LUXESTONE INSURANCE ADVISORS

A LUXESTONE RESOURCE | CLAIMS READINESS

What to Document Before a Property Loss

Checklists, inventory templates, and a contact sheet to build your pre-loss file while everything is still standing.

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How to Use This Resource

The hours after a property loss are the worst possible time to work out what you owned, what condition it was in, and what it was worth. This resource is built to be worked through once, then kept current.

A property claim is largely a proof exercise. The policy sets the terms, but establishing what was there and what it was worth generally falls to you. Commercial property policies also typically require prompt notice of a loss, reasonable steps to protect the property from further damage, and a signed, sworn proof of loss when the insurer asks for one, usually within a period stated in the policy. Meeting those obligations is far easier when the underlying documentation already exists.

Nothing here creates coverage or changes what a policy says. It determines how quickly and how completely you can demonstrate what you are entitled to under the policy you already have.

> **The Practical Version**
>
> Block out one afternoon. Walk the property with a phone camera and narrate as you go. Fill in the templates in the second half of this resource. Save everything somewhere that is not inside the building. Put a recurring reminder on the calendar to revisit it once a year and after any significant purchase, renovation, or move.

What Is In This Resource

- **Part One — What to document.** Seven checklists covering the building, contents and equipment, identifying details, condition and maintenance, financial records, your policy and contacts, and where it all gets stored.
- **Part Two — Templates to fill in.** Blank equipment and high-value item inventory, a room-by-room photo log, a financial records locator, and an emergency contact sheet.
- **Part Three — After a loss.** A first-72-hours list and a short glossary of the terms that decide what gets paid.

Assign one person to own this. The most common reason a pre-loss file goes stale is not disagreement about its value. It is that it belonged to everyone and therefore to no one.

PART ONE — SECTION 1

The Building and the Structures Around It

Photograph and describe the property itself, not just what is inside it. If you lease, establish the line between the landlord's property and your own improvements and betterments in writing before it is disputed.

- [ ] Photos or video of each exterior elevation, from far enough back to show the whole wall
- [ ] The roof, photographed only if it can be viewed safely, plus its approximate age and last repair or replacement date
- [ ] Interior photos or video, room by room and area by area, including ceilings and floors
- [ ] Mechanical systems: HVAC units, electrical panels, water heaters, sprinkler and alarm systems, with model and serial plates readable
- [ ] Construction type, approximate square footage, number of stories, and year built
- [ ] Signage, fencing, paving, lighting, landscaping, and any detached structures or outbuildings
- [ ] Tenant improvements and betterments you paid for, described and photographed separately from the landlord's property
- [ ] Recent renovation or build-out documents: contracts, permits, plans, and final invoices
- [ ] For leased space, the lease itself, including the sections covering insurance, repairs, and who is responsible for what

One Detail Worth Getting Right

Photograph the model and serial plate on every major system. It is a few extra minutes at the panel and it removes an entire round of back-and-forth later, because the equipment can then be valued as the specific unit it was rather than as a generic category.

PART ONE — SECTION 2

Contents, Equipment, and Stock

A narrated walk-through video captures more in ten minutes than a spreadsheet does in an hour. The two work best together: video for coverage and context, a written list for the detail.

- ☐ Video walk-through of every room, area, and storage space, narrated as you go
- ☐ Furniture, fixtures, and office equipment, area by area
- ☐ Computers, servers, phones, monitors, and other electronics
- ☐ Tools, both powered and hand, including anything kept in vehicles
- ☐ Machinery and mobile equipment, with an approximate value for each
- ☐ Inventory and stock, with the method you use to value it and a recent count or report
- ☐ Raw materials, work in progress, and finished goods held for customers
- ☐ Property of others in your care, custody, or control, and any agreements covering it
- ☐ Property you own that is stored off-site, in transit, at a job site, or at an employee's home
- ☐ Leased or rented equipment, together with the lease or rental agreement
- ☐ Open drawers, cabinets, closets, and storage rooms while filming; what is not visible tends not to be remembered

Anything unusual, custom, antique, or unusually valuable deserves its own entry rather than a line in a category total. Those are the items most often undervalued after a loss, and the ones where an appraisal or a purchase record does the most work.

