

# Multi-Unit NEWSPAPER

Brought to you By Experts at  
**KAT Construction Management & Claim Animalz**



Hail comes in all shapes and sizes.

*Past Hail Claim? You better Read this...*

Authored by Philip Weber - Sources:  
Philip Weber & American Claims LLC &  
Local Insurance Agents

Have you had a hail claim in the past 2 to 3 years? We get asked to re-inspect sometimes during the scoping/estimating process and sometimes after the work is done and it is not unheard of that as much as 50% of the damages were missed or ignored by adjusters and roofers.

**How Can that be?**

Damages are missed all the time. It could be that the adjuster was not trained well, it could be that the adjuster was lazy, it could be the adjuster expected the contractor you hired to estimate and repair it before they pay for it (some items are only paid when incurred and not disclosed by the adjuster or insurance company), it even could be the adjuster had a bad day.

**Did you know** your insurance company is under no obligation to inform you that they have left off (not included items) that they would pay for once incurred? Did you know that while many roofing companies claim to be hail experts few really are? Just because a roofing salesperson meets with 1000s of adjusters doesn't mean they understand cause of damages. Did you know that many contractors and many roofing companies that focus on hail damage mostly focus on the parts of the restoration that are the most profitable, while telling their clients they will help them manage their claim?

For all these reasons you should be suspicious of the amount paid to you by your insurance company and whether all the damages have been identified and restored properly.



Just because everyone else does it, doesn't mean you should. Right MOM?

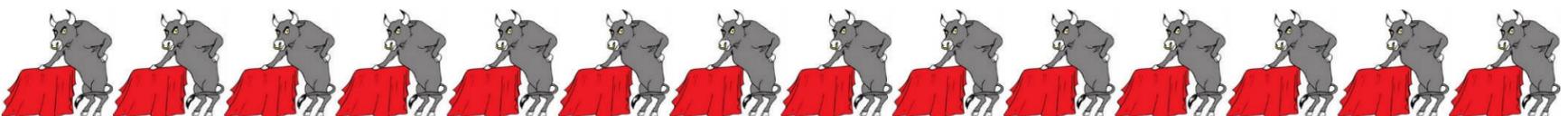
## *Don't Fall for Insurance Claim Pitfalls*

Authored by Philip Weber

Is the roofer really managing the restoration? Are they making sure the contractors providing services such as the gutter company, siding company, painting company, HVAC company are completing their work based on manufacturer's instructions and are they themselves guaranteeing that they do that too?

Are they providing you with each contractor's insurance information in case there is a problem? Are they obtaining lien releases when the work has been completed and giving them to you? I bet not. So, did they really manage the project? Did you know that the insurance company includes in your premium the cost of overhead and profit if a general contractor or construction manager is needed? Think about it. When the building was built was there a general contractor? YES! Of course!

If hail cause damage to a roof, gutters, siding, air units, paint, windows etc., then insurance pays for a general contractor /restoration manager? That's correct, insurance companies will pay a general or manager to manage projects when it is reasonable that one is needed. The insurance industry says they use three trades and a guideline however even if you need someone to manage even one trade that manager / general will get paid for their overhead and profit. The standard most accept is 10% overhead and 10% profit. That's 20% over and above the costs of the restoration. Over and above what is paid to each contractor, each trade. This is important because choosing a general or manager who is not your roofer is added protection for you. Hiring a roofer that you paid to install the roof to tell you if they did or didn't do it right may sound good at the time but it's not. Hiring a general or a manager that will require the roofer to meet manufacturer's instructions is always going to be better. Remember, your hail claim is not just about your roof!



**Don't Make These Mistakes**

# Top 3 Mistakes Made Choosing Insurance Coverage Based on Claims We Have Seen

Authored by Philip Weber – Sources: KAT Const Mgmt & American Claims

### Ordinance of Law

Coverage for loss caused by enforcement of building codes. Older structures that are damaged may need upgraded electrical; heating, ventilating, and HVAC units based on municipal codes. Standard commercial property insurance forms do not cover the loss of the undamaged portion of the building, the cost of demolishing that undamaged portion of the building, or the increased cost of rebuilding the entire structure in accordance with current building codes. However, coverage for these loss exposures is widely available by endorsement.

