

# The TGIF CHRONICLES

For Friday August 27, 2004

Volume 2 – Issue 28

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### 1. STATEMENTS FROM THE CLAIMS FILE

Here is an except from a statement in a claims file for you to analysis and determine what the insured is talking about.

*“When you hear the toilet flush and the words “Uh-Oh”, it’s aready too late.”*

### 2. REDUCING COSTS OF FIRE CLAIMS (Part 3)

-Robert Eyford, CFEI, CCFI-C, CFII  
Rae-Tech Investigations Ltd.

If any questions or comments come to mind as you are reading the segments of this presentation in the Chronicles, please email our office at [reyford@goldcity.net](mailto:reyford@goldcity.net). Unless you specify otherwise, your question and the answers to them will be published in the following issue of TGIF for the benefit of the readership.

Let’s review what we’ve covered so far.

In segment #1 we covered the following points:

### WHY INSURERS NEED TO KNOW THE CAUSE OF THE FIRE

1. Ensure there are no coverage issues
2. Obtain evidence to be used for subrogation or defence
3. Develop information for underwriting future risks and exposures

**We then presented the first 3 reasons for increased costs as follows:**

**REASON # 1 FOR HIGHER COSTS:** Inadequate initial interviews from Insured and other witnesses, especially poor statement taking.

**REASON # 2 FOR HIGHER COSTS:** Assigning independent adjusters who may be unfamiliar with fire claims, specifically fire claims where arson is the suspected cause.

**REASON # 3 FOR HIGHER COSTS:** Determination of cause and origin by unqualified persons, or inexperienced persons, including fire fighters, adjusters and engineers.

**In segment # 2 we covered:**

**REASON # 4 FOR HIGHER COSTS:**

Calling specialists like electrical engineers before calling a fire investigator because the fire department, or Insured or independent adjuster said it's an electrical fire. It is more economical to leave it to the fire investigator to decide whether or not an electrical engineer is required.

**REASON # 5 FOR HIGHER COSTS:**

An Insurer not having a specific policy with regards to principal fire losses or not following Insurer's policy on principal fire losses. This leads to not knowing if and when to:

1. Call a private fire investigator
2. Call an additional expert such as an electrical engineer
3. Believe public investigators and fire departments.
4. Plus not recognizing red flags during initial interviews and subsequent investigation.

**REASON # 6 FOR HIGHER COSTS:**

Withholding valuable information from your fire investigator to prevent that information from influencing his findings.

**REASON # 7 FOR HIGHER COSTS:**

Requesting a partial investigation. In other words, *"just confirm or deny the fire department's opinion without examining the whole scene"*.

**The Danger.....**is that it exposes the Insurer to potentially extremely high costs if the matter goes to litigation because any evidence as to other causes put forward by other parties will normally be accepted by the courts if they have not been properly eliminated in a thorough scientific investigation. An investigator must be able to say not only that he found the cause of the fire but eliminated all other causes.

**Now for the last segment covering the final three reasons for higher costs of fire claims:**

**REASON #8 FOR HIGHER COSTS: Spoliation of Evidence**

**Spoliation is defined as “The loss, destruction or material alteration of an object or document that is evidence or potential evidence in a legal proceeding by one who has the responsibility to preserve it.”**

Spoliation is something that Insurers and their contractors are frequently sued for in the USA. This type of litigation is becoming more familiar to us in Canada as Insurers begin to become aware of its' importance. If a fire department or public investigator destroys evidence that may be of importance in the investigation by others who have a right to investigate, this can and may result in litigation for spoliation of evidence. This applies to all of us as investigators and this is the reason we take such care to photograph all evidence or potential evidence before it is moved or examined or taken from the scene. To not do so, is to expose our clients to much greater risk. When evidence has been destroyed, it takes longer to complete our investigation which in turn results in higher costs.

**REASON #9 FOR HIGHER COSTS: Giving independent adjusters carte blanche permission to hire whoever they wish as a fire origin & cause investigator sometimes causes Insurers to lose control over costs and quality.**

There are times when the adjuster may have someone in particular in mind to do the fire investigation. If another investigator is closer to the scene and can do just as good a job, then it may be prudent to give consideration to that investigator. I have seen many incidents when an Insurer has insisted on a particular investigator and although they may have specific reasons for having a preference, sometimes this can cost four or five times as much money. I am aware of one adjuster in particular who when he had a fire in BC would bring in a fire investigator from Alberta because the investigator was his friend. This practice ended up costing the Insurer about \$4,000 when it should have cost about \$1000. The important factor to consider in choosing a private fire investigator is the quality of the investigation plus the quality of the report. A responsible investigator will conduct his investigation and complete the report as if the matter is going to end up in a court room. Therefore, ensure that the investigator you use will best serve your needs in the courtroom. If the investigation and report cannot withstand the scrutiny of a jury plus other experts it may end up being very costly.

