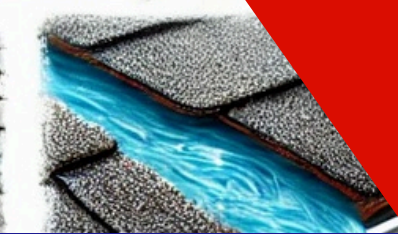


# When to Pay Out of Pocket vs. When to File a Claim



# Introduction



## Navigating the Process

↙ Your roof is one of the most critical components of your home, protecting you from the elements and maintaining structural integrity. When damage occurs, homeowners often face a tough decision—should they pay out of pocket for repairs, or file an insurance claim? Making the wrong choice can lead to increased premiums, out-of-pocket expenses, or even policy cancellations.

This guide is designed to help you navigate this decision with confidence. Whether you're dealing with a minor leak or major storm damage, we'll break down the key factors to consider, share relevant statistics, outline the claims process, and help you avoid common pitfalls—including shady contractors who might try to take advantage of the situation.



# When to Pay Out of Pocket vs. When to File a Claim

## 01 Paying out of pocket



There are certain situations where covering the cost of repairs yourself is the smarter financial decision. According to a recent industry report, 60% of homeowners opt to pay for minor roof repairs out of pocket rather than filing a claim. Here's why:

- The cost of repair is less than or slightly above your deductible – If your deductible is \$2,000 and the repair costs \$2,500, filing a claim may not be worth the potential long-term financial impact of rising insurance premiums.
- Damage is minor – A few missing shingles or a small leak doesn't necessarily justify an insurance claim. Insurance companies typically cover damage caused by sudden events, but regular wear and tear isn't covered.
- You've recently filed a claim – Did you know that filing more than two claims within five years could lead to policy non-renewal? If you've already used your insurance for a previous repair, it might be wise to pay out of pocket this time.

Your policy has exclusions – Not all policies cover every type of roof damage. Some have exclusions for aging roofs, improper installation, or damage from pests. Checking the fine print can save you from a rejected claim.

# When to Pay Out of Pocket vs. When to File a Claim

## 02 When to file an Insurance Claim



In some cases, filing a claim is the best financial move, especially when dealing with significant damage. According to the Insurance Information Institute, wind and hail damage account for nearly 40% of all homeowners' insurance claims. Filing a claim makes sense when:

- The damage is extensive – If a severe storm causes structural damage, displaces shingles, or results in water infiltration, your insurance policy is designed to help cover those repairs.
- The cost of repair far exceeds your deductible – For example, if repairs cost \$12,000 and your deductible is \$2,000, filing a claim means you only pay a fraction of the cost.
- Your roof is relatively new – Most insurers apply depreciation to older roofs, meaning they may only cover a portion of the replacement cost. However, if your roof is under 10 years old, you may qualify for full coverage, depending on your policy.
- You live in a high-risk area – If your area is prone to severe weather events like hurricanes or hailstorms, it's crucial to use your insurance strategically to protect your home and financial well-being.

# Filing a Claim Step-by-Step

If you decide to file a claim, following these steps can increase your chances of a smooth and fair payout:

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1

**Assess the Damage** – Conduct a visual inspection or hire a trusted roofing professional to provide a detailed report.

2

**Review Your Policy** – Check your homeowners' insurance policy to confirm coverage, exclusions, and deductible amounts.

3

**Document Everything** – Take high-quality photos and videos of the damage before making any temporary repairs.

4

**Contact Your Insurance Company** – Report the damage as soon as possible. Most insurers have a time limit on claims, typically within **one year of the event**.

5

**Schedule an Adjuster Inspection** – Your insurer will send an adjuster to assess the damage and determine the payout amount.





- 6** **Obtain Repair Estimate** – Get a quote from reputable contractors and compare with the adjuster’s report.
- 7** **Negotiate if Necessary** – If the adjuster’s payout seems low, you have the right to dispute the claim and provide additional evidence.
- 8** **Receive Claim Approval** – Once approved, you will receive a payout, minus your deductible.
- 9** **Hire a Trusted Contractor** – Select a licensed, insured, and reputable roofing company to complete the work.
- 10** **Complete the Repairs** – Ensure the job is done correctly and get final approval from your insurance company if required.

A photograph of a man with a beard and short hair, wearing a blue denim shirt over a white t-shirt. He is sitting at a desk, smiling as he looks at a laptop. The background is a blurred office or workshop setting.

# And Consider This

# Did You Know?



## Average Cost

Minor repairs range from \$300 to \$1,500, while full roof replacements cost between \$5,000 and \$15,000 on average.



## Legal Consideration

Texas Law (HB 2102): It is illegal for contractors to waive, absorb, or rebate deductibles on roofing repairs. Homeowners should report any contractor who offers to do so.



## Age Factor

Some insurers only cover roofs under 20 years old and may offer reduced payouts for older roofs. If your roof is approaching that age, replacement might be a better long-term investment.





# Avoiding Shady Contractors



## Red Flags to Watch For

Unfortunately, after major storms, opportunistic and fraudulent contractors—often called "storm chasers"—prey on unsuspecting homeowners. The Better Business Bureau reports that roofing fraud is one of the top five most common home repair scams. Here are some warning signs:

- **Unsolicited door-to-door sales pitches** – Be cautious of contractors who show up uninvited offering "free inspections."
- **Pressure tactics** – If they insist you sign a contract on the spot, take a step back.
- **Requests for full payment upfront** – A reputable contractor may require a deposit but should never ask for full payment before work begins.
- **No local presence** – Verify that the contractor has a physical address and a strong local reputation.
- **Promises that seem too good to be true** – If they claim they can "waive your deductible" or guarantee full approval from insurance, it's likely a scam.







## CONCLUSION

Deciding whether to pay for roof repairs out of pocket or file an insurance claim is not always straightforward. Understanding the costs, risks, and insurance implications can save you thousands of dollars in the long run. By staying informed, working with reputable contractors, and using your insurance wisely, you can protect both your home and your financial future.



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