### Water/Sewer Backup

Backed up sewers can cause thousands of dollars in damage to floors, walls, furniture, and electrical systems. And think of the smell and clean up! If this happens to your home or business, will your insurance cover the damage?

W&S backup coverage can be purchased under your or commercial property policy and it's very affordable. We recommend that all property owners have this coverage even if you have an unfinished basement or lower level. Water that backs up from a sewer or drain can create a clean-up nightmare and also damage appliances like electrical circuitry, furnaces and water heaters as well as personal belongings stored in your lower level.

**Choosing an insurance company based on their promise of lower premiums instead of claim satisfaction.**



**D Property** - Before the hail storm struck, the building was run down looking. The street appeal was lacking. People who rented space here expected a deal and it was considered a community eye soar.



**C or even B Property Now** - After the hail claim that paid for the painting of the cinderblock exterior the owner paid a little more to have a mural painted by a local artist that had an interest in the community. The appeal is amazing. The entire building looks better. The people that rent here are proud to be tenants.



Photo shows the compressed fibers exposed to the elements and ready to absorb moisture. Siding like this that is often sprayed with a pressure washer to clean then painted will swell and its life is significantly diminished. In fact a few years from now the insurance company may send you a letter stating they have performed an underwriting inspection and you have failed to maintain the siding and it is no longer covered.

**D to C ... C to B...**

## Insurance Claims Can Boost Your Value

Authored by Philip Weber

Do you dream of making repairs that will raise the look of your building knowing that better curb appeal will make the property more attractive to tenants and more tenants wanting to live there can potentially raise the rents and higher rents will definitely increase the value of your building?

Did you know that properly vented roof/attics can reduce heating bills in the winter and Air Conditioning bills in the summer?

**Building Value** for one. If your engineered siding swells some insurance companies will deem it beyond its useful life and cancel coverage not for your policy but for the siding itself. Your recourse is to go to high risk or fix the siding (replace it). If you have bad siding vs good siding will that affect the price of the building when you sell?

**Reduced Maintenance** and out of pocket costs. If the roof isn't installed per manufacturer's instructions or the Hardboard siding not properly restored the buildings maintenance costs will rise and before you ever know what the cause is you are spending the money and cannot figure out what happened?

**Tenant Experience.** When restored properly your property not only has better value and less maintenance but has better street appeal and that attracts better tenants. If your property looks run down then expect that tenant that is ok with that. If your property is attractive and well maintained... well, it's our opinion but, expect a better tenant.

**Can your "D" apartment building suddenly be a "C" or your "C" apartment building become a "B"? YES!**

### Engineered Siding?

## Does your building have this? If so You Need to KNOW...

Authored by Philip Weber – Sources: KAT Const Mgmt & Hardboard Manufacturers

Did you know that **engineered siding (Hardboard/fiber)** is commonly incorrectly estimated by adjusters and is commonly restored improperly?

Improper restoration can cause the siding to swell due to moisture intrusion (being absorbed).

This means the life of the siding has been diminished significantly. Have you ever wondered why they replace roofs after a hail storm? It's not leaking. It's because the roofs life has been diminished. It means you will have to replace it sooner because of the hail damage.

## Does your building have this? If so You Need to KNOW...

### Engineered Siding (Continued)

Authored by Philip Weber

Example, if your siding had 20 years left before the hail damaged it but being damaged by hail has less than 3 years and improperly repaired may extend that a couple years, so the result in the siding now only have 5 years left.

That means if not properly restored you bear the burden for replacing 15 years sooner than you planned.

How can this be? How does this happen? The adjuster either hopes you don't know or perhaps the adjuster just doesn't know.

What about your contractor? The roofer you hired to manage your claim... they don't know either.

