Flourish

THE ROOFING CASH PLAYBOOK

Get paid in full *on every roof you sell.*

The weekly numbers, depreciation and supplement checklists, Texas deductible rules, mortgage-check steps and scripts that get insurance roofers paid in full, and make the company worth more when storm season ends.

INSIDE

- Six numbers to check every Friday
- Depreciation release package
- Texas deductible rules and process
- Supplement tracking
- Mortgage two-party checks
- Job costing and commissions
- Follow-up schedule by payer
- 13-week cash forecast for storm season
- What buyers look for

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01 · WHERE THE MONEY LEAKS

The roof is on. *The money is still out there.*

In insurance roofing, a job gets paid in pieces: ACV, depreciation, supplements, the deductible, and a mortgage check that has to be endorsed. Every piece has its own clock and its own way of getting stuck. This playbook gives each one a checklist, a script and an owner.

About 33%

of the claim held back as depreciation in one worked example, paid only after the release package went in [5]

$12,000

of depreciation one roofer lost by missing a policy's completion deadline [14]

7 to 56

Roofing deals KPMG tracked per year, 2018 to 2025. Buyers are paying attention. [1]

The leaks this playbook closes

01 **Depreciation released late or never.** In our view, the biggest single leak in the claim back end.

02 **Supplements sent and never chased.** Drip edge, ice and water, ventilation, decking, ridge and starter are the usual misses. [7]

03 **Mortgage checks stuck at the lender.** A check made out to the homeowner and their lender can take 10 to 30 business days to come back. [5]

04 **Deductibles chased after install.** In Texas, an unpaid deductible can hold up the depreciation check too. [10]

05 **Commissions paid before the money is in.** Paying on signed contracts exposes you to cancellations and unpaid supplements. [6]

06 **No job costing, no insurance vs. retail split.** Losing jobs hide inside a good storm year.

How to use it: print the Friday numbers (page 3) and the follow-up schedule (page 9), put them where your office manager can see them, and review the rest once a month. Numbers in brackets point to the sources on the last pages.

02 · FRIDAY NUMBERS

Six numbers to check *every Friday.*

Set aside 15 minutes every Friday to check these six numbers. In storm season, they're the difference between a record year and a cash crunch.

NUMBER	HOW TO GET IT	HEALTHY RANGE	THIS WEEK
Weeks of cash cover	Cash on hand against payroll, crews and supplier bills due	**4 weeks or more**, 6 in storm season	
Installed, not invoiced	Jobs installed with no final invoice	**Zero** older than 2 business days	
Installed, no depreciation package	Insurance jobs installed with no depreciation release sent	**Zero** older than 2 business days	
A/R past its payer's limit	Count and dollars, using the follow-up schedule on page 9	**Every item has a name and next step**	
Supplements open	Dollars asked vs. approved, and the oldest	**None over 30 days without escalation**	
Gross margin, jobs closed	Insurance and retail separately	**Insurance 40% to 50%. Retail about 25%.** [5,17]	

How to run it

- [ ] Owner, office manager and production lead.
- [ ] Write the numbers in the last column. Circle anything off target.
- [ ] Every circle gets one name and one date.
- [ ] After a big storm, run it twice a week until the backlog clears.
- [ ] Targets here are suggested working targets, not guarantees.

Send the package *within 2 business days of install.*

In one worked example, a third of the claim was held back as depreciation, paid only after the contractor proved the work was done. It tends to arrive about 180 days out, against about 90 for the ACV check. Miss the policy deadline and it's gone.[5,14]

NUMBER TO WATCH	TARGET
Installed insurance jobs with no depreciation package	Zero older than 2 business days

The release package

- [ ] **Collect the deductible first.** Texas lets the carrier hold depreciation until it sees proof of payment.
- [ ] Claim number, policy number, date of loss and adjuster on every page
- [ ] Final invoice matching the approved scope plus approved supplements
- [ ] Certificate of completion signed by the homeowner
- [ ] Completion photos: every slope, ridge, vents, flashing, drip edge, and decking from tear-off
- [ ] Proof the deductible was paid: canceled check, card statement or signed financing agreement
- [ ] Approved supplement letters and signed change orders
- [ ] Permit and final inspection where the city requires one
- [ ] Log it: date sent, how, who confirmed, next follow-up

DEPRECIATION RELEASE REQUEST

Subject: Recoverable depreciation, claim [#], [address]: requesting release

Hi [adjuster],

Work on this claim is complete as of [install date]. Please release the recoverable depreciation of $[amount].

