

# 5 critical factors affecting hoarding claims

May 08, 2015 | By [Patricia L. Harman](#)



Hoarding claims present a number of challenges for insurers and contractors. Photo courtesy of Jenkins Restorations.

When an adjuster or restoration contractor unknowingly walks into a claim involving a hoarding situation, the immediate response tends to be, “Oh no.” Hoarding claims are more complex because merely entering the home can be a challenge; there are a significant amount of contents involved along with unknown risks.

It may be hard to tell from the outside of a home that hoarding will be an issue. The curtains might be closed and there may be a collection of items in the backyard, but usually it is apparent the moment someone steps into the house. A number of television shows depict how these individuals live, what they collect and their inability to part with their belongings.

Frequently, items are stacked haphazardly from floor to ceiling or just piled in a room until it is impossible to enter the space safely. There will be a mixture of items that most would consider trash – used boxes and bags, old newspapers and magazines, junk mail and the like – mixed in with clothes, shoes, knick-knacks, books and other objects. Since no one can enter the rooms, it’s difficult to know what’s actually in them and if there are any problems adjusters should anticipate with the claim.

While collectors take care of their belongings, display them proudly and understand their value, hoarders frequently want to keep everything regardless of whether or not it has any intrinsic value.

Hoarding claims involve a number of challenges – some are obvious and some will become apparent during the course of the home inspection. Here are five things you should know about people who hoard and the environment in which they live.



Photo courtesy of CRDN.

## **1. What causes a person to become a hoarder?**

According to the Anxiety and Depression Association of America, hoarding behavior may present on its own or be a symptom of other underlying conditions such as obsessive-compulsive disorder (OCD), obsessive-compulsive personality disorder (OCPD), attention-deficit/hyperactivity disorder (AD/HD) and depression. Frequently, hoarding tendencies will appear early in life, but since parents can often control the level of clutter in a child's room, it may not be as apparent until the person reaches his or her mid-20s or 30s.

Individuals who hoard may exhibit a number of different behaviors such as an inability to throw away possessions, indecisiveness about what to keep or throw away, severe anxiety when attempting to discard items or when people touch their belongings and an obsessive fear of running out of an item. There are also functional impairments that can affect personal relationships and create financial difficulties, health issues and an extreme loss of living space.

“Understanding the emotional impact on the insured and navigating proper disposal authorizations are key to a successful project,” explains Steve Lowry, director of emergency services and mitigation for Jenkins Restorations in Sterling, Virginia. “Emotional attachment to the property is a huge part of the issue.”



Photo courtesy of Jenkins Restorations.

## **2. What are some of the dangers involved in a hoarding claim?**

Hoarding creates a number of health and safety issues for the occupants and raises coverage issues for insurers. There are trip and fall hazards, fire hazards, the presence of rodents and reptiles, as well as an inability to identify any leaks or structural issues with a property since so much of the area is hidden and inaccessible.

Cory Chalmers, a featured expert on A&E’s “Hoarders” television show and an expert in hoarding and biohazards says that homes of hoarders are more likely to “have losses created by fire, floods and mold. The lack of maintenance in hoarders’ homes is the main culprit, but is compounded by the use of space heaters, portable cooking devices and other temporary fixes to malfunctioning home appliances.” He says that the typical hoarder is frequently “too ashamed

and afraid to call a repairman to fix broken items in the home, so they ultimately grow into major problems.”

For restoration contractors, hoarding claims can be very tricky. From an environmental standpoint, there can be a wide variety of biohazards such as animal waste, human waste, mold and trash. “It’s very hard to breathe in these types of homes,” says Michael Pelonero, director of Enservio’s service on-site team.

He described a situation where a technician found a nest of water moccasins in a home under tons of contents. “You find things you’re not expecting like dead animals, wild animals, birds, squirrels, raccoons. You may even find something alive.”



Close-up view of a living room space. Photo courtesy of CRDN.

### **3. How does hoarding affect insurance coverage?**

“There are a few challenges when insuring a hoarder,” explains Anna Bryant of State Farm Insurance. “First, it is rare that we identify a person is a hoarder when reviewing a new policy application. There is typically no interior home survey, so we would only know of a hoarding situation if it’s visible from the outside of the house.”

