

Water-Logged: Tips on Conducting Inventories of Water-Damaged Contents

By Scott Petlewski | June 2, 2015

Many will remember the epic winter of 2015 as one featuring ice dams and burst water pipes. But whether from snowstorm, flood or leaky plumbing fixture, water damage is an event that occurs throughout the year — accounting for a whopping 22 percent of all homeowners' insurance claims and averaging \$4,024 a claim, says the Insurance Information Institute.

According to the I.I.I., costing the U.S. economy an estimated \$55 billion from 2005-2014, winter storms and floods are spectacular examples of the damage water can wreak. However, water damage claims are more often the result of eroded plumbing, faulty machinery or human error — events that can happen anywhere at any time. Given their prevalence, it's only a matter of time before a claim adjuster will be called to handle a claim involving water.

One of the first steps in dealing with a water loss claim is to reach out to the policyholder to get an idea of how they are faring. It is important to establish their safety and if this is an emergency situation. Claim adjusters should also contact all the parties involved, whether they are the policyholder, the public adjuster or a restoration contractor, to gain an understanding of the size of the loss and the material involved in the claim.

When making these first contacts, it is a priority to assess the safety of the situation and determine if personal protection equipment (PPE) is necessary. Water loss sites can be messy situations. Adjusters should be prepared to encounter contaminants, rodents, and other pests that may be on-site.

With most water losses, claim adjusters should wear at least a facemask and eye protection. Depending on the type of water involved and if there are any potential contaminants, adjusters may have to wear a half face or a full-face mask with protective cartridges. In addition to head and face protection, adjusters should consider bringing water-resistant gloves, boots and possibly a Tyvek suit.

On first arrival, adjusters need to determine the source of the water, whether it was from sewer backup, broken pipe or flood, and how high the water rose, especially in the case of basements. Knowing these two things can help determine the extent of the damage.

Next the adjuster should determine which items are salvageable and which are not. One way of doing this is to look to the porosity of the item. In this way, furniture made of porous pressed

wood like bookcases and chairs are not generally salvageable. Non-porous objects like glassware, ceramics and certain types of hardwood are good candidates for salvage or restoration. Upon identification, these items should be set aside where they will not sustain further damage.

One special note — there are special cases in using porosity to determine if an item is salvageable. Children's plastic toys, while non-porous, are not usually worthy of recovery as they could harbor contaminants to which children should not be exposed.

After the initial assessment is complete, adjusters should do a room-by-room walkthrough of the site with the policyholder. At this stage, adjusters need to inquire with the insured about specific items to obtain ages, prices and points of purchase or where they generally purchase these objects. This information is tremendously useful in appraising inventory.

When noting unique items, collectibles and antiques, ask the insured what the item is, what it is made of, where it was purchased and how much it cost. These items can be difficult to appraise without this information. Work with the insured to determine any items they may want to keep and not claim regardless of condition, such as personal items of sentimental value.

Adjusters should also ask homeowners if any damaged items were discarded prior to their arrival. While homeowners are generally advised to not discard anything before the assessment, sometimes they do.

Before the walkthrough and interview is over, confirm that the insured is comfortable with the timeline. Let them know how long the assessment is going to take and exchange phone numbers in case any questions come up or clarifications are needed.

After this interview phase is concluded, adjusters need to draw a diagram of the loss. In doing so, use the names of rooms as provided by the policyholder – for example, Tom's room or Rose's room rather than bedroom #1 and bedroom #2. This will help the policyholder to identify the contents of each.

Photographing contents is called "freezing the loss" and is a necessary component of damage assessment. Adjusters should take at least four photos from each angle of the room, but are encouraged to take more to capture all the contents. Be sure to take extra photos of higher worth items and capture model number information if possible. The general rule is you can never take too many photos.

At all times keep in mind water damaged items can be very fragile. Handle items with care so brand names and model numbers can be captured.

When handling rugs, take multiple photos of the rug in various states – rolled up, rolled out and flipped over. It is also a good idea to take a photo of the rug alongside an unrolled tape measure to illustrate the knot count. With works of art, a distant picture is helpful but so are multiple clear, concise close up shots. Take several photos and capture the artist name and print number, if possible.

A voice recorder is a tremendously useful tool for logging inventory. Adjusters can loop it around their neck with a string and speak into it while keeping their hands free to sort through items. The alternative is to use a pen and paper but these can be dropped or lost in water damaged sites.

At this stage when going room-by-room, adjusters should focus attention on higher value items. One of the most important pieces of information for these items is brand name, especially in clothing, furniture and electronics. The next most important is model number. Recording size and material information is essential when inventorying furniture and material is particularly important for clothing.

Items should be organized in groups for proper inventorying. In this fashion, clothing, furniture, appliances and electronics would all be lumped together. Low value items like toiletries, office supplies, cleaning supplies, holiday decorations and food can be grouped collectively as “allowances.” Doing so makes it easier to discuss a price for these items with the policyholder.

When the inventory phase is complete, contact the policyholder to let them know and answer any questions they may have. Water damage can happen any time of the year and knowing how to handle these situations is a skill every adjuster should have in their toolbox.

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