



TUTWILER
PUBLICADJUSTER.COM

800.321.4488

Putting Your Insurance To Work For You.

Concurrent Causation Analysis: Separating Wind & Water



"Each claim requires careful analysis of the specific policy covering the risk at the time of the loss in order to properly determine coverage."

I had the honor of moderating and serving on a Windstorm panel to discuss what I consider to be one of the most misunderstood issues among field adjusters. Rather than focus on the legalese behind the concurrent causation, we instead focused on how the concept can impact first responders like field adjusters. Given the relevance of the issue to Superstorm Sandy, it's no surprise that we drew an interested crowd ready to share their observations and experiences. Serving on the panel alongside me were Mr. Tom Jeffries, Vice President from RJMW Claim Services an Independent Adjusting Company based in Charlotte, N.C. and Mr. Todd Cormier, P.E. from Halliwell Engineering Associates in Providence, R.I.

Concurrent Causation originally took root in California in the 1980s and holds that when a loss can be attributed to two (2) causes (one that is covered and one that is excluded) coverage will be afforded. California's court decisions set the foundation for this subject in other States and insurance companies quickly became alarmed. Specifically, carriers were concerned that its application clearly ignored excluded causes of loss such as flood, earth movement, and others when a covered loss occurred in sequence with a non-covered cause of loss.

Therefore, anti-concurrent causation language was added to most property insurance policies to eliminate the above result. The language was designed to make it clear so that there was no coverage for a loss caused by any of the general exclusions listed in a policy, regardless if any other causes may have contributed concurrently or in any sequence to the loss. In other words, if the excluded event was in any way involved, the insurance company

would not cover it.

For first responder claim adjusters, separating damages and properly applying coverage is no easy task. Adjusters, (especially in CAT situations) are often sent into the field with very limited meteorological data needed to determine wind speeds, waves heights at the time of loss or given access to engineering analysis, or elevation certificates. The hard part is we are then tasked to document the loss, determine coverage, report back to the carriers, set reserves, and write repair estimates so that policyholders can start the recovery process. Each claim requires careful analysis of the specific policy covering the risk at the time of the loss in order to properly determine coverage.

To spur conversation we created a fictitious storm that smashed into the Southeastern United States, causing devastating effects along the coastline. We then asked the audience what approach they would take to adjust the loss. The comments, questions and real life examples flowed from there. Some key points discussed included:

- Many adjusters felt they could be more productive if insurance carriers would share their meteorological data with the field adjusters more quickly or at least provide some adjusting guidelines. This could avoid any miscommunication creating unreasonable expectations amongst the policyholders. Otherwise the adjusters and policyholders are on their own until coverage is determined and payments are parsed out.
- Policyholders should also understand that if they have anti-concurrent causation language in their policy, they may never get paid. As we've said many times to all our readers, get with your agent or claims adjuster to review and understand your policy.
- Panelist, Mr. Tom Jeffries made continuing comments to the audience to look for coverage+which was very positive as many adjusters are all too often quick to deny coverage without basis or fact. Saying everything is

flood damage before the facts are determined might only serve to lead the policyholder (who we are all trying to serve) down the wrong path.

Causation issues are a major factor when determining coverage and policyholders should understand the nature and circumstances surrounding a loss will help the adjuster properly document the claim.

Keep track of articles and commentary like this

Subscribe to our Blog.

