



## 2022 Flood - Disaster Assistance for Hay River Small Businesses and Non-Profit Organizations

### How to Use your Damage Assessment Report

The Government of the Northwest Territories (GNWT) has completed a detailed damage assessment on your property and provided you with a copy of the Damage Assessment Report, but now what? How does the Damage Assessment Report relate to the claim you will eventually make for disaster assistance? How do you use it to request an advance?

Please note that, under the GNWT's [Disaster Assistance Policy](#), non-profit organizations are considered small businesses, and this document uses the term “small business” to refer to both small businesses and non-profit organizations. Small businesses also include residential rentals, such as a landlord renting part of a house to a tenant.

The GNWT provides disaster assistance to small businesses for damages or losses due to a disaster event that were neither preventable nor insurable. Assistance may be provided to small businesses for damages to inventory, office supplies, tools, equipment and structures essential to the operation of the business.

You are strongly encouraged to review the [NWT Disaster Assistance Handbook for Small Businesses and Non-Profit Organizations](#) for more information on what is, and is not, eligible for disaster assistance.

**It is important to understand that disaster assistance is not insurance, it is not a compensation program, and it will not cover all your damage and losses.**

We understand that this is a difficult time and that you have many questions. It is helpful to understand that there are multiple steps in the process to obtain disaster assistance. These steps are as follows:

- 1. The GNWT arranges and pays for detailed damage assessments**



**2. The final Damage Assessment Report is provided to the small business owner**

The Damage Assessment Report is an estimate only. It provides information on the damage to your small business and contents that were lost/destroyed, and an estimate of what it may cost to repair your small business and replace essential contents.

Repairs and replacing contents and other property may cost you more, or less, than the amounts in the Assessment Report.

Additional approvals will be required to access disaster assistance for replacing a building. **Please contact a Pathfinder if you believe that your damaged building should be replaced instead of repaired.**

**3. Apply for an advance (against your final claim for disaster assistance)**

Apply for an advance now if you need money to do repairs, replace contents and/or replace other property.

This document explains how you use the information in your Damage Assessment Report to apply for an advance. Any advance you receive will be deducted from your future final claim for disaster assistance.

**4. Small business owner arranges for repairs and replacement of contents**

It is you who will make the decisions about the repairs needed and what contents and other property you need to replace. You can hire contractors, or do repairs yourself, or a combination of the two, and you can purchase contents or other property essential to the operation of your business.

**5. Keep records of repairs and replacement costs**

As you make your repairs and replace items, keep all receipts, invoices, quotes, etc. You will need to submit this information as part of your claim for damage assistance once you are ready to submit your final claim. Your documentation will be used to determine if the costs are eligible, or not, for disaster assistance.



## 6. Submit a claim for disaster assistance

After you have done all your repairs and replaced your essential contents, submit a final claim, with your receipts and documentation. Your claim will be assessed, and you will be provided with disaster assistance for eligible costs.

## How the Damage Assessment Report relates to your Claim for Disaster Assistance

The following information will walk you through the three sections on the cover of your Assessment Report.

### 1. Building

There are two estimates that were used to arrive at the total building number: Emergency, and Repair. Please see the Grand Total Areas section of your Assessment Report for these numbers.

*Emergency* – this is the abatement work that may have been done by the GNWT to your small business to remove damage and do the work to stop mold growth. This included such things as removing skirting and insulation from your crawlspace, removing flooring, removing drywall to above the water line, and mold cleaning and spraying.

**If the GNWT did the abatement work on your small business, then this cost is not an eligible cost and you cannot claim this amount on your application for disaster assistance.**

You can claim disaster assistance for emergency abatement work that you did yourself or hired a contractor to do. You will be required to submit documentation (e.g. pictures), receipts and records of time spent undertaking this work.

*Repair* – this is an estimate of how much repairs may cost, but it is not a fixed or final number. It is provided to assist you with an estimate of the nature and extent of the damage and what it would cost to repair.

Only the cost to do repairs to restore your small business to a pre-existing condition (before the disaster) is eligible. If you do any improvements, those costs are not eligible for disaster assistance.



Additional assistance for mitigation measures may be available separately from disaster assistance. To be eligible for funding, mitigation must be approved by the GNWT prior to work being undertaken. If you want to mitigate your small business from future disasters, contact your Pathfinder for additional information on Disaster Mitigation Measures Assistance for Hay River Residents and Small Businesses.

