



CLM 2018 New York Conference
December 12, 2018 in New York, NY

Emerging Claim and Adjusting Issues in Property Insurance Markets

I. How Aging Infrastructure and Development Affects the Scope and Value First-Party Claims

The aging infrastructure in many communities across the country has become a topic of growing concern. For example, it is often reported in New York City that there is much danger hidden beneath the streets by virtue of over 6,000 miles of pipes transporting natural gas, with much of the aged system being installed before 1940. New York City's underground network is one of the oldest in the country. New York City is not alone in this regard as there are more than 1.2 million miles of gas main pipes across the country. Gas pipe explosions have become more frequent often resulting in extensive property damage and business income loss claims. While some communities across the country have replaced old, metal pipes with pipes made of plastic or specially coated steel, many communities face challenges, including issues with access, traffic disruptions and funding. In New York City many buildings also contain aged gas distribution piping systems.

The Panel will discuss claim issues and strategies in addressing losses which typically result from issues with aged building and municipal systems. Underwriters should be aware that insuring buildings of a certain age could expose insurers to risks and claims with regard to aged systems. It is often the case that the building owners are unaware that problems exist with regard to these aged and deteriorated systems. Furthermore, the panel will address first-party property claims which often result during infrastructure and development projects, including adjoining property damage.

II. The Appraisal Process

Managing the appraisal process to achieve effective outcome will be discussed by the Panel. The appraisal process can vary by jurisdiction and courts and legislature have expanded the issues to be resolved in the process, including the scope of the covered loss. The Panel will address claim strategies in responding to appraisal demands, as well

as when to demand appraisal, with a focus on hail damage claims. Furthermore, the Panel will address the appointment of appraisers and separating issues to appraise and issues to be resolved by a court.

III. Claim handling Strategies with regard to Investigating Hurricane Damage Claims

After a hurricane or tropical storm strikes, civil and structural engineers, sometimes with the assistance of other retained experts, are often called upon to investigate the resulting damage to structures. One of the common assignments is to distinguish between wind damage and water damage. This can be a complex task requiring expertise in structural engineering, building codes, construction practices, wind forces, and water/wave forces, as well as familiarity with metrology. The scientific background and engineering principles of topics essential to investigation will be discussed. Furthermore, the practical side of carry out post-hurricane damage assessment, including planning and managing an investigation, tips for conducting a field investigation, researching specific events, and writing reports. In addition, mistakes on the part of claims handlers and engineering firms with regard to Superstorm Sandy that led to several high-profile court cases will be presented and discussed. Cases studies will be discusses illustrating ways to synthesize and apply the collected information for the investigation.