

# Hail Damage to a Multi-Family Complex

Turning an “Under the Deductible” initial offer into a Million Dollar Plus Roofing Claim Settlement

Scio Village, six-building condominium complex located in Ann Arbor, Michigan, was damaged by a fall hail storm. A property damage insurance claim was subsequently filed. When the insurance company's adjuster inspected the roofs of each building he concluded the hail damage was cosmetic only with no damage to the complex's roofing systems.

**Seven months** after the claim was initially filed and inspections of the roofing systems were completed, the insurance company adjuster calculated the damage to the roof to be below the client's deductible and therefore no coverage was offered; the Globe Midwest/Adjusters International team proved otherwise.

## ISSUES

1. The client had never suffered significant property damage and was skeptical of retaining a public adjuster until they realized the gravity of the situation and the need to have an advocate for their insurance claim.
2. The insurance company took over **seven months** to assess the damage and communicate its position to the client.
3. The insurance company adjuster determined the damage to the roof was cosmetic only and valued the loss at \$10,000 which was below the client's deductible.
4. The insurance company did not bring in any experts to evaluate the damage done to the property and appeared to be inexperienced in this type of a property damage claim.
5. After Globe Midwest/Adjusters International provided the insurance company with an adjusted damage claim, the insurer produced a revised estimate of only \$100,000.
6. Since the insurance company didn't agree with the value of the loss, the client was forced to go through the appraisal process to determine the full value of the roofing claim.



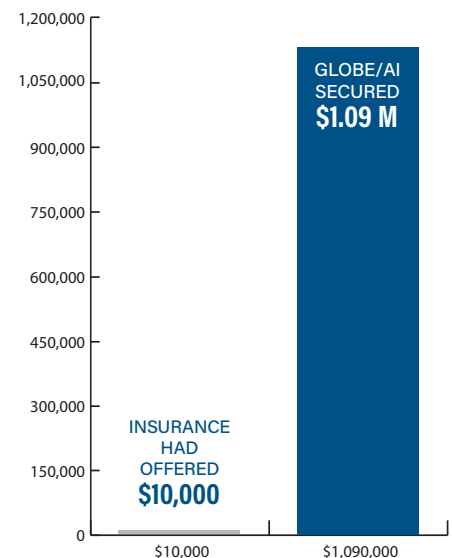
## SOLUTIONS

- Globe Midwest/Adjusters International's public adjusters stepped in and coordinated an inspection with a trusted roofing contractor and structural engineer of the damage **at no cost to the client**. These experts confirmed our public adjuster's argument that the damage to the roofing shingles needed to be viewed as a "roofing system."
- Accordingly, replacing individual shingles would in fact damage the connecting non-damaged shingles resulting in an overall disturbance of the integrity of the entire roofing system.
- We coordinated a reinspection of the roof with the insurance company adjuster and asked them to bring their roofing expert to the reinspection to meet with our structural engineer and roofing expert.
- The insurance company's roofing expert agreed with Globe Midwest/Adjusters International's position that the damage occurred to the entire roofing system and not just to a series of individual shingles.
- After the re-inspection, the insurance company raised its settlement offer to \$100,000 — ten times their initial \$10,000 offer. Our team of adjusters objected to this new settlement offer and invoked appraisal on behalf of the client. Appraisal is an alternative dispute resolution process where an independent third-party (an umpire) adjudicates the value of the damage.
- At appraisal, Globe Midwest/Adjusters International submitted an estimate of \$980,000 which also took into consideration the timeline of the loss and the increased costs in materials and labor that arose over the course of negotiating the claim.
- The Umpire agreed with Globe Midwest/Adjusters International's position and not only awarded our client \$980,000.00 but also \$110,000 in penalty interest because of the insurance company's underpayment of the claim over the 24 months since the damage occurred.

## OUTCOME

Shortly after being hired, Globe Midwest/Adjusters International settled the claim securing a settlement for our client that was **more than nine times** the amount of the insurance company's original offer.

The Scio Village property owners received the fair and just settlement they were entitled to in order to replace their roofing system, allowing the building and its residents to remain safe.



**GLOBE/AI SECURED OVER 90% MORE THAN THE INSURANCE COMPANY OFFERED.**