Attached:
Final invoice for $[amount], matching the approved scope and supplements
Certificate of completion signed by the homeowner
Completion photos
Proof the deductible of $[amount] was paid

Policy number: [#]. Date of loss: [date].

Can you confirm:
1. You've received this package and have everything you need. If anything is missing, tell me and I'll send it within one business day.
2. The expected payment date.
3. Who the check will be made out to.

Our crew and supplier payments for this job are due [date].

Thank you,
[Name], [Company], [phone]

Buyer's view. Buyers ask for your depreciation recovery rate and carrier timelines. A log of every package sent and paid is that proof.[3]

04 · DEDUCTIBLES

Collect it on schedule. *Never waive it.*

Texas law requires the homeowner to pay the deductible, and lets the carrier hold depreciation until it sees proof. Waiving, absorbing or rebating a deductible is a Class B misdemeanor, with up to a $2,000 fine and 180 days in jail.[10,12]

NUMBER TO WATCH	TARGET
Deductible write-offs	$0

The process[11]

- [ ] Contracts of **$1,000 or more** paid from insurance carry the deductible notice in **12-point bold** (§ 27.02(b))
- [ ] Copy the notice word for word from the statute
- [ ] Put the deductible amount and due date on the payment schedule: at or before material drop
- [ ] Reminders 3 days before, the day of, day 7 and day 14. Owner call on day 21.
- [ ] Collect by a method that creates proof: check, card or financing agreement
- [ ] Save the proof to the job file. It goes in the depreciation package.
- [ ] No “we’ll cover your deductible,” sign-up bonuses or credits that offset it

DEDUCTIBLE REMINDER (TEXT OR EMAIL)

Hi [first name], this is [name] with [company]. Your materials are scheduled to arrive on [date]. Your insurance deductible of $[amount] is due by then, per your contract.

Texas law requires you to pay your deductible, and your insurance company can hold your final payment until it sees proof it was paid. Paying by check, card or our financing option gives you that proof.

You can pay here: [link], or by check to [company]. Reply with any questions. Thank you!

THE LAW IN ONE LINE

Without the insurer’s consent, a contractor may not pay, waive, absorb or decline to collect a deductible, or give a rebate or credit that offsets it. Tex. Bus. & Com. Code § 27.02(c).

Keep one list *and chase it every week.*

In one worked example, a $4,200 supplement added 14% to a $30,000 roof, and the usual misses are the same few line items. Too often it stalls at the desk adjuster and gets forgotten.[5,7]

NUMBER TO WATCH	TARGET
Supplements open more than 30 days	None without escalation

Run the list

- [ ] One list for every supplement: job, carrier, claim #, desk adjuster, date sent, $ asked, $ approved, status, days open, next follow-up
- [ ] Follow up every 7 days and log it. Supervisor at day 30.
- [ ] Book an approved supplement as a change to contract value. A $4,200 approval moves a $30,000 job to $34,200.
- [ ] Keep unapproved supplements **out of revenue**
- [ ] Check every scope for the common misses: drip edge, ice and water, ventilation, extra layers, rotted decking, ridge cap, starter
- [ ] Stay on your own scope, measurements, code items and pricing. Don’t argue coverage for the homeowner.

WEEKLY SUPPLEMENT REVIEW

Every Friday, sort the list by days open:

Total $ asked this month
Total $ approved this month
Approval rate, by carrier
Oldest open supplement, and who owns it

Buyers ask for your supplement rate, average supplement per job and average recovery. This list is your answer.

Buyer’s view. Buyers review the share of jobs supplemented, the average approved per job and how it trends. Supplement-dependent revenue with no records gets discounted.[3,4]

Two-party checks, *logged the day they arrive.*

A check made out to the homeowner and their lender can take 10 to 30 business days to come back, and in storm season endorsement can add 2 to 6 weeks to the carrier's timeline. Bigger checks get paid in draws after inspections. A clean package and an early inspection request are what keep it moving.[5,9]

NUMBER TO WATCH	TARGET
Two-party checks past 10 business days	Every one called weekly

The steps[8,9]

- [ ] Log the check the day it arrives: payees, amount, lender, loan number, date
- [ ] The homeowner calls the lender's **loss draft department** and asks for their list
- [ ] Everyone named on the check endorses it, including any second lender
- [ ] Send the package: settlement letter, signed contract or estimate, W-9, license and insurance, lien waiver, lender forms
- [ ] Expect draws on bigger checks: often a third up front, a third at 50% after inspection, a third at the end
- [ ] Ask for each inspection about a week before the 50% and 100% marks
- [ ] Flag at 10 business days and call weekly after that

LENDER FOLLOW-UP (HOMEOWNER SENDS, YOU'RE COPIED)

Subject: Insurance check, loan [#], [homeowner]: checking on funding

Hello Loss Draft Department,

I sent an insurance claim check for $[amount], check [#], from [carrier], on [date]. The property is [address]. The roof is [not started / 50% complete / complete].

