



FirstCALL

News & Information from IAB

What Every Condo Association and Multi-Family Property Owner Should Know *When They Suffer a Loss*



Engulfed 8-Unit Building at Cornerstone Condominiums, Yardley, Pa.

According to FEMA, fire departments across the US respond to an average of more than 100,000 multi-family residential building fires every year, leading to some 400 deaths and nearly 4,000 injuries on average, and \$1.7 billion in property loss. No one can prevent all catastrophes, but anyone can mitigate risks and subsequent anguish by knowing what to do should disaster strike.

Mark Ellison is the former president of Cornerstone Condominium's HOA in Yardley, Pennsylvania, when residents' worst nightmare became a reality. It was Memorial Day weekend 2022 when Mark was awakened around midnight by the sound and scent of fire, a sound and smell to which he is attuned because of his work as a volunteer firefighter. Sure enough, when he looked out his window, he saw flames shooting from an adjacent building. As his fire department pager buzzed, he was a few steps ahead. He had dressed and launched into firefighter mode, running to the building to alert and evacuate residents.

In a recent interview with our staff writer, Mark shared details about the 24 hours that followed and his experience with the ensuing claims and rebuild process.

IAB: Please describe how the unit is positioned in the development.

Mark: The complex is made up of six residential buildings and a clubhouse. There are 88 units in the complex. Fortunately, the building that caught fire was among the smallest, with just eight units. My building was about 30 yards from the burning building.

IAB: Do you know the cause?

Mark: It was accidental. Of course, there's a lot of speculation about the preventability of the accident.

IAB: Was anyone hurt?

Mark: Miraculously, no. The owners of the unit above the one where the fire started were on vacation. Everyone else was able to evacuate without incident.

IAB: Firefighters were able to bring it under control quickly?

Mark: Relatively, yes, but four of the eight units were devastated, totally destroyed by the fire and the other four suffered severe smoke, heat, and water damage.

IAB: In a multi-family residential situation, is the HOA responsible for insuring everyone's property?

Mark: No. The HOA has insurance for the buildings and grounds, but each resident is responsible for insuring their own property.

IAB: Wow! So, you could be dealing with more than a half dozen different insurance companies. How did that go? Describe the claims process.



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Mark: Well, I'm a firefighter but never had to deal with an insurance claim or reconstructing a building on my own. As the president of the HOA, I had to contact the rest of the board and make some split decisions. The township deemed the property a hazmat site, which meant the fire department could not leave the grounds until the area was secured.

IAB: Did you call IAB at the same time?

Mark: The HOA insurance company advised us to not call a public adjuster. They assured us they would handle all details promptly. However, when I began talking to people, I was advised the opposite. I was told that it was wise to get our own adjuster to protect the interests of the condo association and all the residents. That's when IAB was recommended to us, along with one other company.



IAB: Why did you choose IAB?

Mark: It was a no-brainer. IAB came out immediately and advised us on the procedures, spending several hours assessing the property. All the while, they were educating us about construction, the claims process, and things we needed to do. They never pushed us to sign a contract. They were looking out for us right out of the gate, under no assumption that they'd get the contract. The other public adjuster spent little time with us but was aggressive about getting us to sign a contract. It was clear the other guys just wanted to close the deal, while IAB truly wanted to help our HOA. That was the deciding factor.

When you are under the stress of being a board president with a very expensive potential rebuild, it's hard to know what to do. When the emergency service company came out hours after the fire was extinguished to fence off the building, they handed me a contract. It was five pages. Naturally, I did not have time to review it in detail. I asked them specifically if the contract covered just the fencing, and they assured me it did.

Well, it did not. It was a contract for the total rebuilding of the property. Can you imagine? Just hours after the fire, when all of us were grappling with emotions and feeling confused, we were almost locked into an agreement without having the chance to do our due diligence. IAB came to the rescue here, too. In fact, they were the ones who pointed out the building language in the contract. On our behalf, they reached out to the emergency service company right away with a cease-and-desist order.

IAB: Did that problem go away easily?

Mark: Surprisingly, yes. I'm telling you, IAB took over and relieved us of all the stress associated with the claims and rebuild process.

Unless you've been through a fire of this magnitude, you simply do not know what to expect or what to do step-by-step. IAB advised us to not let anyone repair the building because of how bad it was. The property had to be demolished and rebuilt from the ground up.

Like I said, IAB took over the whole process. They communicated with me and the board about each step. They also communicated with our local officials, interacting on our behalf.

Ira and Seth are like pit bulls. They know the insurance policy language and they understand contracts. They know insurers try to pay out as little as possible, and they looked out for us, making sure we were not taken advantage of. The insurance company had insisted on rebuilding the units that suffered water, heat, and smoke damage rather than replacing them. They low-balled the offer, but Ira and Seth fought hard for us and proved the insurance company was not estimating in good faith. Ira and Seth got the claim to an acceptable number that would enable us to rebuild all eight units.



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Had we not hired IAB to go to bat for us, we would have been out-of-pocket for the bulk of the rebuild.

IAB: What was the biggest lesson you learned during of the rebuild process?

Mark: Building codes change and insurers do not always factor that into the settlement. Our development was built around 1993. Since that time, the township added ADA, hurricane and wind protection, insulation, sprinkler system, and other requirements to new buildings. This was a new building and we had to comply with the codes to pass inspection. These requirements come with a price tag. Another issue that affected the rebuild was our country's post-Covid distribution woes. If you recall, building materials were sparse and prices were through the roof.

We would have been on the hook for code requirements and materials expenses if not for the dogged work of Ira and Seth.

IAB: What was the timeframe of the entire ordeal? How long were residents displaced?

Mark: It seemed the insurance company was placing hurdles at every turn to delay the process, but IAB plowed right through them, keeping the process moving along. The rebuild was complete—finish work and all—and residents were back in their homes before the 2023 holiday season.

IAB: This all sounds too perfect. There had to be some hiccups, some friction. Between board members? With residents? Give us the scoop.

Mark: Well, the biggest issue was dealing with the insurance companies, who did not want to pay a just settlement. IAB took that stress away from us.

Otherwise, there may have been a few feathers ruffled when decisions had to be made quickly and we were unable to get full consensus, but I'm telling you, IAB did such a tremendous job communicating frequently with us that we were then able to keep all residents informed in a timely manner. No one was left hanging. Ira and Seth were extremely responsive.

And ya know what? Their responsiveness did not wane after December 2023. To this day, I am confident that if I or another board member call them with a question, we'll still get a response within a day. They care and it shows.

IAB: In hindsight, what are three of IAB's best attributes?

Mark: They are relentless in their pursuit of a fair claim. Insurance companies are tough, but Ira and Seth are tougher, and that's what we needed. In the end, they won for us.

They are industry experts—they know the battle and fight to win. Besides trying to get us a fair claim, they helped us through the process, which is more than half the battle. Plus, they know construction. They know what it costs to build, and they know people in the business, who they trust, that helped us make good decisions.

And as I've mentioned, they are great communicators. We've been able to return to them with questions multiple times even after the settlement, and they continue to be responsive. They treat me the same as they did during the process.

IAB: So, you would recommend IAB?

Mark: Every day and twice on Sundays! Like their slogan says, "Should disaster strike, make IAB your first call." Why would you want to work with a company that takes your payment and then ghosts you?

Whether you live in a condo, are on the board of a condo, or are in charge of a multi-family residential community, it is important to know what your responsibilities are in the event of a catastrophe. Equally as important is making IAB your first call should disaster strike. We serve individual owners of residential and commercial property, residential property associations, commercial real estate developments, and management companies.



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