

Fire Strikes Residence



Assessment Leads Lawyer to Seek Assistance

It was late winter when a fire broke out at Charles Loughran's 75-year-old home. As a lawyer, Loughran spent his career negotiating, but was somewhat at a loss as to what to do when his insurance company presented him with an offer to settle the damages to his home. The Xactimate estimate they presented to him appeared insufficient to rebuild. So, nearly three months after the fire, he reached out to Adjusters International for help.

Issues:

- According to the bids of three contractors, the Xactimate estimate of \$440,000 was significantly lower than the amount needed to rebuild the home. Was the estimate provided by Farmers an accurate representation of the damages?
- 90 days had passed since the incident. If the estimates proved to be inaccurate, what steps needed to be taken to ensure the proper amount was reimbursed?
- The house was 75 years old. Additions and adjustments were needed to make sure the building met today's building code standards. Were these properly included in the estimate? Did the estimates substitute functional materials for original materials, frequently not as readily available today?



Fire Damage to the Loughran Home



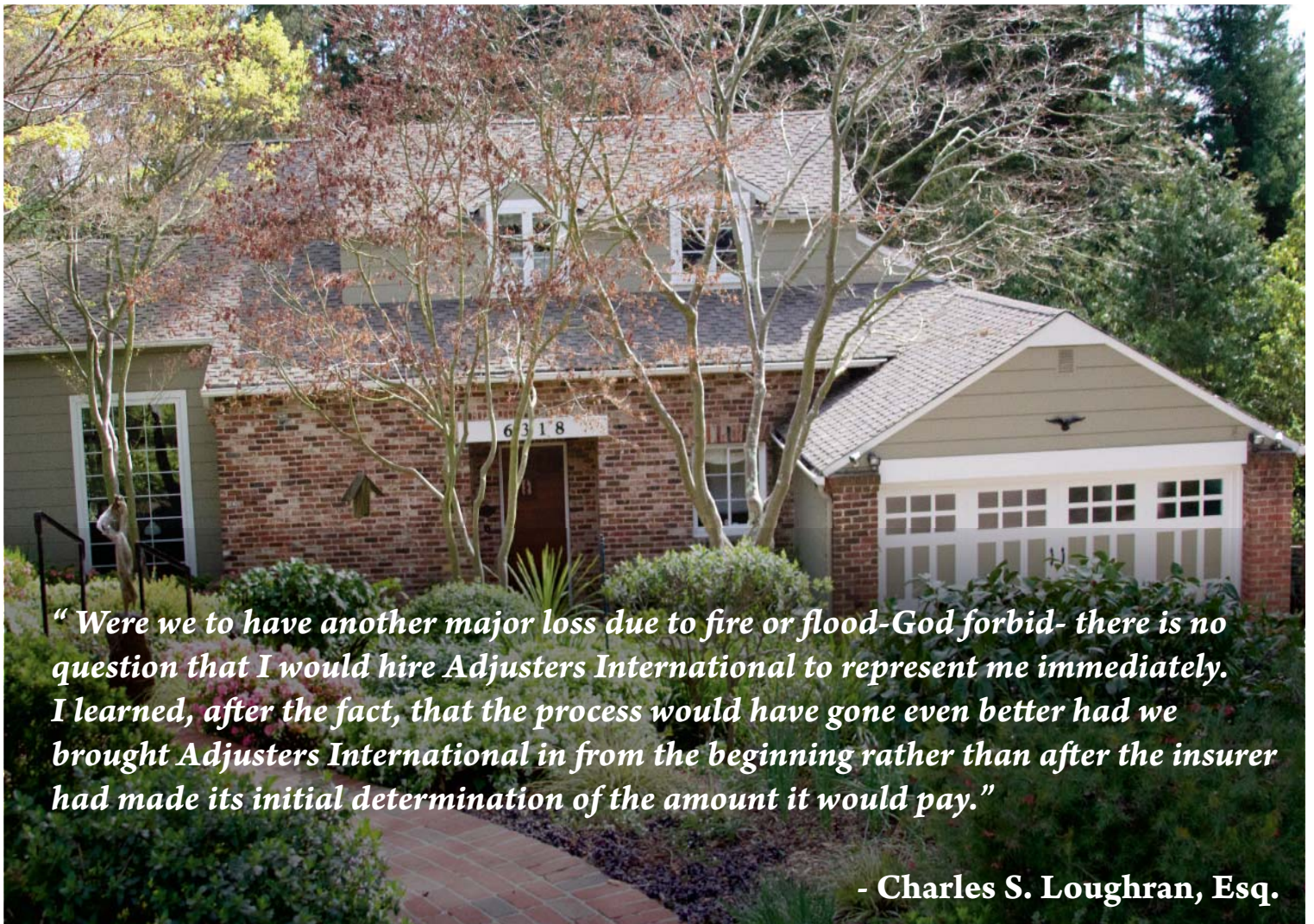
Fire Damage to the Loughran Home

Strategies for resolution:

- Using their own team of specialists, engineers, and contractors, Adjusters International team compiled an estimate and as a result concluded that the estimate of damages was significantly higher than what Farmers proposed - nearly 50% more. In order to support this analysis, they included the expert opinions of the Loughran's own architect and contractor.
- Adjusters International secured sub bids to support its position, presenting these to Farmers with its estimate. Through negotiations and persistence on the part of the Adjusters International team, Farmers acquiesced to the new bids as the actual replacement cost, increasing replacement cost from the initial \$440,000 to \$680,000.
- The Adjusters International team determined that code upgrades were not included in the initial Farmers assessment of the damage. To bring the building up to today's safety standards would result in a \$100,000 increase. In addition, three steel windows were damaged in the kitchen during the fire. Initially Farmers provided minimal funding for replacement, using stock window pricing. After consulting specialists, it was concluded that the windows needed to be custom made. Since these windows were throughout the house, it was argued that all of the home's windows needed replacement so that they would all match as they did before the fire. This resulted in an additional \$50,000 payment to the Loughrans.

Conclusion:

Adjusters International was able to determine the initial estimate for repairs was inaccurate, and secured an appropriate settlement for the Loughrans, almost doubling the initial offer of \$440,000 to \$830,000.



"Were we to have another major loss due to fire or flood-God forbid- there is no question that I would hire Adjusters International to represent me immediately. I learned, after the fact, that the process would have gone even better had we brought Adjusters International in from the beginning rather than after the insurer had made its initial determination of the amount it would pay."

- Charles S. Loughran, Esq.