Can you tell me:
1. Have you received the check and my documents?
2. Is anything missing? I can send it today.
3. Will funds be released in full or in draws?
4. Do you need an inspection, and how do I schedule it?
5. What date should I expect payment?

My roofer is scheduled to start on [date], so I'd like to have the funds by then.

Our contractor, [company], has my permission to discuss this claim: [name, phone, email].

Thank you,
[Homeowner], [phone]

Know what every roof made, *then pay on it.*

One bookkeeping guide says most healthy storm-restoration roofers run 40% to 50% gross margin on insurance work, and one contractor aims for 25% on retail. Without a per-job number you can't tell which reps, lead sources or job types carry the business. Paying commission on collected profit lines your sales team up with your cash. [5,15,17]

NUMBER TO WATCH	TARGET
Gross margin, insurance vs. retail	Insurance 40% to 50%, retail about 25%

Set it up once [5,6]

- [ ] Job cost every closed job within **30 days**: collected minus materials, labor, dump, permits and commission
- [ ] Report insurance and retail margins **separately** every month
- [ ] Pay commission **after the job is collected**, on profit, not price
- [ ] Keep total commissions under **12%** of the company's gross income
- [ ] Supplement and depreciation dollars pay commission only once they're in the bank
- [ ] Accrue commission owed on installed jobs every month, so profit isn't overstated
- [ ] Hold a warranty reserve of **1% to 3%** of contract revenue and charge callbacks against it

COMMISSION STATEMENT, PER JOB

Contract value
Supplements approved
Collected to date
Job cost
Profit
Rep share
Chargebacks (deductible not collected, depreciation lost to missing paperwork)

One page per job. Reps can see exactly how they get paid, and so can a buyer.

Buyer's view. Buyers check whether commissions are accrued, whether warranty callbacks are reserved, and whether the owner's market salary is in the P&L. Adding a market salary alone can cut EBITDA 20% to 40% in owner-driven companies. [4]

Each payer, *its own clock.*

An insurance roof is paid by up to five different people. Each one gets its own schedule. These day counts are suggested; the Texas carrier deadlines come from the statute.

WHEN	WHO	WHAT TO DO
All items sent	Carrier: ACV	Follow up day 7, then weekly. Texas carriers must decide within **15 business days** of getting all items and pay within **5** after accepting.
Install complete	Carrier: depreciation	Package out in 2 business days (page 4). Follow up day 7, 14, 21. Supervisor at day 30.
Supplement sent	Desk adjuster	Every 7 days, logged. Supervisor at day 30.
Check received	Mortgage lender	Log it the same day. Package out. Flag at 10 business days, then call weekly.
3 days before material drop	Homeowner	Deductible reminder. Again the day of, day 7 and day 14. Owner call on day 21.
Retail job complete	Homeowner	Final invoice the same day. Follow up at day 7 and 14.
Every Friday	Owner	Anything past its payer's limit goes on your Friday numbers sheet with a name next to it.

Good to know. Order matters. Collect the deductible before you send the depreciation package, because Texas lets the carrier hold depreciation until it sees proof the deductible was paid (Ins. Code § 707.004). [10]

09 · DEADLINES THAT COST REAL MONEY

Texas rules *every insurance roofer should know.*

The claim deadlines belong to your customer's claim, but they tell you when to expect money and when to ask why not. The deductible rules are yours, and they carry criminal penalties.