It is expected that there will be differences in your final repair costs (based on receipts, etc.) and the estimates in your Damage Assessment Report. For example, your Damage Assessment Report may include an estimate for drywall or flooring, but what you actually paid to purchase and install those items may be higher or lower.

## 2. Contents

This number is made up of two parts: Contents Handling, and Contents Replacement.

*Contents Handling* – this is the estimated cost for removing all your damaged contents and installing/assembling your new contents.

*Contents Replacement* – this is the estimated cost for you to replace essential contents.

If your business is renting apartments or houses, you may be able to make a claim for contents based on a Standardized Items List (SIL), which has been developed by the GNWT can be found in the [NWT Disaster Financial Assistance Handbook for Residents](#). It is important to understand that the model calculates the loss of the contents of a typical home and not your rental unit(s).

There is no SIL for businesses because of the wide variety of potential items essential to the operation of any specific business. To determine the Content Replacement estimate for businesses premises, refer to the Schedule of Loss portion of your damage assessment, which was developed based on research valuations and price comparisons.

You will need to provide receipts and demonstrate that the contents and other items claimed were essential to the operations of your business in order for them to be eligible for disaster assistance.



**Leases** – for those small business owners who were leasing or renting their business premises and do not own the property – you may claim for contents only. Claims for repairs to structures can only be made by the property owner.

### **Other Property**

Not every small business damage assessment will contain a total in this section. The Other Property section includes items such as vehicles, fishing boats and engines, tools, etc. that may have been damaged or lost. This number is included in the Assessment Report so that you have full information on all your damages and losses. Items in this section may be considered eligible if you can demonstrate in your claim that they are an essential part of your business operation.

**It is important to remember that the Damage Assessment Report is an estimate only.**

The GNWT is using the Damage Assessment Reports now as an estimate for what your overall final claim for disaster assistance could be.

If you do not agree with the estimates in the Assessment Report, you may hire your own assessor. Costs for another assessment are not paid for by the GNWT and they are not an eligible cost for disaster assistance.



## How to use the Damage Assessment Report to apply for an Advance

The Damage Assessment Report is used as the basis to provide you with an advance against your final claim for disaster assistance. Advances will be deducted off your final claim.

On the cover of your Assessment Report, there may be four (4) rows of numbers:

1. Building
2. Contents
3. Other Property
4. Totals

Add the three numbers for “Building”, “Contents” and “Other Property” to get a total. You can apply for an advance of up to 50% of this amount, to a **maximum of \$300,000**.

**(Building + Contents + Other Property) x 50% = Advance**

For example:

$(\$100,000 + \$20,000 + \$20,000) \times 50\% = \$70,000$  advance

Expressed another way, add your “Building”, “Contents” and “Other Property” and divide by 2.



## Disaster Assistance Amounts

If you have all your receipts, invoices, quotes, etc., you are ready to use this information as part of your submission for a claim for disaster assistance.

Small business owners may receive disaster assistance for eligible costs on the following basis:

- If your claim is less than \$240,000, the maximum disaster assistance you can receive is 90% of your total eligible claim.
- If your claim is over \$240,000
  - The first \$240,000 is provided at 100% of your total eligible claim
  - The remainder is provided at 50% of your total eligible claim, to a maximum of \$600,000.
- If you are leasing or renting your business premises, you can only claim for Contents and Other Property.
- Building Emergency (i.e., Abatement for Primary Residence)
  - You cannot include this on the claim if the work was done by GNWT.
  - You can claim disaster assistance for emergency abatement work that you did yourself or hired a contractor to do. You will be required to submit documentation (e.g. pictures), receipts and records of time spent undertaking this work.
  - Any abatement work claimed is calculated as part of your final claim for building repairs.

**It is important to note that disaster assistance only provides for essential items. Costs of non-essential items, and anything that is or could be covered by another financial source, including insurance or the GNWT, is not eligible for disaster assistance.**



## Claim Scenarios

So how does this information determine how much disaster assistance you will receive? And how does the advance against your final claim work? Some potential scenarios are below.

