



Fact on “Burying the Deductible”

From time to time all Claim Specialists are faced with requests from homeowners to “bury the deductible” when weather damage is covered by homeowners insurance.

At this point, the homeowner should be advised:

- 1) Conspiring to bury the deductible is committing a fraud upon an insurance company and is against the law, Penal Code AB 3067, Burton (Chapter 675) - Section 551
- 2) If a company agrees to “bury the deductible,” it has to take shortcuts in replacing items, and the owner will get a second-rate job, which depreciates the value of the home.
- 3) A construction company willing to cheat an insurance company will be equally willing to cheat the homeowner. The company never really absorbs the deductible. The value is taken right out of the job, and it is the homeowner who takes the loss.
- 4) If the construction company decides to cut corners on the job and it ends up second rate, the owner has nobody to complain to if he conspired to “bury the deductible.”

The smart thing for an owner to do is to protect his investment by getting a first-class job from a first-class company and to be glad that all he or she has to pay is the deductible.

It is the only way the homeowner can win.