



De Angelo's Withstands The Heat

Through years of dedication and hard work, Vincent De Angelo rose from a baker at the Helmsley Hotel in New York City to the proud owner of De Angelo's Restaurant in downtown Merced, CA. His restaurant, a flourishing local staple within the community, was continuing its success of 18 years. While with family at a nearby lake, Vincent received a life changing phone call in which he was informed that the very business he had worked tirelessly to build no longer remained. What was categorized as a four alarm fire reached 1200° Fahrenheit and destroyed everything inside of his establishment. With representatives from the insurance company and a variety of public adjusters approaching De Angelo, where was he to turn?

Issues:

- The insurance carrier for De Angelo's Restaurant was based in the East Coast and was in the process of ceasing West Coast operations; Vincent understood that this would affect the way in which his insurance carrier handled his claim. How would he receive a favorable settlement when his carrier no longer desired a continuing business relationship?
- De Angelo's staffed more than 30 employees including family members and others who worked over 10 years for him. The restoration process would take over a year before completion. Under the terms of the insurance policy, the employees of De Angelo's Restaurant would only be compensated for a total of 60 days following the fire. Would this result in a turnover of loyal employees?



Fire damage to the restaurant

Strategies for resolution:

- On the sixth day following the fire at his restaurant, Vincent De Angelo attended a meeting with representatives of Adjusters International. Vincent later claimed that he could easily recognize the difference between Adjusters International and other companies claiming to offer public adjusting services. With a complete team of in house experts including public adjusters, inventory specialists, building reconstruction specialists, forensic accountants and more, Adjusters International worked unremittingly to ensure maximum settlement and full recovery for De Angelo's Restaurant.
- Knowing that Vincent's staff would only be compensated for 60 days after the fire, Adjusters International recognized the need for an immediate solution and made this aspect of the insurance claim a priority. After careful consideration, the Team suggested De Angelo's Restaurant resume its business at a nearby facility. As an added bonus, the recommended venue was visible from the city's main freeway and would provide additional advertising for the restaurant. By drafting a pro forma profit and loss calculation projecting the net income of the restaurant during the time of reconstruction, Adjusters International successfully convinced De Angelo's insurance carrier that it would be more cost effective to rent the nearby facility and needed inventory to continue operations rather than pay out the final balance described in the pro forma profit and loss calculation. De Angelo's Restaurant reopened for business three months from the date of the fire; more importantly, the restaurant's staff was compensated during the entire process.
- In their review of Vincent's business personal property, the insurance carrier for De Angelo's Restaurant accounted for a total of 1,200 line items for which Vincent would be due compensation. After meeting with Vincent and spending countless hours sifting through the entirety of his facility, Adjusters International's team of inventory specialists found an excess of over 4,000 line items covered under Vincent's insurance plan.
- Undervaluing the insurance claim, Vincent De Angelo's insurance carrier suggested use of straight-line depreciation to account for the restaurant's destroyed inventory. In order to remain in good standings with health inspection, the restaurant constantly cleaned and completed maintenance on their equipment, countering the aging process assumed in using the straight-line approach. As a result, the traditional straight-line depreciation method would not apply. Instead, the most accurate means to account for the contents of De Angelo's Restaurant would include the submission of maintenance records and the physical condition of the items in question. This approach clearly favored De Angelo's Restaurant, creating a larger final settlement.



Conclusion:

The strategic preparation and negotiation by Adjusters International in presenting the insurance claim clearly tipped the scales in favor of De Angelo's Restaurant. The earnings of the rented facility combined with the total received from the insurance settlement, enabled De Angelo's Restaurant to grow their company. Not only was the newly modeled facility a substantial improvement over the original, De Angelo's also received a large enough settlement to purchase the temporary facility used during the process of reconstruction. As stated by Vincent after his claim was settled, "We started with one restaurant in a downtown location and by working with Adjusters International, we quickly moved to a highly visible freeway site less than three months from the devastation of a building fire. We are now opening a full service Bakery Café in the original location and keeping the restaurant at the freeway location. None of this could have happened without the expert team at Adjusters International."

