

## EXTRA EXPENSE VS. LAW OR ORDINANCE

### *How to Properly Claim for Fire Watch*

The explosion of the fire panel located in the garage caused physical damage to the room housing the fire panel and destroyed the fire panel. Consequently, as required by Local and State codes and laws the Insured contracted with International Security for standby fire personnel, otherwise known as and/or sometimes referred to as Fire Watch. Additionally, during repair efforts, the insured discovered that the electrical piping leading into the panel needed to be reconfigured in order to comply with local building codes. As a result of having to conduct additional repairs to ensure compliance with code, the repairs to the panel and room took longer than expected and substantially delayed completion of the repairs. Fire watch was required from January 1 until July 26, 2009. Because of the explosion, and because it was necessary to bring parts of the fire panel into compliance with local ordinances and laws, the insured was required to maintain the 24-hour fire watch until the fire panel was operable.



The total cost of the fire watch was \$148,907.72. The policy contains two relevant sub-limits: 1) \$100,000 in "Extra Expense" coverage and 2) \$500,000 in Ordinance or Law ("OL") coverage. Not surprisingly, instead of indemnifying the insured for the entire \$148,907.72 under OL coverage, the carrier attributed the fire watch expense to Extra Expense and capped payment at \$100,000 for the fire watch (remaining unpaid balance is \$48,907.72). In short, therefore, the issue is whether the expense of a 24-hour fire watch is covered under the OL provision rather than the Extra Expense coverage or a combination of the two available limits where provided, thereby entitling the insured to the unpaid indemnification of \$48,907.72.

**Based on proper reading of the policy, the available limits far exceed the remaining unpaid balance of \$48,907.72 owed to the Insured. Regardless of the limits for law or ordinance, extra expense, or the combination of the two, and the additional time to comply with the building code law or ordinance, the Insured is entitled to this unpaid balance.**

## WATER DAMAGE & UNINSURED UNIT OWNERS

### *Proper Claim Presentation and Insurance is Key to Any Recovery*



Two units were severely damaged by a poorly installed water line in cabinetry below a kitchen sink. Water flowed from the water line in an upper unit into a lower unit, causing extensive damage to both units. The upper unit owner had purchased homeowner's insurance and promptly filed a claim, but unfortunately had relatively low limits. The lower unit owner never purchased homeowner's insurance and consequently could not file a homeowner's insurance claim. Eventually, both unit owners retained the services of GlobalPro Recovery.

Prior to retaining GlobalPro Recovery the upper unit owner had filed the claim by submitting their contractor's invoicing. Unfortunately, the Contractor's invoicing was not tailored to policy language to avoid coverage pitfalls; this caused a significant delay in the claim.

**Upon retention of GlobalPro Recovery, the Contractor's invoicing was properly revised and resubmitted to the Carrier. Within a few weeks after GlobalPro Recovery's retention, the upper unit owner recovered total policy limits and more than \$10,000 in excess coverage for items, such as, debris removal.**

For the lower Uninsured Unit Owner, the Plumber's insurance company took the position that the "Named Insured" was different than the Plumbing Contractor paid to install the water line. A copy of the check written by the upper unit owner was produced as well as, a copy of the paid invoice. The name on the check was, in fact, different than the name that appeared on the invoice; the Plumber operated under two different corporations. GlobalPro disputed the Carrier's decision to deny payment, but to no avail the Carrier maintained its position. Unfortunately, the only choice the Unit Owner had at this point was to

seek legal counsel's assistance in this matter. Action must be taken against the Plumber and the insurance company in order to hopefully obtain any recovery.

**To avoid the lower unit owner's situation, obtain adequate insurance to protect your own property. Additionally, protect your neighbors' by properly vetting your Contractor. Verify their licensing and request a copy of their insurance. Check to ensure that the name of the company is the same name that appears on the their license and insurance. Report any suspicious activity to the Department of Professional Business and Regulations (DPBR).**

## CONSTRUCTION DEFECT

### *An Alternative to Litigation*

If the struggles of a tough turnover from the developer were not enough, the aftermath of ensuing water damage put additional strain on this new Association. The initial filing of the insurance claim with the Association's own Carrier proved troublesome. After several inspections, a quick response from the Carrier citing a lack of coverage and minimal damage left the Association with no choice, but to dig into reserves and make temporary repairs.

Fortunately, GlobalPro Recovery caught the claim at a critical point – prior to the issuance of the dreaded denial letter. Working closely with the Property Manager and newly retained Counsel, GlobalPro grabbed the attention of the Carrier's Adjusters and submitted a nearly million-dollar claim. We re-established settlement discussions and agreed on terms to amicably resolve the Association disputes.



**Construction defect claims caused by builders and developers may be in part or fully covered by an Association's property insurance policy. Knowing how to properly report the claim, navigate the claim process, and exhibit the damages is critical to the Association's successful recovery and may ultimately avoid undesirable litigation with escalating attorney fees and costs.**

## PREFERRED CLIENT SERVICES™

### *Ready. Recover. Rebuild.™*

Whether you are concerned about your home, business, or association, GlobalPro is on your side. It is this commitment that led to the creation of the Preferred Vendor Program – a service from GlobalPro Recovery. As a leading public adjusting firm, the goal is to protect the rights of the insurance policyholder, so that GlobalPro can maximize your recovery while assisting with filing your claim. However, the best way to utilize the GlobalPro professional services begins with advance planning and preparation, well before a loss occurs and a claim is filed. By joining the Preferred Vendor Program, you can receive assistance with that preparation process – as well as other benefits to help safeguard yourself, your business or association. So take advantage of the many benefits of membership and join today. Give your Association piece of mind, you deserve it.

### The Benefits

It's great to know you have a public adjuster in your corner BEFORE you experience a loss. Why wait for something to happen to make the call? Why not get the professional assistance you need to prepare for a loss? GlobalPro's highly trained and experienced claims professionals will help you prepare in advance in order to maximize your recovery after a loss. By signing up with the Preferred Vendor Program, the GlobalPro team becomes your partner. GlobalPro will help you gather all of the relevant and important documentation that may be required by your insurance policy, such as photos, videos and receipts. GlobalPro will work with you every step of the way, educating you about the insurance claim process. Then, you will always get "front of the line" service, an especially important benefit during the storm season. When it comes to insurance, GlobalPro Public Adjusters is always here to protect your family, home, business, or Associations' interest from start to finish!

**For more information, visit us online at <http://www.getglobalpro.com>**

**24hr Support: 855-487-7475**

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