**REASON #10 FOR HIGHER COSTS: The exclusive use of engineers as fire investigators simply because they are university educated.**

Some Insurers have been led to believe that a university educated fire investigator is more knowledgeable than a non university educated investigator.

This is not necessarily so and in fact at some fire scenes I have attended where university educated investigators have been present for other Insurers, their inexperience has been obvious. Regardless of what has been learned in university, they don't leave university with investigation experience. I have seen them forget exhibits at the scene and other similar acts that indicate a lack of investigational experience. They usually charge more money for their services and when the matter ends up in court it will often be clear that this policy of hiring only university educated investigators has turned out to be a costly mistake.

Any questions or comments on the preceding material can be directly sent to Robert Eyford at [reyford@goldcity.net](mailto:reyford@goldcity.net)

**Editors Note:** This ends the series which was published in 3 parts. If you have missed any, please email us at [integral@shaw.ca](mailto:integral@shaw.ca) and let us know. We will email you the missing issue. Robert will be back with some more great material later on.

### **3. TIME MANAGEMENT (Part 4)**

#### ***Handle Paperwork***

- Create a block of time during non-prime hours to handle paperwork. Schedule this in your planner and stick to it.
- Sort through and handle the papers in your in-basket no more than twice a day.
- Never handle a piece of paper more than once. Avoid the "I'll just put this here for now" habit.
- Throw away previous drafts. They serve no purpose.
- For items that will reach you, ask your assistant to a) sort it according to urgency, b) highlight important aspects, such as magazine articles and c) attach relevant files or information.
- Ask subordinates to submit recommendations along with important reports. Nothing should be sent to you without a summary or indicated action.
- Limit the length of letters, recommendations, responses, meeting requests and other correspondence to one page.
- Try not filling out redundant sections of forms, to see if anyone is really using them.
- Ask people if reports they prepare (or you prepare) are really necessary. Prepare them only when needed, not as a regular routine.
- Don't keep copies of all your requests to others, unless there are legal or personnel reasons to do so.
- Do something with every piece of paper that reaches you and put it in its proper place not just back on the pile.
- Handle routine requests or tasks immediately whenever you can.

- Cut back on sending memos. Use a phone call instead.
- Reduce the number of memos you keep. After all, memos are primarily for short-term information. Record the information you need and toss the memo.
- Don't keep business cards tucked away in a drawer. Enter them on a contact manager database, and then throw out the card.
- Create different file folders:
  - Reading files for long reports and magazines. If you read everything when it arrives, you will never get through your in-basket.
  - Personal file for those wacky inter-office jokes you want to keep (but will probably never look at again)
  - Training file for useful items on personal or professional development
  - Supplier file for information on products and services
  - Files for each subordinate for items to pass on or discuss
  - Invoices to pay
  - Upcoming events to attend
  - One folder for each subordinate and for your manager
  - One for each major project you're working on
- Throw out last month's copy of a magazine when this month's copy arrives. If you must save them, only keep a year's worth. Stop subscriptions to magazines and newspapers you don't read anymore. This saves you money as well as time and guilt.
- Schedule major reading for twice a week during non-priority times. Try reading on the subway, bus or train, while waiting for appointments, or at breakfast instead of reading the paper.
- When you find items you keep putting off reading, ask, "How likely am I to read this and how valuable is this information?" Throw it out.
- Extra storage space ends up getting filled up quickly. Try reducing or throwing out extra paperwork collectors. Limit your stacking trays to two: one for incoming papers and the other for outgoing papers.
- Reduce your credit cards to one per adult, two if you use one for home and one for work. This reduces statements and bill-paying time.
- Reduce your bank accounts, if you have several. If you find yourself dealing with multiple bank statements every month, this is a good place to start.
- Pay bills by automatic deduction. Most utility bills can be handled this way.
- Put all your receipts in a small envelope. Sort through them every month or every quarter.

#### **4. WE LEAVE YOU WITH THIS THOUGHT**

**“We live in a time when technology is outpacing our ability to understand it”**

Have a great weekend!

**Executive Editor** Rick Collis  
**Editor** Ron Wilkes  
**Feature Reporter** Robert Eyford  
**Publisher** Integral Property Loss Services

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**All QUESTIONS, OPINIONS, & ARTICLES WELCOME**, please send them to Letters to the Editor at [integral@shaw.ca](mailto:integral@shaw.ca)

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