



NEWSLETTER

JANUARY, 2010

CS06.01.04 – A SALMON RUNS THROUGH IT

This residence, which had suffered a fire loss that severely damaged the roof and gutted the interior, was infringing on the Department of Fisheries set back for a salmon stream that ran through the property. Fifty percent of the home was constructed on this set back. The construction also bordered the street right of way setback for the municipality it was constructed in.



Add to the two problems above, it had a dirt crawl space which seasonally flooded with the stream overflowing its banks several times a year. That was a health concern for the regional health authorities, and the crawl space was so restricted that it qualified as a confined space which brought the WCB Safety Branch into play.

The first step was to get the building torn down in order to inspect the floor, the foundations, and the footings as the fire started in the crawl space due to electrical arching.



The demolition permit resulted in an extra \$1,000 cost because of the closeness of the salmon stream. Once this was accomplished, a full inspection of the floor by the adjuster and us determined that the floor had to go and could not be repaired because it had been constructed in three separate stages, on three different levels, with several sub floors being added to bring it all up to one level. Asbestos was found in the tiled flooring and the fire had eaten through it in too many places along with it sitting exposed to the elements for months while the demolition permit was negotiated and obtained.

Once the floor had been removed, it exposed more problems. The foundation and footings had been constructed on top soil from the stream bed, and did not fit under the residence correctly; therefore the walls had buckled inward in places. The residence had been moved to its existing location in 1961 on a foundation that had been poured in place before it arrived.

It was decided that the crawl space would be eliminated and the foundations raised by 18 inches and the crawl space filled in with drainage gravel, then pour a monolithically slab. This would satisfy the WCB safety board with their concerns about a confined area and the health department by raising the structure above the flood plain.



We straightened out the foundations, and then constructed forms to pour the added height requirements to the foundations. Repair work was done to the south west corner of the foundation which was in the fisheries set back. We went to the variance board of the municipality to get them to allow a new front deck being constructed in their set back, and the front foundation was extended eight feet towards the street to accommodate design and construction changes that were required to give the insured the same number of rooms in the residence that he had before. This addition took up the space that the original front porch was constructed on.

The forced air heating that had ductwork running through the crawl space was replaced with radiant heating in the concrete slab floor.

A new weeping tile system was placed around the perimeter of the residence and a new berm was constructed around the home as well which makes it appear that the foundation had not been raised.

The insured's share of the improvements and betterments was \$22,000.00. The total loss was \$185,000 including the insured's portion. The following are some before (left photo) and after (right photo).





REPRODUCTION APPRAISAL REPORTS

We are please to introduce combined RCR/ODF Insurance Appraisal Report for underwriters, brokers and the consumer and our Loss Appraisal Report for adjusters in the event of a loss. This appraisal provides a Replacement Cost Reproduction (RCR) Appraisal based upon Reproduction Costs for *Replacement Cost Value* using the Calculator Method by means of the Marshall Valuation format or the R. S. Means Cost Guides for contractors and they will incorporate Physical and Functional factors in the Depreciation segment for *Actual Cash Value*. This report is designed for a total loss or to determine co-insurance for both RCV and ACV.

The Underwriting Format provides the following Recommended Individual Policy Limits; Replacement Cost (RCV) or (RCT); Occupancy Design Fixtures (ODF); Bylaw Coverage (BC); Demolition & Debris Removal (DDR); Guaranteed Replacement Cost (GRC); Blanket Insurable Value (BIV); and Depreciation Applicable (ACV) in the form of a percentage for underwriting reports and the actual cash value for claims reports.

Occupancy Design Fixtures (ODF) is now incorporated into the format and can be added for an additional cost. Incidental Occupancy Design Fixtures such as free standing appliances for apartment buildings are included in a RCR Appraisal Report for no additional cost.

Occupancy uses with sizeable ODF requirements such as Security Equipment, Janitorial, Cash Registers, Checkroom Equipment, Business Offices, Laboratories, Mortuaries, Medical Offices, Dental Offices, Motels, Lobby and Reception Area Furniture & Equipment, Residential, Automotive – Repair & Service, Automotive – Tire Retreading, Automotive – Spray Booths, Barber and Beauty Shops, Photo Labs, Laundry and Dry Cleaning, Laundromats, Billiard Rooms, Amusement Arcades/Casinos, Health Clubs, Bowling Centers, Restaurants and Soda Fountains, Snack Bars, Retail Stores, Bakeries, Food and Beverage Markets, Churches, Stage/Theater Equipment, Chimes and Carillons, Organs, Theater Seats, Schools, Libraries, Warehousing, Hazardous Material Storage, Shipping Docks, etc will not be included unless requested as part of the appraisal.

DAMAGE ASSESSMENT REPORTS

This report is designed to establish value for a partial loss to a building that provides a Scope of Damage and a Damage Assessment for both RCV and ACV. Since every loss is not a total loss, the rates will reflect costs for cutting and patching to existing construction; dust protection; material handling & storage; protection of existing finishes, shift work requirements; temporary shoring & bracing; equipment usage curtailment; and work inside secure premises, where applicable. All of these conditions are associated with retrofitting replacement material for partial losses.

Logistics have been changed with added or revised sections which now include Ceiling Height, Building Shape, Basement, Building Height, Building Size, Green Construction, Hillside Location, Shortages, High Wind Areas, Weather Extremes, Congested Areas, Resort/Remote Areas, Retrofitting Construction, Seismic Construction, Current Cost, and Location.

FILE AUDITS

So you think you have done everything right. There was an assigned approved insurance contractor to complete the restoration and the project was put out to bid. But why did the costs escalate and the insured is not happy with the results? There are a number of reasons why. Outside influences such as government bodies can directly impact the how the restoration process is going to take place. There really is no control over these situations and inevitably the construction costs are directly impacted by decisions a government body can make concerning the restoration process.

We offer peace of mind through knowledge and expertise, call us at (778) 239 – 6308 or email us at integral@shaw.ca for more information, as our audit reports start at \$ 250.00 and our full reports start at \$ 500.00 plus GST.

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PROPERTY UNDERWRITING & LOSS APPRAISERS

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