PART ONE — SECTION 3

Identifying Details and Proof of Purchase

These are the details that let an item be valued as the specific thing it was. Record them once, at purchase, and the work never has to be reconstructed.

- ☐ Serial numbers and model numbers for equipment, machinery, and electronics
- ☐ Purchase date and purchase price for each significant item
- ☐ Receipts and invoices, scanned or photographed rather than kept only on paper
- ☐ Financing, lease, or loan documents, including who holds an interest in the property
- ☐ Appraisals for high-value, custom, or specialty items, with the date of the appraisal
- ☐ Warranty and registration records
- ☐ Depreciation schedules and your fixed asset listing from your accountant or bookkeeper
- ☐ Owner's manuals and specification sheets for major equipment
- ☐ The legal entity that owns each item, where your business uses more than one

Why Basis Records Matter Beyond Insurance

Purchase records and depreciation schedules also feed the tax side of a loss. The IRS addresses casualty, disaster, and theft losses in Publication 547, and Form 4684 is used to report casualty losses. Those calculations turn on your adjusted basis in the property and on what insurance or other reimbursement you received. Your tax adviser will ask for the same records your adjuster does.

PART ONE — SECTION 4

Condition and Maintenance Records

Photographs establish what something looked like on the day they were taken. Maintenance records establish that it was being looked after. Condition and upkeep tend to become the subject of the conversation once the cause of loss is settled.

- ☐ Dated photos of the general condition of the building, inside and out
- ☐ Roof inspection reports and any repair history
- ☐ HVAC, electrical, and plumbing service records
- ☐ Sprinkler, fire alarm, and extinguisher inspection and testing records
- ☐ Security and alarm system records, including monitoring agreements
- ☐ Equipment maintenance logs and service invoices
- ☐ Any inspection reports from your insurer, a loss control visit, or a municipal authority, plus what you did in response
- ☐ Records of repairs you have already made, particularly to anything previously damaged
- ☐ Water intrusion, leak, or pest history and how each instance was resolved

Keep the record of what you did in response to an inspection or a prior problem, not only the report that identified it. Documented follow-through is the part that is hardest to reconstruct later and the part most worth having.

PART ONE — SECTION 5

Financial Records Behind the Operation

If a loss shuts you down, the interruption is measured in numbers, not photographs. Damaged equipment can be photographed. Lost income can only be reconstructed from records.

- ☐ Profit and loss statements, monthly if you have them, for at least the last two to three years
- ☐ Business tax returns for the same period
- ☐ Balance sheets and your fixed asset schedule
- ☐ Payroll records and employee census
- ☐ Sales history detailed enough to show seasonality
- ☐ Accounts receivable and accounts payable aging reports
- ☐ Bank and credit card statements
- ☐ Customer contracts, purchase orders, and backlog
- ☐ Supplier and vendor agreements, including any single-source dependencies
- ☐ Utility bills and recurring fixed expenses that continue whether or not you are operating
- ☐ Your inventory valuation method and most recent physical count
- ☐ Contact details for your accountant or bookkeeper, and confirmation that copies exist outside your building

Business income and extra expense are different coverages answering different questions. One addresses income lost during a suspension of operations caused by covered damage. The other addresses the additional costs of continuing to operate. Both are proven with records rather than photographs, and the level of detail that supports them is monthly, not annual.

PART ONE — SECTION 6

Your Policy, and Who to Call

The copy in the filing cabinet is inside the building. Keep what you would need in the first hour somewhere reachable from a phone.

