



# CARDINAL CATASTROPHE SERVICES, INC.

## FIRST IN STORM DAMAGE

214 HILLSBORO AVE. | EDWARDSVILLE, IL 62025 | 618.659.9800  
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### PRE-INSTALL FINANCIAL DISCLOSURE

Term	Definition
<b>Summary For Dwelling (SFD) or Scope Paperwork</b>	The Summary for Dwelling (SFD) is also called the Xactimate or the "Scope" paperwork. Xactimate is the pricing software that insurance Companies use to set your scope of damage and price of work they are paying for. The SFD document provided by your insurance company outlines the amount of damage your property sustained. This document will show the ACV, Deductible, Depreciation hold back and RCV. The SFD is also a line item breakdown of the work that CCS will perform. This document is what is turned into our production department for ordering and scheduling. We order directly off of what the insurance pays. Under NO circumstance are clients allowed to decide or pick and choose the work they will do versus the work CCS will do. CCS is under contract for all "the work necessitated by the claim described herein".
<b>Actual Cash Value (ACV)</b>	This is called the First Check or the Down Payment Check within a homeowners claim. The ACV is calculated by subtracting your deductible and depreciation amount from the RCV. A few homeowner's insurance policies pay ONLY the ACV amount, in which case it may be referred to as the "Net Claim".
<b>Replacement Cost Value (RCV)</b>	This is the Sale Price or the total amount paid to CCS for your restoration project. It is the ACV, the depreciation, and the deductible payment (and any supplemental invoices possibly paid). Add up those three payments and it will equal your RCV amount. It is the cost to replace a damaged asset with an item of the same or equal value. In our field, it is the cost to replace your damaged property with a new replacement of similar value. For example, if you had 3-tab shingles on your house that were damaged by hail, the RCV would be the cost to replace your roof with 3-tab shingles. Insurance companies always pay "like for like", so they would not pay to upgrade your 3-tab shingles to architectural shingles. The RCV amount may change should CCS find additional items that need to be added to the claim. See Supplemental invoicing.
<b>Depreciation</b>	This means HOLD BACK MONEY, also called the Second Check. Additionally, it is the amount of value an asset has lost over time. For example, if a roof has an expected life of 30 years, and it is 10 years old, it has depreciated 33%. The depreciation amount in an insurance claim is equal to the difference between the RCV, deductible payment, and the ACV. In other words, the ACV + Depreciation + Deductible = RCV. In our field, since the insurance company pays the RCV amount, the depreciation is considered "recoverable". Depreciation is not like when you buy a new Buick, drive it off the lot, and it loses value. With a homeowners claim, it simply means the amount the insurance company holds back until the restoration work is contracted. CCS provides all the legal documents the insurance company needs to release the depreciation amount. Some policies may have non-recoverable depreciation, which simply means the depreciation hold back amount is NOT paid. Your Project Manager will advise you of your options in this situation.
<b>Deductible Payment</b>	The deductible is the OUT OF POCKET payment the homeowner is required to pay, as it is a portion of the RCV amount. Your insurance carrier deducts the deductible payment from your RCV and the homeowner pays that portion of the sale price. Many homeowners confuse their monthly Premium and their Deductible payment – these are separate values, and your premium payment has no relation to your insurance claim or RCV amount. The deductible payment is due upon the completion of work outlined in the SFD.
<b>Supplemental Invoicing/Additional Payments</b>	On all insurance claims, CCS compares your SFD against our historic data from previous claims. Should we find an item that is short, a mathematical error, or items simply missed from the adjuster, CCS will write a supplemental invoice to your insurance company requesting additional funding to be paid. When these additional funds released, they are added to the RCV and become part of our contract. ALL supplemental invoice payments are due to CCS.
<b>Mortgage Endorsement</b>	If you have a mortgage on your property, the insurance company may list the mortgage holder as a payee on your insurance checks. In this case you will be required to do some leg work and find out your particular mortgage company procedure for having them endorse the insurance checks. In some cases, the mortgage company may require inspections to ensure all of the work being paid for by your insurance company is done. Each mortgage company may have their procedure and they may not talk to CCS. Each case may be unique and CCS will do our best to walk you the process.

### ACCEPTANCE OF AGREEMENT

My Cardinal Catastrophe Services Project Manager and/or Representative has discussed the above items with me, and I understand and accept the materials described above to be used on my restoration project.

INSURED'S SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

CCS AUTHORIZED SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

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