

Recovering from a property damage loss

Five things building owners and tenants should know before disaster strikes

Jun 24, 2016

As a building owner or tenant, chances are you will eventually experience some form of a property damage disaster. Whether it is from fire, flood, soil movement, a construction defect, design error, earthquake or another damaging event, property disasters affect many buildings. The owners and users of these buildings – both commercial and residential – are then forced to react to and recover from these events. Those who are properly prepared and understand the recovery process can take appropriate actions, minimizing the potential financial, time, business and personal consequences of a property disaster.



Have right insurance

Get to know, and do business with, a local and experienced insurance broker. Discuss your unique circumstances to ensure that you have appropriate coverage. Don't wait until after the disaster to find out you had a gap in your coverage and unexpected recovery costs are now your responsibility. Will your policy cover the costs to repair the building damage and meet applicable code requirements? Some jurisdictions require full-building code upgrades, including seismic upgrades, when more than half of the building is damaged. Will your policy cover the costs to repair just the damaged half, or do you have "code upgrade" coverage to cover the required upgrades? What about coverage for that detached building or shop? What happens when an adjacent building is damaged and now presents a hazard to your building,

preventing you from entering and using the building? Do you have enough coverage for your personal or business property? Your insurance broker can be one of your greatest allies by helping you select the right type and amount of coverage.

Don't be lulled into "it won't happen to me" denial. Property loss disasters do happen, and when you need the right insurance, you'll regret choosing the bargain, no-frills policy. Cheap insurance is a false economy that could cost you many thousands of dollars. Be smart, and make sure you have the right insurance for your unique needs.

KNOW responsibilities



Your building has suffered a loss, now what? Building owners and tenants have an obligation to make a good faith effort to preserve and protect the property once a property loss has occurred. Some mistakenly think they must wait for an insurance adjuster to initiate the mitigation process. Because property preservation and protection is often outside the capabilities of a building owner or tenant, a disaster restoration contractor should quickly be engaged to handle these tasks. Whether it is tarps on the roof, plywood over the windows, removal of damaged contents or water extraction, take immediate, appropriate actions to stop further damage and protect the property. Property owners

can typically engage these services, which are usually covered by insurance, at their discretion without prior authorization from the insurance carrier. The restoration contractor that provides the initial preservation and clean up services can continue with the balance of the restoration work, or a different contractor can be selected. Don't waste valuable time researching the details of restoration contractors for the initial clean up and preservation, but do consult with your insurance broker for a recommendation to help you with the actual repair process.

Have a plan if you'll be out of your building

Recovering from a property loss disaster takes time, sometimes a lot of time. In many cases, this means building users can't go back to work and businesses must find a way to stay productive in alternative space or risk severe business consequences. For many businesses to stay productive they need access to their computer files and systems. If those computers and file systems are covered in fire debris, water damaged, inaccessible or otherwise unusable, what will you do? The marketplace won't stand still while you attempt to recover, risking loss of valuable market share to competitors during an extended down time. Consider developing a plan for where you will physically work, how you will have remote access to computer files and systems and other topics critical to your ability to remain productive while the recovery process unfolds.

Engage correct professionals

Recovering from the physical damage of a property loss often requires the assistance of a professional restoration contractor, a structural engineer and an architect. Like any other building project, you'll need professionals specifically experienced in restoration work. Because designing and building a new facility is very different from recommending, designing and constructing repairs to a damaged existing building, be sure to select professionals that routinely engage in restoration design and construction work. Soliciting recommendations from your insurance representative is a good place to start. The selected restoration contractor can also suggest engineers and architects known to be experienced in restoration design work.

Act quickly, decisively, but be patient

As soon as possible, choose your restoration contractor and design team. Nothing will happen until this decision is made, but take whatever time you need to focus on this important first step. During the planning and design stages you will be asked to make many. To the extent possible, make these decisions as quickly as possible and avoid future deviations from your decisions. Remember that the selected roof shingles, doors, windows, cabinets, etc., must all be ordered and delivered to your building site, but only after a final decision on these matters is in place. Delays or changes in this process result in real delays in the recovery process.

With the major decisions behind you, it's important to be patient. TV shows that chronicle extreme makeovers in seven days are not the reality. Though the actual recovery process and timeframe varies greatly depending upon the nature of the loss and the type of building involved, some general estimates can be suggested. For example, a small water loss that renders a bathroom or kitchen area unusable can require three to eight weeks to repair. A catastrophic water loss can require three to four months of recovery time. Keep in mind that disaster recovery projects that involve structural damage require a building permit, which also requires time and patience. Procuring a permit, even for disaster recovery projects, often requires the preparation of engineered plans, specifications and calculations for submittal to the local city or county building department. The design and production of these documents also takes time.

Brandon Erickson, PE, SE is principal of Erickson Structural Consulting Engineers PC, located in Vancouver. He can be reached at brandon@ericksonstructural.com or 360.571.557.

Justin Graham is owner of Paul Davis Restoration of Portland/Vancouver. He can be reached at jrgraham@pauldavis.com or 800.951.9283.