- [ ] A copy of the current policy, including all endorsements
- [ ] The declarations page and your policy number
- [ ] The claims reporting phone number and any online reporting details
- [ ] Your agent's name, direct line, and email
- [ ] Your named insured, exactly as written, and every entity that should appear on the policy
- [ ] Any additional insureds, loss payees, lienholders, or mortgagees, and what each agreement requires
- [ ] Your deductibles, including any separate or percentage deductible for wind, hail, or named storms
- [ ] Whether your property coverage is written on an actual cash value or replacement cost basis
- [ ] Any coinsurance percentage that applies
- [ ] Whether you carry business income and extra expense coverage, and any waiting period that applies
- [ ] Whether flood coverage exists, and if so, under which separate policy
- [ ] The completed emergency contact sheet from Part Two, stored off-site

> **Flood Is Usually a Separate Question**
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> Standard commercial property policies typically exclude flood, and flood coverage is generally arranged separately, through the National Flood Insurance Program administered by FEMA or through the private market. Water damage from a burst pipe and water damage from rising surface water are not treated the same way. The documentation you would want is similar. The coverage question is not.

PART ONE — SECTION 7

Where It Lives, and Keeping It Current

Documentation stored only on-site shares the fate of the property it documents.

- [ ] Primary storage chosen: cloud storage, an off-site copy, a second location, or a combination
- [ ] At least one copy that survives the total loss of the building
- [ ] Someone other than you can actually reach the files, and knows how
- [ ] Access does not depend on a single person's phone, laptop, or password
- [ ] Files are named and organized so a stranger could follow them
- [ ] Photo and video files are dated, or the dates are otherwise recorded
- [ ] An annual check that the files still open and the storage account is still active
- [ ] A named owner responsible for keeping the file current
- [ ] A calendar reminder set for the annual review
- [ ] A rule for updates: after any significant purchase, renovation, move, or change in operations

What Tends to Go Wrong

The same gaps turn up in real files: an inventory built once at startup and never updated, photos taken years ago on a phone nobody still has, receipts and the policy stored only in the building that burned, serial numbers never recorded, leasehold improvements nobody can separate from the landlord's property, financial records that can prove revenue but not the month-by-month detail an income claim needs, and no one specifically responsible for keeping any of it current.

Individually, none of them look like a problem. They surface together, at the worst possible time, and they tend to arrive as delay rather than as an outright denial.

PART TWO — TEMPLATE

Equipment and High-Value Item Inventory

One row per item worth identifying individually. Print as many copies as you need, or rebuild it as a spreadsheet and keep it with your photos.

Item / Description	Make & Model	Serial No.	Purchased	Cost	Location

Attach or cross-reference photos, receipts, and appraisals for each row. A photograph of the serial plate is worth more than a hand-copied number.

PART TWO — TEMPLATE

Room-by-Room Photo and Video Log

Work through the property one space at a time and record the date each space was last captured. This is how you find the gaps.

Room / Area	Date Captured	Photos	Video	Notes / What Is In It

Do not skip closets, storage rooms, mechanical spaces, exterior areas, and any off-site or vehicle-based storage. Those are the spaces least likely to be photographed and most likely to hold something expensive.

PART TWO — TEMPLATE

Financial Records Locator

For an income claim, what matters is not only that the records exist but that you can reach them quickly and from outside the building.

Record	Who Holds It	Where It Is Stored	Copy Off-Site?	Last Verified

Suggested rows: profit and loss statements, tax returns, balance sheet, fixed asset schedule, payroll records, sales history, receivables and payables aging, bank statements, customer contracts, supplier agreements, inventory counts.

PART TWO — TEMPLATE

Emergency Contact Sheet

Fill this in, print it, and keep a copy somewhere other than the building. Save a photo of it on your phone as well.

