



CASE STUDY

Vacation Home Complete Loss Only Memories Remain



The Davis' home before the fire.

An October fire in Tumalo, Oregon engulfed a vacation home owned by the Davis family. The blaze leveled the structure to its foundation leaving only the brick chimney standing. Mike Davis, a dentist, and Gail Davis, the Executive Director of an arts-in-education organization, had vacationed to the Tumalo home for years, and the home had been in the family for over three decades. Only memories of the home were left. The 3,500 square foot home was considered a total loss.

Issues:

The Davis family had coverage on both their primary dwelling in Portland as well as their vacation home in Tumalo. Both homes were insured by the same insurance company and both covered their property worldwide without location limitations. However, the insurance company took the position that they would not allow the Davis' to combine the coverages. What would Adjusters International have to do to convince the insurance company to change their stance?

The insurance company refused to pay living allowances for the family. Was that a correct application of the policy provisions?

At the time of the fire, Gail, a talented artist, had an extensive personal art collection in the home. The settlement proposed by the insurance company would not be near enough to replace the impressive body of work. How could Adjusters International get the insurance company to more accurately assess the value of Gail's artwork and the family's personal belongings?



The Davis' home after the fire.

"Adjusters International was amazing. I don't know what I would have done without their assistance, guidance, and knowledge. Who offers the best service when it comes to professional loss consulting? Adjusters International, hands down."

- Gail Davis



The Davis' home under renovation.

Strategies For Resolution:

The Davis family had insured both of their homes with the same insurance company; the main dwelling with a \$750,000 property limit and the vacation home with \$500,000. It is common in instances of property loss to extend a percentage of coverage from the main dwelling to the vacation home, but the insurance company would not allow an extension. Adjusters International reviewed the policy and found no mention of limiting the extra coverage to the vacation home. In the end, the insurance company was persuaded to apply the higher personal property limit from the main dwelling to the vacation home.

The first steps taken by Adjusters International to address the insufficient personal property offer from the insurance company was to assemble a personal property team. The insurance company had overlooked many of the items in the house, including the large collection of expensive and irreplaceable artwork. Adjusters International's in-house inventory specialist was able to search through receipts, artwork appraisals, and photos to persuade the insurance company to increase their personal property offer to \$520,000, almost double the original amount.

To prove that the Davis family was owed additional living expenses, Adjusters International had to first change the insurance company's mindset. The insurance company refused to pay for living expenses given that the loss was to the family's vacation home. Adjusters International proved that the Davis family's standard of living included having a vacation home to visit at their convenience. The Davis family spent a significant portion of the year at the vacation home, and Adjusters International was able to demonstrate to the insurance company that the family was owed additional compensation for their loss. The insurance company eventually paid an additional \$30,000 in living expenses to rent a vacation property for the Family.

Conclusion:

Before Adjusters International was retained, the Davis family was offered \$350,000. With the addition of Adjusters International to the Davis family's team, they were offered \$1,400,000, which is four-times more than what the insurance company originally offered.

“There are times when out of the ashes of a tragedy, comes a shining light... that’s how both Mike and I feel about the Tumalo house. The wonderful memories are still there, but now we can build on those with our family in more comfort, to say the least.

You are responsible for guiding us through a terrible process working for almost a year negotiating with what is supposed to be an insurance company that is on our side... boy did we learn a lot. I tell all my friends that if they ever have a fire to call on you for help.”

- Gail Davis