### Scenario #1 – Claim of Less than \$240,000

- Damage Assessment Report totals \$140,000 on the following basis:
  - Building - \$100,000
  - Contents - \$20,000
  - Other Property - \$20,000
- An advance of \$70,000 was provided, as follows:

**(Building + Contents + Other Property) x 50% = Advance**

$(\$100,000 + \$20,000 + \$20,000) \times 50\% = \$70,000$  advance

OR

$(\$100,000 + \$20,000 + \$20,000) \div 2 = \$70,000$  advance

- The small business hired a contractor and has replaced essential business contents; small business has receipts, documentation, etc. and submits a claim for disaster assistance of \$190,000.

Item	Amount	Notes
Actual Building Repair Costs	130,000	All receipts, etc. are reviewed, and are determined to be eligible costs
Contents	30,000	Small business provided receipts, and items determined to be eligible costs
Other Property	30,000	Small business provided receipts, and items determined to be eligible costs
	190,000	Claim filed by small business
Calculation of Assistance:		
Less: 90% applied (subtract 10%)	(19,000)	Claims under \$240,000 are eligible to receive 90% of total eligible costs
Total Claim	171,000	
Less: Advance	(70,000)	Advances are deducted from final claims



<b>Disaster Assistance Provided</b>	<b>101,000</b>	Remaining disaster assistance provided to the small business
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### Scenario #2 – Claim of More than \$240,000

- Damage Assessment Report totals \$300,000 on the following basis:
  - Building - \$270,000
  - Contents - \$20,000
  - Other Property - \$10,000
- An advance of \$150,000 was provided, as follows:

**(Building + Contents + Other Property) x 50% = Advance**

For example:  
 (\$270,000 + \$20,000 + \$10,000) x 50% = \$150,000 advance  
 OR  
 (\$270,000 + \$20,000 + \$10,000) ÷ 2 = \$150,000 advance

- Small business hired a contractor and has replaced essential contents; small business has receipts, documentation, etc. and submits a claim for \$420,000.

Item	Amount	Notes
Actual Building Repair Costs	350,000	All receipts, etc. are reviewed, and are determined to be eligible costs
Contents	50,000	Small business provided receipts, and items determined to be eligible costs
Other Property	20,000	Small business provided receipts, and items determined to be eligible costs
	420,000	Claim filed by small business
Calculation of Assistance:		
100% of First \$240,000	240,000	For claims over \$240,000, the first \$240,000 is provided at 100%
50% of Remainder over \$240,000	90,000	The remainder is provided at 50%, to a maximum of \$600,000. $\$420,000 - \$240,000 = \$180,000$ $\$180,000 \times 50\% = \$90,000$
Total Claim	330,000	Claim is under total maximum of \$600,000



Less: Advance	(150,000)	Advances are deducted from final claims
<b>Disaster Assistance Provided</b>	<b>180,000</b>	Remaining disaster assistance provided to the small business

### Scenario #3 – Claim of Less than \$240,000 and small business has Insurance

- Damage Assessment Report totals \$140,000 on the following basis:
  - Building - \$100,000
  - Contents - \$20,000
  - Other Property - \$20,000
- An advance of \$70,000 was provided, as follows:

**(Building + Contents + Other Property) x 50% = Advance**

For example:  
 $(\$100,000 + \$20,000 + \$20,000) \times 50\% = \$70,000$  advance  
 OR  
 $(\$100,000 + \$20,000 + \$20,000) \div 2 = \$70,000$  advance

- Small business hired a contractor and has replaced essential contents; small business has receipts, documentation, etc. and submits a claim for \$140,000.
- Small businesses’ insurance proceeds covered \$50,000 of the damages.

Item	Amount	Notes
Actual Building Repair Costs	100,000	All receipts, etc. are reviewed, and are determined to be eligible costs
Contents	20,000	Small business provided receipts, and items determined to be eligible costs
Other Property	20,000	Small business provided receipts, and items determined to be eligible costs
Less: Insurance coverage	(50,000)	Disaster assistance is not provided for costs that are eligible for funding from another source
	90,000	Total eligible claim filed by small business
Calculation of Assistance:		



Less: 90% applied (subtract 10%)	(9,000)	Claims under \$240,000 are eligible to receive 90% of total eligible costs
Total Claim	81,000	
Less: Advance	(70,000)	Advances are deducted from final claims
<b>Disaster Assistance Provided</b>	<b>11,000</b>	Remaining disaster assistance paid to the small business