removal of the roofing material and felt can be one line item, the replacement of roofing which includes waste will require two line items one for the roofing material and the other for the felt.
 - b. When Ice and Water Shield is installed, felt should not be installed overlapping the materials. So, when allowing for Ice and Water Shield according to code, the estimate writer is to deduct the amount of Ice and Water Shield from the roofing felt quantity.
6. **Composition Shingles – Removal Including Additional Layers**
 - a. When a covered loss results in the need to remove and replace the composition shingles on a roof and there are multiple layers, it is not feasible to remove only the top layer. The removal of all layers should be estimated as a whole considering the layers are removed together and not one layer at a time. An additional charge for removal of multiple layers can be estimated for the additional material and weight, and to compensate for the loss in productivity and additional disposal fees. The removal should include all aspects of a roof, including felt and flashing, except when there are extenuating circumstances which are to be documented by the claim associate. Specific line items for flashing, valley metal, etc should be estimated for small piece meal type jobs.
 - b. There should be no allowance for waste on the removal of any roofing materials.
7. **Composition Shingles – Nailable Surface**
 - a. In the event a layer of wood shingles or shakes has been used as a nailable surface or decking for the purpose of installing the composition roof, the removal of the damaged roofing will destroy the existing nailable surface and require the installation of a new nailable surface such as plywood. This would generally be covered as part of the loss.
8. **Roofing Debris**
 - a. The line items for removal or tear off of roofing materials include an appropriate amount for the disposal of the debris. Line items stating “no haul off” should not be used in most roofing replacement losses or exterior only losses.
 - b. Different considerations should be made for debris removal when handling larger losses, such as a large fire loss.
9. **Application of Roofing Felt with Ice & Water Shield**
 - a. Generally speaking, there should be little to no waste during the installation of Ice and Water Shield.
 - b. If Ice and Water Shield is not present prior to the loss, it is not owed unless there is a verified applicable building code requirement and the policy in force has Law and Ordinance coverage that applies. This determination will be made by the Nationwide associate. If there is an applicable building code and Law and Ordinance applies, the quantity of Ice and Water Shield should be determined by the code (examples: 3’ in from exterior wall, all slopes less than 3/12).
10. **Non Damaged Roofing Accessories**
 - a. In some situations, roofing accessories, such as valley metal or step flashing, do not need to be removed to facilitate roof replacement and should not be added to the estimate. In those situations where roofing must be removed, they can sometimes be removed and reinstalled without any damage to the item – examples include a metal turtle vent, turbine vent, valley metal, roofing jack, or step flashing. If these items were not damaged by the cause of loss, they should be removed and reinstalled.
11. **Replacement of Roofing Accessories**
 - a. Replacement of roofing accessories should include only items damaged by the cause of the loss and/or items that cannot be reused after their removal for roof replacement. When allowing for replacement, there is no need to include the cost for removal of the item(s) that will be removed with the roofing materials.
12. **Drip Edge**
 - a. If drip edge is not present prior to the loss, it is not owed unless there is a verified applicable building code requirement and the policy in force has Law and Ordinance coverage that applies. This determination will be made by the Nationwide associate.

- b. Generally, when drip edge is present and the roof is being replaced, it is appropriate to estimate to replace it.
13. **Mitigating Ice Dam**
- a. After an ice dam has occurred and is causing damage to the interior of the structure, mitigation is needed to prevent further damage from the intruding water. When estimating mitigation efforts to address these damages, it is appropriate to estimate the removal of the snow from the immediate area causing damage to the interior of the structure (usually with an extension broom). To estimate the removal of the snow, an estimate writer is to utilize general laborer hours (LAB LBR). In most situations, we should only allow for the snow/ice dam to be removed once. The number of labor hours estimated must be supported with proper documentation and photographs demonstrating the associated height, ease or difficulty of access and how steep the roof is. Typically, it is not necessary to remove the ice dam itself. However, it may be necessary to create channels in the ice dam to allow water to flow off the roof. This can be done in several ways including the use of calcium chloride or by mechanically removing small sections of the dam.
14. **Metal Buildings**
- a. When estimating metal buildings, identifying the appropriate selector code for roofing labor and metal installer is essential. RFG should be selected when roofing panels are being replaced. MTL should be selected when side panels are being replaced.
15. Roof overbuilds should be designated as subgroups of the main roof to prevent excessive waste due to the system rounding up the quantities to the nearest inch.
16. Estimating a magnetic sweep of the perimeter of the home should not be included as this is a standard service performed by a roofing contractor at no additional cost.
17. Fall protection is considered to be a standard tool of the trade and should not be included in the estimate.
18. Estimating to mask landscaping or protect driveways with plywood should not be estimated as this task is considered to be standard service provided by a roofing contractor at no additional cost. In most cases these items are not costs incurred for each individual job, instead, gathered and taken to the next job site.