“Once the property is insured, the claim process for a large accumulation of damaged contents can be challenging,” continues Bryant. “Typically speaking, hoarders do not want to have their property discarded, even in cases of severe damage. The valuation of damaged property requires all of the items to be inventoried and restored, when possible. Often, large amounts of contents need to be removed from the property to complete the repairs.”

The policy limits will also affect what is repaired or replaced after a loss. “Generally, the decision to repair or replace an item depends on the type and amount of damage sustained and whether or not the item can be repaired/cleaned or needs to be replaced,” explains Bryant. “The standard for determining repair versus replace is no different than that of non-hoarding claims. This process may include the use of experts to determine if the property can be restored or needs replacement.”

“Some carriers have limited coverage such as no replacement value or actual cash value on articles that are outdated or obsolete and stored and not being used,” says Toby Bell, an independent adjuster and the principal of Professional Claims Service, Inc. Articles not maintained in good or working condition may also be excluded from replacement.



Here is a bathroom before it was cleaned and restored. Photo courtesy of Jenkins Restorations.

#### **4. What are some of the challenges of working with hoarders?**

Costs for a hoarding claim can escalate quickly if controls aren’t put into place and some decisions aren’t made at the outset. Sometimes the insurer is aware that it is a hoarding claim and can give the restoration firm notice that the claim will take several days. For the restorer, the

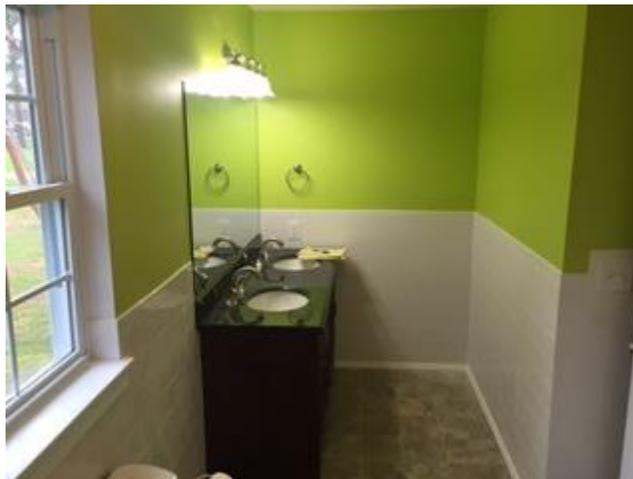
challenge is to work with the insurer and the customer so the best outcome is achieved for all involved.

“Most hoarders are very protective of their belongings and they claim they know where everything is,” explains Glenn Allison, a contents sales estimator with BELFOR Property Restoration. “Sometimes it’s an extremely emotional and grieving process to see them ‘part’ with their belongings, even if it’s just to be cleaned.”

Chalmers advises keeping the customer comfortable and building her trust because that will make it easier to work with her. “The same is true for gaining access to the area where the covered loss exists. If we just want to throw all of the contents away to reach the covered loss, we will traumatize our client and they will fire us on the spot. It is imperative that we work alongside the client to sort the clutter into categories they are comfortable with. Keeping the client in control or at least feeling like they are is a necessary evil, but one that will pay off for you and your team.”

Pelonero says they have to approach the loss almost like a psychologist. They have to establish their boundaries up front so they can make sure not to cross them. He says the insurer doesn’t want them to count trash, but the customer sees things like buttons and clothespins as valuable, so the challenge is figuring out what does or does not have real value.

Sometimes returning items to the home can be difficult because the owner may not remember what her belongings looked like before they were buried under other items or may think things are missing because they weren’t returned to their original place. Taking a photo inventory of items can prove invaluable in these cases.



A bathroom after it has been cleaned and repaired. Photo courtesy of Jenkins Restorations.

##### **5. What should professionals keep in mind when working in a hoarding situation?**

It will be important to show respect for the individual and concern for his or her safety. Creating a bond of trust is critical.

When speaking with the owner, listen to how she describes her belongings and use similar language when referring to them. Avoid referring to items as junk, trash or hoarding.

Try to focus on the safety issues such as fire or fall hazards and avalanche conditions.

Show empathy and let the owner know you understand your presence may be upsetting, but that some kind of change is necessary in order to address the situation.

Additional information on hoarding is available from the [International OCD Foundation](#), the [Anxiety and Depression Association of America](#), and the [National Fire Protection Association](#).