Catastrophe modeling firm AIR Worldwide has estimated that insured losses from Hurricane Matthew, which impacted Florida, Georgia and South Carolina, could range from $2.2 billion to $6.8 billion. (Photo: iStock)

“If it keeps on rainin' levee's goin' to break. When the levee breaks I'll have no place to stay.”

So go the lyrics in the blues classic, “When the Levee Breaks” about the Great Mississippi Flood of 1927. Later popularized by Led Zeppelin, the song has unfortunately become relevant again with devastating floods striking the region in 2016.

In a span of eight days, more than 7 trillion gallons of water (more than three times as much as Hurricane Katrina) dumped on Louisiana and Mississippi, damaging 40,000
homes and costing local agriculture $110 million at last count. New estimates of catastrophic losses continue to rise.

Water can be a powerful destructive force, however more often than not, water-related damage is caused by human error from corroded plumbing, frozen pipes or faulty machinery than by cataclysmic rainstorms. One of our adjusters once discovered an entire closet of contents, dresses, shoes and belts frozen in a single block of ice.

Adjusting water damage claims poses some risks, so here are five ways adjusters can effectively manage them after major flooding events like Hurricane Matthew:

Adjusters and policyholders should take special care to protect themselves when walking through a flood-damaged environment. Sharp objects, live electrical wires and displaced reptiles present specific risks. (Photo: iStock)
1. Safety is job number one

Water-damaged sites are a messy affair, often involving contaminants, rodents and other potential hazards. As such, it’s imperative to first establish the safety of the policyholder to determine if there is an emergency situation.

Safety must apply to the adjuster as well. In most water-damage cases, protective clothing such as a facemask and eye protection are necessary. Depending on the situation and potential exposure to toxins, adjusters may have to wear a half- or full-face mask with protective filters. Depending on the water involved and the scale, gloves, boots and possibly a Tyvek suit may be required.

A water loss can range from a Category 1 (water from a clean source like a faucet) to a Category 3 (grossly unsanitary like flooding from rivers or streams) according to the Institute of Inspection Cleaning and Restoration Certification. (Photo: iStock)
2. Initial evaluation

On arrival, two pieces of information can help adjusters establish the scale of the damage — the source of the water, whether it’s from a flooded river, sewer backup or broken pipe, and the height to which the water rose.

When inspecting items to salvage, keep in mind the item’s porosity or ability to absorb moisture. Bookcases and other furniture made of porous pressed wood are usually not salvageable, while non-porous objects like glassware and ceramics are more likely candidates for recovery.

Non-porous items like children’s plastic toys should be discarded as they could harbor contaminants. It is better to be safe than sorry.

Interviewing the policyholders and asking specific questions about lost and damaged items can help expedite the claims handling. (Photo: iStock)
3. Walkthrough with the policyholder

A room-by-room inspection with the policyholder can yield a tremendous amount of useful information. Claims pros and claimants can collaborate on inventory, collecting individual items’ ages, prices and where they were purchased. High-value items that are less commonly found such as Oriental rugs and original artwork, may require pulling in outside experts.

Document the item’s identity or provenance, brand name, model numbers, composition materials, purchase price and where it was purchased. Size and construction material is essential for valuing furniture. Material also makes a big difference in the valuation of clothing.

Homeowners will sometimes start cleaning up before adjusters arrive and throw out damaged items before they’ve been properly recorded. Inquire if this is the case and if any items might have been missed.

The walkthrough allows the adjuster to review the recovery timeline with the insured. An estimate of how long the process will take and phone numbers to call with questions can be included in this review.
Photographs and diagrams of the damaged areas make it easier to document the damage and identify unaffected areas. (Photo: iStock)
4. Diagramming, photographing and documenting

Drawing a diagram of the site is an excellent way of documenting the damage. Using the names of rooms as provided by the policyholder (for example, using “Mike’s room” instead of “Bedroom #1”) make them more identifiable and, likewise, make it easier to identify the contents contained in each.

Photographing the contents of a room is one of the most important steps in assessing water damage. “Freeze the loss” by taking plenty of pictures. Water-damaged items can be fragile and should be handled with care. Many claims pros working at water-damaged sites like to use voice recorders for logging inventory; that way, they can avoid using paper that may become damp.
Loss claims can frequently be segmented into specific groups so similar items can be assessed more quickly. (Photo: iStock)
5. Organizing the inventory

Items can be organized into groups of higher and lower values such as clothing, kitchen utensils, books, CDs, etc. Furniture, appliances and electronics are typically itemized separately, and lower value items like toiletries, office supplies, cleaning supplies, holiday decorations and food can be grouped together. Sorting items in this manner makes it easier to discuss value estimates with the policyholder.

The catastrophic flooding in Louisiana and Mississippi underscores the fact that water damage is not a rare claim. Safely recording and assessing the damage at these sites is a necessary skill for all claim adjusters.

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