CONTRACTOR GUIDANCE · LOSS DRAFT CLAIMS

What a contractor's bid should include

Mortgage companies review contractor bids before releasing insurance claim funds. A complete, itemized bid that lines up with the adjuster's estimate helps the review move faster and reduces requests for more information. Use the checklist below when preparing or reviewing a bid.

01 Contractor identification

- Legal business name
- Business address
- Phone number and email
- License number (if required by the state)
- Insurance information: general liability and workers' compensation, if applicable
- Contact person

02 Property information

- Property address
- Property owner's name
- Insurance claim number (recommended)
- Date of estimate

03 Detailed scope of work

Describe each repair item clearly. Vague, lump-sum descriptions slow down review.

AVOID

"Repair storm damage – $25,000"

PREFERRED

- Remove and dispose of damaged roofing materials (2,500 sq. ft.)
- Install new architectural shingles matching existing
- Replace damaged roof underlayment
- Replace drip edge and flashing
- Replace damaged gutters and downspouts
- Repair water-damaged drywall in master bedroom ceiling
- Prime and paint repaired areas

Tip: The scope should correspond closely to the insurance adjuster's estimate.

04 Itemized pricing

Break costs into categories such as:

- Demolition/removal
- Materials
- Labor
- Equipment
- Subcontractors
- Permits
- Overhead and profit (if applicable)

EXAMPLE

ITEM	COST
Roof replacement	$18,500
Gutters	$2,200
Interior drywall repairs	$1,750
Painting	$1,200
Permit fees	$350
Total	$24,000

> Many mortgage companies prefer itemized pricing because it is easier to compare against the adjuster's estimate.

05 Code upgrade items

If repairs require compliance with current building codes, list these items separately:

- Code-required ice and water shield
- Electrical upgrades
- Structural requirements
- Permit-related code compliance

> Why it matters: Separating code items is especially important if supplemental insurance payments may be requested.

06 Materials specifications

Include:

- Manufacturer
- Product type
- Grade or quality level
- Quantity, where applicable

> Example: CertainTeed Landmark architectural shingles, 30-year warranty, color: Weathered Wood

07 Project timeline

- Estimated start date
- Estimated completion date
- Duration of work

08 Payment terms

For mortgage company review, payment terms should clearly state:

- Total contract amount
- Deposit requirements (if any)
- Progress payment schedule
- Final payment upon completion

> Avoid requesting full payment upfront.

09 Signatures

- Contractor signature
- Contractor printed name and title
- Date
- Property owner signature (if required)