Named insured	
Policy number	
Insurance carrier	
Claims reporting line	
Agent / advisor	
Agent direct line	
Agent email	
Property address	
Landlord / property mgr.	
Accountant / bookkeeper	
Attorney	
Bank / lender contact	
Restoration / mitigation	
Preferred contractor	
Utility shutoffs (who)	
Alarm / monitoring co.	
IT / data recovery	
Key employees to notify	

PART THREE

The First 72 Hours After a Loss

General sequencing only. Your policy's own conditions, your insurer's instructions, and any direction from emergency responders or public authorities control.

- [ ] Make sure everyone is safe and accounted for before anything else
- [ ] Follow instructions from the fire department, police, or building officials, and do not re-enter until you are told it is safe
- [ ] Report the loss to your insurer and your agent promptly
- [ ] Take reasonable steps to protect the property from further damage, and keep receipts for what you spend doing it
- [ ] Photograph and video the damage extensively before anything is moved, cleaned, or discarded
- [ ] Do not throw damaged property away until your insurer has had the chance to inspect it, unless doing so is necessary for safety
- [ ] Keep damaged items separated and inventoried where it is safe to do so
- [ ] Start a running log: dates, times, who you spoke with, and what was said or agreed
- [ ] Keep every receipt and invoice connected to the loss, including temporary repairs, security, and relocation
- [ ] Notify your accountant, attorney, landlord or lender, and any party your contracts require you to inform
- [ ] Ask what the insurer needs and by when, including whether a sworn proof of loss will be required and the deadline for it
- [ ] Track lost income and extra expenses from day one rather than reconstructing them later

PART THREE

Terms That Decide What Gets Paid

These are not interchangeable, and each one asks for a different kind of proof. What each means in practice is defined by your policy and by applicable law.

Actual Cash Value	A valuation approach that accounts for depreciation. Age, condition, and original cost matter to this calculation.
Replacement Cost	A valuation approach based on the cost to repair or replace. The replacement cost portion is commonly payable only after the property has actually been repaired or replaced.
Coinsurance	A provision tying the amount payable to how adequately the property was insured relative to its value. Insuring for less than the specified percentage can reduce what is paid. Not a copay.
Deductible	The amount applied to a covered loss before the insurer pays. Wind, hail, and named storms may carry a separate or percentage deductible.
Business Income	Coverage addressing income lost during a suspension of operations caused by covered damage. Proven with financial records.
Extra Expense	Coverage addressing the additional costs of continuing to operate after a loss. A different thing from the income itself.
Proof of Loss	The formal, often sworn statement of your claim that an insurer may require, subject to the policy's own conditions and deadlines.
Inventory or Schedule	Your own record of what you own. Useful for setting limits and proving a loss, but not itself a promise of what will be paid.

NEXT STEP

If You Would Rather Do This With Someone

If you would rather have someone walk your property, your inventory, and your policy with you, that is what a LuxeStone Business Risk Review is for. It compares what you actually own against what your coverage actually says, and tells you where the two do not match while you can still do something about it.

There is no cost for the initial conversation, and it does not bind coverage or commit you to anything.

> **Wendy Carter, Founder**
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> LuxeStone Insurance Advisors — serving business owners in multiple states. Reach out through the contact page on the LuxeStone website to start a conversation about your own operations.

Important Notice

This resource is provided for general educational and recordkeeping purposes only. It is not legal, tax, accounting, regulatory, safety, or insurance coverage advice, it does not interpret any insurance policy, and it does not guarantee that any claim will be paid or covered. Coverage, valuation provisions, deductibles, conditions, notice and proof of loss requirements, and claim handling timelines vary by policy, insurer, property, business, and jurisdiction. Whether a particular loss is covered depends on the terms of the policy in force at the time of the loss and on the facts of the loss itself.

The checklists and templates in this resource are starting points, not a complete list of everything a particular business should document, and completing them does not ensure any particular claim outcome. References to the National Flood Insurance Program, FEMA, the IRS, or any publication or form are provided for general information only and may change. Businesses should review their specific property, records, coverage, and obligations with appropriately licensed insurance professionals, legal counsel, tax advisers, and other qualified professionals.