

## Claim tip:

### Water Damage Claims

As a property adjuster, I've come across a variety of both residential and commercial claims. One thing I've learned is that in any given week, I'll see at least one water damage claim. Naturally, the severity of damage fluctuates, depending on the nature of the loss. They range anywhere from a slow leak from a water dispenser to the sudden rupture of a 30-gallon water heater. But it's the latter type of "catastrophic" claim we become most concerned with because we have a limited amount of time before a bad situation becomes worse. Time is of the essence.

Examples of what I refer to as "catastrophic" claims include a water heater letting go, sump pump overflow, sewer drain backup, a running faucet that overflows, and in a lesser degree, the rupture of a refrigerator or water supply line.

Naturally, some of these causes of loss, specifically the sump pump overflow and sewer back up, are subject to a coverage endorsement. Unfortunately, I see several claims a year that involve Home and Highway policies that don't include both HO-0992E, Water Backup and Sump Overflow Coverage. Even when the endorsement is included, the limit of liability I see most often is \$500. In most claims, the damage exceed this limit. Therefore, when considering this coverage, it's important that you know if the insured has a finished and finished lower level.

As for water damage, I break it down into two general categories as it relates to the type of water: 1.) Clean water from a supply line, and 2.) Dirty water from a sewer. The type of water immediately determines our approach to water mitigation. That evaluation is, of course, made at the time of the inspection.

With a large water damage claim, the clock works against us. We truly have just a limited amount of time not only to salvage what was damaged, but to also prevent any further damage. How much time do we have? I've read that carpet can sit in water for up to three days. Maybe that's possible, but based on my experience, we have a considerable 24 hours before the damage becomes irreversible.

Even if the first 24 hours after the loss should pass with nothing being done (provided the loss was caused by clean water), the carpet may still dry nicely with no visible stains. The backing on the carpet, however, may start to delaminate at the edges. This presents a problem if the carpet must be re-stretched because to do that, you need a solid, non-frayed edge. The damaged edge can be cut off, but then you have less carpet to work with. The carpet will only stretch so far. Then restretching the carpet is no longer an option and the cost of the claim increases.

Many times insureds tell me they extracted all the water and are drying the carpet with a fan. They may think they have things under control, but there's still the potential for an even greater problem. In most situations, there's a carpet pad underneath. Even though the carpet may be dry, the pad acts as a sponge and retains a lot of moisture. It will soon become a breeding ground for mold. In its very early stages, mold is relatively easy to deal with.

Damage can also be caused by increased humidity. Water typically raises the humidity level in a house. If the humidity isn't reduced to normal levels, it will also result in mold spores that adhere to walls and furniture. Large commercial dehumidifiers have a much greater capacity for reducing humidity than

quickly than the average household unit.

Two hardwood floors can absorb five to ten percent of water without showing any noticeable effects; however, once the wood floor can't hold the water anymore, it will expand, causing it to cup. The floor can still be repaired, but getting it to recover naturally increases the repair cost.

The same cannot be said for laminate floors. Once they've been exposed to water, quick repairs are usually not an option. In fact, certain laminate floors are so sensitive to moisture that a number of manufacturers will void the warranty if it's discovered that water was used to clean the surface. Extra replacement of the laminate floor may be the only option.

The bottom line is that the sooner we receive notice of the claim, the sooner we can take control of the situation, and hopefully, minimize the damage. That's where **DineoConnect**™ comes in. After your customer calls the toll free number, 1-877-422-1246, the **DineoConnect** team will quickly turn over the initial phone report to a field adjuster who can begin inspecting the damage immediately. After all, time is of the essence.

If you have any questions about water damage claims, please call me at 1-800-236-9110 ext. 206.

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