



# COLONIAL CLAIMS

## OVERHEAD AND PROFIT GUIDELINES

When the policyholder performs the duties of a general contractor on some trades or repairs, the policyholder is entitled to a fair overhead allowance (not profit) for the time spent hiring, scheduling, and overseeing repair performance. This allowance is limited to 5 percent. The adjuster must fully justify a higher percentage.



### *NFIP typically omits general contractor OHP on adjuster-estimated allowances for:*

- € Cleanup
- € Treatment against mold & mildew
- € Building dry-out
- € HVAC
- € Kitchen appliances
- € Carpet and padding
- € Contractor receipts or quotes

These “Non- OHP trades” are mostly performed by an outside service hired by the policyholder. If the general contractor estimates or repairs include “Non-OHP trades”, the adjuster should ensure justification, note the file, and apply OHP accordingly.

