



[Rick Tutwiler](#)

"Navigating the insurance claims process is tough enough for those of us who deal with it every day. Letting the public adjuster and contractor play their proper roles in the insurance claims process, makes a strong partnership that will ultimately serve the client best."

Condo Fire Client Benefits When Everyone is Allowed to Play Their Proper Role

On November 9, 2011 a large fire erupted in an upscale Florida condominium building as a result of a cooking accident by one of the building's unit owners, causing extensive fire, water and smoke damage to the building and all property owned by the unit owners.

Immediately following the loss, the condominium association's Board of Directors quickly hired a local restoration contractor to perform emergency remediation services and also signed a contract with the same firm for full repairs to the building. The restoration company assured the condo's Board of Directors that they were a "one stop shop" who would essentially work with the adjuster assigned by the insurance company to handle the insurance claim, prepare a damage repair estimate, negotiate the scope of repair with the insurance adjuster and complete all damage repairs in a timely manner. This sounded like a fool proof plan that any intelligent condo board would agree to. However, the board president signed the restoration company's authorization contract completely unaware that the Florida Legislature had recently passed SB408 (Chapter 2011-39) with new provisions that strictly prohibited contractors from adjusting insurance claims unless the contractor held a public adjuster license. The new law also prevented contractors who held a public adjuster license from doing any type of

reconstruction, repair, or restoration of damaged property on the same loss, as it would be a conflict of interest. This new law set the stage for what became a very interesting claim because it did not go into effect until January 1, 2012, nearly eight weeks post-loss.

Thankfully, the board was in good hands with an experienced property manager on their team who recommended they seek the advice of an experienced public insurance adjuster. Shortly thereafter, Tutwiler and Associates was invited to the condo board's meeting to explain the role of a public adjuster in the insurance claims process and how that role would compliment what the restoration company was doing. It became very clear to the board that it was in their best interest to hire a public adjuster who would focus on obtaining the best settlement as quickly as possible so they could utilize those funds to work with their contractor whose job was now focused on properly repairing the damaged property.

Tutwiler and Associates public adjuster, Mr. Rick Tutwiler was retained in December 2011 to assist with the insurance claim and upon his initial meeting at the loss site with the insurance company adjuster and the association's contractor, Mr. Tutwiler was advised by both parties that "everything had already been agreed upon" and that "the insurance carrier was willing to pay based on the contractor's estimate." The meeting lasted roughly ten (10) minutes.

As time rolled on and the New Year rung in, the estimate that had previously been submitted and supposedly "agreed upon" by the insurance adjuster was now subject to approval by the inside claims manager at the insurance company. After two months of Mr. Tutwiler's continual follow-up with the insurance adjuster regarding the status of the claim, he soon discovered that nothing had been approved by the insurance company at all.

Taking note of the fact that the association signed a work authorization contract with the restoration contractor whose mounting invoices were not getting approved months after the loss was greatly concerning, given that the association could be on the hook for the entire bill or for the balance of what the insurance company would not agree to pay for.

On January 27, 2012 the claim took another turn as the contractor realized that he needed more money to finish the job. A \$40,000 repair supplement was requested and it was up to the insurance company to make the final decision. If they pay great! If not, the association would have had to pay the difference out-of-pocket which in this case represented a 40% increase over the original amount given to the condo and its manager. This is one of the reasons it is beneficial to have a professional public adjuster involved in a loss early on, so we can help a client avoid these potential pitfalls. In this case, the insurance company finally agreed to pay, but not without a fight. In exchange for payment the carrier wanted a Proof of Loss signed that contained language specifically alleging negligence on behalf of the unit owner who accidentally started the fire while cooking. The reasons are unknown, but one can assume that if you are negligent in an accident that results in damage to the property of others you better be protected. It turns out the unit owner did not have insurance protection and the language issue on the Proof of Loss was finally resolved as was the claim.

Navigating the insurance claims process is tough enough for those of us who deal with it every day. Letting the public adjuster and contractor play their proper roles in the insurance claims process makes a strong partnership that will ultimately serve the client best. Given that insurance adjusting practices and procedures are fact specific to a loss and the coverage that's in place, we urge all parties not to put their claim in jeopardy. Attempting to adjust or negotiate a claim could ultimately be a detriment to

you if you don't know the rules.

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