

## ACR COORDINATES \$2.7M CAT LOSS

A Midwestern 11-unit condominium complex caught fire while a plumber was doing work in the attic of an unoccupied unit resulting in significant structural damage and a massive property claim.



### AT A GLANCE

#### Challenges

- The property manager hadn't experienced a project of this magnitude
- It was the year of the Polar Vortex, which meant heavy snow, subzero temperatures, and gusty winds
- A huge unforeseen asbestos issue required immediate attention before any other work could commence
- Additional Living Expense (ALE) coverage was running out for tenants
- Several building codes required an upgrade — most notably, the fire suppression systems
- The project was a complete rebuild.

### BACKGROUND

There were many bumps throughout the project. First, was a disagreement on whether to add a temporary roof or tarp to the structure to preserve its current state. A tarp wasn't ideal because the roof was in awful shape, so the building sat exposed to the elements for almost one full year while the claim was being processed. A cold, snowy winter with additional losses post-fire complicated matters, but ACR jumped in and conducted this complex CAT loss from beginning to end.

### CHALLENGES

The HOA's property manager hadn't experienced a project of this magnitude, so ACR worked closely with the insurance adjuster and other parties to streamline the process. It was the year of the Polar Vortex, which meant heavy snow, subzero temperatures, and gusty winds caused building instability, broken pipes, and consequential ice. This meant that ACR had to deploy more mitigation tactics due to continuous weather changes. A huge asbestos issue required immediate attention and none of the 11 unit owners had content coverage for asbestos, which created a conflict in getting the tenants' remediation paid. ACR was required to negotiate a settlement with 12 different insurance carriers. By this time, Additional Living Expense (ALE) coverage was running out requiring ACR to work through more negotiations. Because the building was older, building code upgrades were required, and the coverage of cost to "restore to original condition" was no longer applicable, which created a huge expense that had to be negotiated by ACR. Continuing without the new building codes upgrades would not be covered by the carrier.

### RESULTS

In the end, the project was a complete rebuild. ACR worked closely with each resident to select unit finishes as well as 12 successful claims. ACR employed a full-time kitchen and bath designer to help each resident with their selection process while keeping them on budget.