DEADLINE	WHAT IT MEANS FOR YOU	WHERE IT COMES FROM
15 business days after all items received	The carrier accepts or rejects the claim	Texas Prompt Payment of Claims Act, Ins. Code ch. 542 [13]
5 business days after acceptance	The carrier pays. Late payment can carry interest, and hail and wind claims use a lower rate than other claims (ch. 542A).	Ins. Code ch. 542 [13]
Set by each policy	Depreciation deadlines are often 12 months from the loss. Some policies set two years. Check every one.	Policy wording [5,14]
Contracts signed from Sept 1, 2019	Contracts of $1,000 or more paid from insurance carry the deductible notice in 12-point bold	Bus. & Com. Code § 27.02(b) [10,11]
Every job	No waiving, absorbing or rebating the deductible. Class B misdemeanor.	§ 27.02(c), (d) [10,12]
Before depreciation is released	The carrier may require proof the deductible was paid	Ins. Code § 707.004 [10]
Lender's repair window	One Texas lender expects repairs within 90 days of releasing funds. Ask yours.	Lender loss draft rules [8]

General information, not legal advice. Texas law also bars contractors from acting as public adjusters (Ins. Code § 4102.163, per TDI [16]). Rules change and policies vary. Confirm with your Texas attorney, and copy the full deductible notice directly from the statute.

See the tight week *before it hits payroll.*

Update it every Friday, and twice a week after a big storm. After a storm, material and labor go out in weeks 2 to 8, while ACV checks land around week 12 and depreciation around week 26. That gap is the cash crunch. The forecast shows you the lowest week before you get there, so you can size your credit line to cover it.

WEEK STARTING	W1	W2	W3	W4	W5	W6	W7	W8	W9	W10	W11	W12	W13
Starting cash													
CASH COMING IN													
ACV checks													
Depreciation releases													
Approved supplements													
Mortgage lender releases													
Deductibles													
Retail deposits and finals													
Total in													
CASH GOING OUT													
Materials (net 30 to 60)													
Payroll and crews													
Commissions (on collection)													
Equipment and vehicle payments													
Insurance, taxes, rent, software													
Owner draws and estimated taxes													
Total out													
Ending cash													
Below your floor? Mark it.													

Build the floor *a buyer pays for.*

The roofing deals KPMG tracks went from 7 in 2018 to 56 in 2025. Buyers prize steady retail and service work. For insurance and storm businesses, the key question is normalized earnings, meaning what you earn in a normal year. A big hail year raises your price far less than you'd think, and a steady floor of non-storm work raises it more. One M&A advisor puts companies with 70% or more insurance work at roughly 3.5 to 4.5 times EBITDA, and 70% or more retail at 5.5 to 7 times.[1,2]

Report revenue by channel monthly

Storm insurance, non-storm insurance, retail, commercial, service. Aim for 20% to 25% or more from non-storm work.[3]

Close the books on accrual

Book full RCV, with depreciation and deductible as receivables. Cash books distort storm years.[5]

Split A/R by who holds it

ACV, depreciation, supplement, mortgage, deductible. Keep anything over 90 days small.[3]

Track depreciation recovery

Depreciation collected against depreciation owed, with zero expired.

Keep a supplement scorecard

Share of jobs supplemented, average approved, approval rate by carrier.[3]

Collect every deductible

Write-offs: $0. It's also the law.[10]

Job cost every roof in 30 days

Insurance and retail margins, separately, every month.[5]

Pay commission on collection

Under 12% of gross income.[6]

Reserve for warranty

1% to 3% of contract revenue, with callbacks charged against it.[4,5]

Take yourself out of the middle

Move adjuster and referral relationships to your team 12 to 18 months before selling, and put a market salary for your role in the P&L.[3,4]

The math that matters. One M&A advisor says buyers credit storm revenue at **30% to 50%** of a three-year average, not 100% of your best year.[2] Every dollar of steady, non-storm profit is worth far more at the closing table than a dollar from one big hail season.

12 · SOURCES

Where the numbers *come from.*

Every benchmark in this playbook is tied to a source. Where we use our own math or a working estimate, we say so in the text.

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17. Hook Agency, What a good roofing year looks like (profitability) https://hookagency.com/blog/good-roofing-year-profitability/

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WANT US TO RUN THIS FOR YOU?

We run these numbers for you *and follow up on what you're owed.*

Flourish builds this system for insurance roofers. We connect your accounting and job software, track ACV, depreciation, supplements, deductibles and mortgage checks for every roof, follow up for you, and walk you through the numbers every month, storm season or not.

01 Money Map, a live dashboard built from your accounting and job software.

02 A Monthly Numbers Call that ends with a short to-do list.

03 A 13-Week Cash Forecast we keep current every week.

04 Automated Follow-up on what's stuck, approved by your office before it goes out.

Book a free 30-minute walkthrough with Joe and Karen at buildwithflourish.com

Bring your A/R aging and last month's P&L if you have them.

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