

High Six-Figure Water Damage Insurance Claim Settlements for Illinois Nursing Home and Healthcare Center

At the height of COVID-19, a Galesburg nursing and healthcare center experienced two back-to-back water damage disasters that disrupted operations. Apart from the physical damage, the insurance company did not consider business interruption losses – until our team proved that claim, too.

In September 2020, an underground water supply line to the cooling system of the healthcare center broke and flooded the lounge, dining room, and two residential wings. Nearly a month later, as water damage mitigation was underway, another water line broke and caused even more damage, which overlapped into the already damaged area. The healthcare center was now burdened with having to handle two property insurance and business interruption claims while looking after its patients, in a damaged facility.



ISSUES

- These disasters happened at the height of the COVID-19 pandemic at a property housing elderly patients who were then displaced from their regular living facilities that were rendered uninhabitable from the water damage.
- The healthcare center never before suffered significant property damage and was skeptical of retaining a public adjuster until it realized the gravity of the situation and the need to have an advocate for their insurance claims.
- The insurance company's adjuster, along with its building reconstruction and water mitigation consultants, seemed indifferent to the need for quick action and appeared to be inexperienced for the size of the claims.
- Since some of the damaged residential wings weren't occupied at the time, the insurance company did not think it necessary to compensate the insured or any of their business interruption losses.
- In the damaged tenant rooms, damaged tenant belongings – including desks, beds, and wardrobes – had to be removed before restoration could take place. The insurance company did not offer any compensation for this property damage for the damaged belongings since it considered these items to be tenants' property.

SOLUTIONS

- Our public adjusters stepped in and rather than continue to work with the inexperienced adjuster assigned by the insurance company we communicated with the company's Vice President of Claims to avoid further delay.
- We coordinated a reinspection with the Vice President and our trusted building contractor of the damaged floors, tiling, walls, ceilings, and electrical system. This reinspection significantly increased the value of the damages and the mitigation costs.
- We convinced the insurance company that abandoned and damaged tenants' belongings needed to be covered as part of business property damage. They offered an acceptable settlement for the personal belongings which they initially valued at \$0 – and removed and disposed of them.
- To prove business interruption losses for the unoccupied residential wings, our team researched and compared nursing home occupancies in the county determine how much COVID-19-related revenue they were generating – per bed, per patient.
- With this information, we convinced the insurance company that following the loss there was an opportunity to quarantine COVID-19 patients in the damaged wings and generate revenue for the insured if the rooms had been available.
- We negotiated with the Vice President of Claims and reached agreeable settlements. The insurance company would only pay for the final amounts after our client signed a policyholder's release, which our attorneys reviewed in detail to ensure the fairest outcome.

OUTCOME

Our adjusters settled both claims at the same time, helping our clients recover as soon as possible. Apart from negotiating significantly higher amounts for the physical property damage, we also secured substantial amounts for the business property and business interruption damages, which were initially not valued by the insurance company.

For the first claim, we secured a final settlement that was more than six times the amount of the insurance company's original offer.

For the second claim, we negotiated a final settlement nearly five times the amount of the company's first offer.



“...With your knowledge and experience in property insurance claims, combined with your knowledge of elder care and health care facilities you were able to turn our claim around and achieve a settlement that far exceeded our expectations and was certainly far greater than we could have achieved on our own.”

– **Michael Nudell**
Allure Healthcare Services
 Executive Vice President