They are told to hire a painter. The painter will not argue and will paint.

Are there some painters that know?  
YES!

Did your roofer hire one?  
Probably not.

If you are an HOA this means your reserves just went up and it will cost each one of your members.

If you are the building owner, you will have to replace your siding and you need to plan for it

Is it fair? NO!

Can it be avoided? YES!

Is it a common mistake?

YES, probably the majority of HOA's and building owners with claims involving this type of siding are in jeopardy.

Can something still be done to correct this?  
Depends on how long ago the claim was.

The answer often different depending on who you ask.

The easy answer really depends on who your insurance company is. The harder answer is yes something probably can be done depending on who is in your corner.



Did you know that technology can save you thousands and possibly hundreds of thousands of dollars by pinpointing problem areas so that repairs can be made efficiently and economically?

### Flat Roof?

## Is It Leaking?

*Want to fix it without excessive costs?*

Authored by Philip Weber

A thermal imaging infrared camera roof inspection can detect leaking areas potential weak areas which may lead to future roof leaks on a commercial roof.

An infrared camera allows visual confirmation of the commercial roof through a unique filter that puts a spotlight on leaks, potential leaks, and weak portions of the roofing system.

### Municipal Building Code

## How Building Codes Affect You

A **Building Code** Upgrade aka Ordinance of Law endorsement provides coverage for the increased costs associated with making a damaged or destroyed property compliant with current building code standards.

Property owners are not expected to update their property every time a new code is enacted;

however, if part of property needs to be rebuilt due to damage caused by hail or some other covered peril then it must meet the current regulations in place at the time of the municipal code.

Ice & Water Shield, Roof/Attic ventilation, Plumbing, Electrical, and Insulation are the most common for us.

You might find a contractor to ignore the upgrades which will in the end negatively impact you. Or you can pay out of your own wallet which can be extremely costly.

When paid for as part of a claim it can be extremely valuable to the building and the owners.

**Latest Success Story**

# Meet Jovial Concepts

Authored by Philip Weber

Jovial Concepts purchased this building in hopes to resurrect it and make it a building the community had pride in. It had served as a community center and they hoped to transcend it into a community grocery store and an office building with offices and studios for nonprofits and health providers such as Yoga.

This story is a shining example of taking a building with little street appeal and problems waiting to happen and making it into a building that any tenant would be proud to be in. It became a building the community loves to see instead of a building that people wanted to close their eyes and wish it would go away.

This is a building that had a working roof, but it was a roof that had limited life left. The hail punctured the roof and caused leaks. The water intrusions caused damage to the front soffit and interior drop ceiling as well as the stained roof decking and structural beams exposed for the industrial motif. The water damaged the laminated flooring. The cinderblock paint was damaged by hail. Hail had broken exterior light fixtures and security cameras.

Paid for by insurance, new roof. Due to the fact Denver's building code had been changed, the roof was updated, with greater slope and increased

insulation saving on energy dollars.

The Air units had damaged coils that could not be combed and since the units were no longer made and the coils were no longer available, new units were paid for by the insurance company.

