AEREP
APA ENGINEER REPORT EVALUATION PROGRAM

How to read and score an engineer report
By Don Wood, PA, ACA, ASPE

apassociation.org
EVALUATING ENGINEER REPORTS

INTRODUCTION

Use of the spreadsheet “Engineer Report Checklist” is hereby granted to designated recipients including the American Policyholder Association. This guide is intended to be used in conjunction with the APA Engineer Report Evaluation Program (AEREP) (available at apassociation.org/report-eval/) and the APA Engineer Research & Complaint Portal (apassociation.org/apa-engineer-research-complaint-portal/)

Frequently, an insurance company will hire an outside engineering firm to evaluate a damaged property to determine causation of loss. During the claims process, the interests of the insurance company and the policyholder can be considered “adverse” and there is a possibility of bias on the part of insurance company employees or vendors toward the insurer that hires and pays them.

The American Policyholder Association has received increasing complaints of claims being denied payment by insurance companies citing the findings of an engineer’s report as the reason for full or partial denial. While most engineers practice their profession in an honest, trustworthy manner, there have been instances of reports being prepared (or changed after the fact) that contain violations of engineering board ethics standards and even outright criminal fraud.

An engineer report prepared at the request of an insurer must be evaluated thoroughly by someone familiar with reputable engineer methodology and the facts of the project. Contractors, public adjusters, and attorneys must become practiced at reading engineer reports. If you can’t do it, get a reputable engineer on board.

TIPS RECOMMENDED BY INSURANCE CLAIM EXPERTS

If your insurer assigns an engineer (or other expert) to your claim:

1. Request in writing for your insurance company to provide you with the specific language of the expert’s assignment: exactly what is the expert assigned to do in your home and for what purpose.

2. Notify your insurer in writing that they are to provide you with a copy of the expert’s report.

3. Contact the assigned engineering firm immediately and give them written notification (and CC the insurer) that:
   • An appointment is required to inspect your property.
   • You request a copy of the assigned engineer’s CV/Bio listing all qualifications, education and license numbers.
   • Your Contractor, Public Adjuster, or Attorney will be present to monitor the inspection.
   • The entire inspection will be video recorded.

Do not allow anyone on your property until they have first given you a business card and shown you legal identification confirming they are the person on the card.

Note: As part of your insurance contract, you have the “Duty to Cooperate” with the insurer’s efforts to investigate and adjust your claim. Be pleasant and cooperative. Do not interfere with the inspection in any way. Some inspectors will have questions for you. Because of your duty to cooperate, it is best that you answer those questions to the best of your ability. If you have a representative (attorney, public adjuster, etc) have them inform the inspector that you are happy to answer any questions, and if the inspector will submit the questions to your representative, they will ensure that they are answered in a thorough and timely manner.

A WORD ON PEER REVIEW

Peer Review is a process where an inspecting engineer’s report is reviewed by others at the engineering firm who may not have physically inspected the property. Significant changes may be made to the report. Changes may also be made by others involved in your claim which can dramatically impact the outcome of your claim. While most companies will try to suppress the original report, it can be extremely helpful to get a copy. If you have an adverse claim experience, you should request from the engineering firm, your insurer, and even have your Public Adjuster or Attorney attempt to get a copy.
THE AEREP ANALYSIS TOOL

The purpose of this analysis tool is to help you read the engineer report and point you to the areas where APA members have reported bias-related problems in the past. When appropriate, it will also help evaluate the report for referral to the American Policyholder Association (APA) for possible licensing board violations or criminal fraud. Fraud happens, and this tool can help prevent, expose, and potentially stop insurer-side fraud.

It can also assist you by confirming the damages and proceeding with assisting your customer. It may tell you that you must do further investigation or that your client needs to retain their own engineer.

The program is part of a simple decision tree in a claims process. Answering the questions in the program generates an analysis of the completeness and objectivity of the engineer report.

Initially review is by the insured, the contractor, and his or her manufacturer representative or specialist. If help is needed, it may also be reviewed by an experienced public adjuster, a trusted consulting engineer, or perhaps by an experienced first party claims plaintiff attorney. Ultimately, if conditions are met, it may involve reporting to the engineer’s licensing board disciplinary committee or the APA Special Investigations Unit (SIU) for investigation and possible referral to criminal prosecutors.

Disagreement does not necessarily mean ethics violation or fraud. While you may not like the engineer’s findings, that does not mean that he or she did anything wrong. AEREP is merely a tool to indicate areas that should be further investigated to uncover possible issues. As part of that process you may wish to get a second opinion from your own engineer, or retain a professional advocate.