M. ITEL

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1. Nationwide has elected to use the ITEL testing process on program assignments involving Carpet, Carpet Pad, Vinyl and Wood Surfaces **only when the estimated flooring replacement quality exceeds Average Grade(AV) in Xactimate, and the replacement quantity exceeds 144 SF. Flooring grades of High(AV+) and Deluxe(AV++) will require an ITEL sample.** If the repair estimate contains replacement at Standard(AV-) or Average(AV) grades, the sample is to be evaluated by ITEL only at the direction and approval of the Nationwide Claims Associate.
2. On all losses meeting the above criteria, Program Contractors should take a carpet, carpet pad, vinyl or wood surface sample (12"x12" Minimum) from a low traffic area and complete an ITEL assessment form and place the sample(s) in a pre-addressed mailer available from ITEL @ www.itelinc.com.
 - a. In return, you will receive a detailed report that will classify the sample(s) using established industry standards. The results of the evaluation will be sent to your attention via email or fax. Along with this analysis, you will receive information on comparable products under nationally available brand names with their manufacturer identified. You will also receive the average local installed price, which represents the local retail price for which the flooring product can be installed and labor (this price does not include tax, tear-out or other extras, like contents manipulation). The resulting ITEL installed price should be used in your repair estimate, and a copy of the ITEL report must be uploaded to XactAnalysis with the completed final estimate.
3. Service providers should obtain a flooring sample at time of site inspection if they suspect that any of the requirements will be met. If coverage is of concern the handling adjuster should be contacted immediately.
4. If a flooring sample is not available or able to be obtained, the appropriate NFCP line item should be used as noted above until the appropriate grade of material is able to be determined.

5. When pricing with an ITEL report follow these steps; enter the appropriate NFCP line item, enter the quantity, then hit OK. Go to Estimate Items --> Components tab. While in components tab find the NFCP material unit price of \$0.00. Click on \$0.00 and enter the ITEL material price (SF price) then hit enter. The estimate will now contain ITEL material pricing with Xactimate labor rate. Do not adjust the market conditions of the line item as this will negatively adjust the material sales tax and waste that is being applied.
6. Provide the tracking number for the ITEL sample in the XactAnalysis file notes.
7. **Roofing/Siding:** The Nationwide Claims Associate may request the Service Provider to obtain a sample of roofing or siding to submit to ITEL for evaluation.
 - a. Service Provider should follow applicable ITEL instructions for obtaining these samples.
8. Use of ITEL mobile tools/kits may be appropriate or preferred depending on the circumstances of the loss and should be discussed with the Nationwide Claims Associate when appropriate.
9. When ITEL evaluation is required as outlined above or as directed by the Nationwide Claim Associate, Nationwide will incur the cost for the ITEL services.

N. Supplements

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1. **Supplemental Estimates (Supplements) should be discussed with the Nationwide Claims Associate prior to submission** and are only acceptable for items that were agreed to in advance of repair or were hidden during the contractor's original inspection. Nationwide reserves the right to have the supplemental item(s) inspected by a field adjuster or other company representative before approving payment. In addition, at their discretion, Nationwide may refuse payment for any items that were not approved or that they were not allowed adequate time to inspect and approve. All supplements must be included with the original estimate and uploaded to XactAnalysis with digital photos and other supporting documentation. Supplemental areas must be clearly identified or broken into supplemental room areas.
2. When submitting the supplement, Service Provider should include documentation of their conversation with the Claims Associate.

O. Textile/Dry Cleaning Program

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1. All Nationwide claims that require textile/dry cleaning must be handled through the Nationwide Dry Cleaning Program. Nationwide will make all assignments directly to the Dry Cleaning Program partner. No General Contractor should handle any portion of textile restoration associated with any assignment, nor make any referrals to a dry cleaner. If you should receive an assignment that has textile restoration involved, please immediately notify the Nationwide adjuster or their representative and they will assign that portion of the loss to the Dry Cleaning Program. You will not need to manage or handle any portion of the dry cleaning claim, but will be expected to work with the dry cleaner where appropriate.

P. Additional Comments

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1. Emergency services over \$1,500 must have the Nationwide adjuster's approval.
2. Losses involving subrogation potential – In the event a loss involves any potential subrogation (i.e. defective materials, improper installation, appliance malfunction, etc.), contractor should immediately notify the Nationwide adjuster.
 - a. Detailed photographs should be taken, including but not limited to:
 - i. Photos of the origin of damage – defective piece/part, improper installation issue, malfunctioning part/appliance (to include brand & model/serial number), etc.
 - ii. Photos before & after any disturbing of evidence (if necessary)
 - iii. Photos of resulting damage

- b. Any evidence should be left undisturbed if possible, until directed otherwise by the Nationwide adjuster. If evidence must be disturbed to perform emergency services, evidence should be well photographed prior to disturbing, and evidence should be preserved until direction is provided by the Nationwide adjuster. Proper chain of custody documentation should be maintained at the direction of the Nationwide associate. Any supporting documentation provided by the insured (receipts, invoices, maintenance documents, warranties, etc.) should be forwarded to the Nationwide adjuster.
3. All Control Points in XactAnalysis for Service Providers must be updated timely including, but not limited to, Customer Contacted, Site Inspected, Job Started, Job Completed, and Job Not Sold.
4. The underwriting checklist should be completed as needed, noting any moderate or severe deviations from the Underwriting Checklist questions. A photograph of the underwriting deviation should be taken, appropriate annotations made and imported into the Xactimate system.