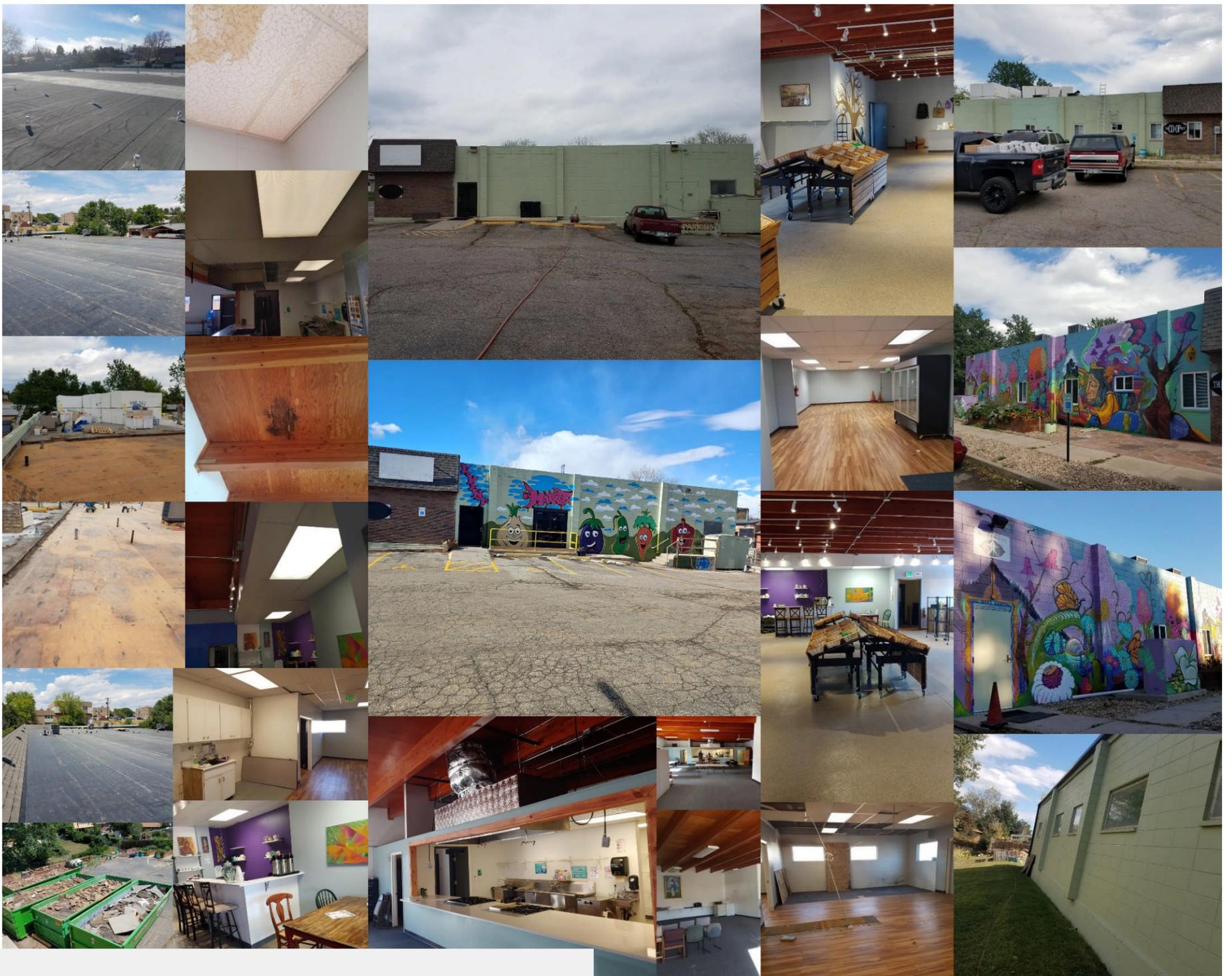
Because the front soffit was damaged and then repaired, the entire front soffit and trim was painted courtesy of the carrier. Add new cameras, new fixtures and the fact the owner worked out a deal for a local artist to paint a mural for slightly more than the paint would cost and you have a total transition.

The interior was slated to be remodeled so all of the funds for the restoration of the interior went toward the remodel.

The owner received funds from CHFA for the remodel and that along with the insurance funds has changed the building and the community.

The result was a building that is 3 to 4 times more valuable today. Its offices are full, there is a yoga studio operating on premises. There is now an urban food market for the community and a beautiful commercial kitchen that is leased to food trucks and others in the community.

The initial insurance estimate was less than \$80,000. Because of Claim Animalz & KAT Const Mgmt the final insurance amount exceeded \$200,000. The value of the building before the storm was less than .5 mil & now is more than 1.5 mil. A True Success for the owners, tenants & community!



**Jovial Concepts**

**A true success story!**

**D BLDG to B BLDG Project!**