Just reviewing the engineer report does not require understanding the policy. When someone is added who can also review the applicable insurance policy, the review becomes part of the overall claim handling procedure. That means knowing an experienced public adjuster or first party claims attorney. If you don’t know a trustworthy engineer, they can recommend one to you.

BREAKING DOWN THE ENGINEER REPORT

We recommend you find trustworthy associates in your industry to be able to fully assist policyholders.

The parts of the engineer report may be broken down into several parts:

A. Report - introduction, background, assignment, building location, and weather data.
B. Inspection - who, what, when, and photos
C. Investigation - damages and causes.
D. Focus - reveals bias, out-come-oriented approach, or whether proper codes are mentioned and whether the policy is quoted by the engineer.
E. Conclusion - causation and recommended repairs.
F. Summary Score - totals the positives and negatives for a relative picture of how the engineer did his or her job. With continued use, the score reveals whether the engineer overcame bias and did their job professionally. It is informative for comparison purposes.

AEREP is an interactive online program. You must register for use and upload the engineer report. All information is 100% secure and confidential. You will be emailed an anonymous report number and have a dashboard to manage the reports you have analyzed. The program itself is a series of questions that guide you through the engineer report, focusing on potential problem areas.

You may choose from two modes: “Preliminary Diagnosis” and “Full Diagnosis”. Answer each relevant yes/no question and leave blank the ones that are not relevant or you don’t know the answer to; Do not answer them. Each question has a pop-up explanation that you can access by clicking on the information icon. As you answer the questions, you will be alerted to possible action and with whom that action should focus.
You must answer the questions accurately. The more accurate your answers are, the more useful the AEREP tool will be.

Whether you answer Y or N does not mean it is a positive or negative result. Some Y answers are negative outcomes and some N answers are positive. Again, it is recommended to leave the answer field blank if you do not know the answer to a given question.

Be sure to answer questions honestly and professionally. Do not allow possible frustrations to cloud your integrity or adversely skew the AEREP results. As all information is confidential, do not circulate your reports outside of the team of professionals assisting on the claim, or the APA reporting/investigative team.

Once your analysis is submitted, you will receive a confidential email with an anonymous report number. This output summary will contain a listing of all red flags produced in your answers, an explanation of why each is an issue, and a possible course of action to pursue.

Professionals can use AEREP to analyze past reports already in your files. You may be amazed by the results. Please use the feedback survey to alert us to possible ways to improve the program and further benefit policyholders.

### A WORD ON BIAS

Bias exists on all sides and can influence not only the results of a report prepared by an engineer for the insurance company, but also the results of this analysis of that report.

While you may feel you have a vested interest in the results, it is important that you put your own bias aside when inputting your answers to the checklist. Answer all questions in a fair and honest manner. When all sides strive to overcome bias, it serves to benefit individual policyholders and leads to more efficient insurance markets for everyone.

The score total is relative for comparison with other reports. It will aid further professional, civil, or legal consideration. It will also build a database of engineer reports that have been reviewed by someone who saw the loss site. This will be invaluable in assisting consumers during the insurance claims process.

Our thanks to American Policyholder Association’s Doug Quinn and Heather Shapter for their unceasing efforts to help all of us and our clients. APA Board Advisors and APA Professional Members make it possible.

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**DON WOOD, PA, ACA, ASPE**  
*(800) 803-9776*  
Board Advisor: American Policyholder Association  
Board Advisor: American Adjuster Association

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### HOW TO ACCESS THE EVALUATION TOOL

The APA Engineer Report Evaluation Tool can be accessed online by scanning the QR Code or going to the link below. Please have a digital copy of the report ready to upload.

All personal information is confidential and secure.  
apassociation.org/report-eval

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### ABOUT THE APA

The American Policyholder Association is a non-profit 501c4 watchdog organization that promotes integrity, honesty and best practices in the property loss adjustment sector of the insurance industry.

The APA is primarily focused on protecting consumers from insurer fraud and professional licensing violations which occur during the claims process and also can be rampant after Natural Disasters.

The APA is comprised of property owner policyholders, non-profit organizations, and advocates whose mission it is to provide aid to property owners seeking benefits at the time of loss. The APA has been active in individual claims and natural disasters all over the country. We work in conjunction with Attorneys General, Prosecutors, and Licensing Disciplinary Boards in our Consumer Protection mission.

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