



CALIFORNIA PROFESSIONAL FIREFIGHTERS

State's Largest Firefighter Organization: FLOODED

California Professional Firefighters (CPF) is the state's largest organization dedicated exclusively to serving the needs of career firefighters. One evening, a water main broke under the ground floor of the CPF building in Sacramento, California. The next morning, returning employees found the first floor of their building completely inundated with water. The concrete foundation had cracked in multiple locations and had been lifted off of the ground. Water had settled into the soil under the foundation, greatly compromising the stability of the building.

Issues:

The insurance company raised concerns regarding coinsurance. Coinsurance is a vehicle insurance companies use to make sure that policyholders carry an amount of insurance equal to their property value. In the event they do not, they are penalized and become "co" insurers with the insurance company when a claim is filed.

CPF's insurance company originally claimed that foundation issues were not covered under their policy.

After the insurance company conceded that the foundation was covered under the terms of CPF's policy, they proposed to replace only the cracked portions of the concrete slab which equated to replacing only 4,100 square feet of the over 10,000 square foot ground floor.



Strategies for Resolution:



Lou Paulson, President of CPF, turned to his friend, John Garamendi — who had served as the California Insurance Commissioner, U.S. Deputy Secretary of the Interior, California Lieutenant Governor, and is currently a U.S. Congressman — for advice. His recommendation was simple: hire The Greenspan Co./Adjusters International.

The public adjuster from The Greenspan Co./Adjusters International quickly set up a meeting with the insurance adjuster to discuss the replacement cost of the building and to review CPF's insurance coverage. During the meeting, the adjuster from The Greenspan Co./Adjusters International proved that the building was, in fact, insured

to value and that no coinsurance penalty should apply. Within three days of hiring The Greenspan Co./Adjusters International, the issue was resolved.

To respond to the insurance company's proposal of only replacing the cracked portions of the concrete slab, The Greenspan Co./Adjusters International hired a team of structural engineers to perform slab-on-grade topography surveys. Armed with their findings, the team was able to make clear comparisons of level changes between readings taken before and after the loss. A progressive and consistent increase in floor slopes as a result of the water main breakage was clearly outlined.

To further substantiate the need for a complete slab removal, the team analyzed the underlying soil and proved that moisture progression had caused ground expansion, further diminishing the integrity of the building. The work performed by the team of engineers resulted in the replacement of the slab entirely to the limits of the exterior footings, as well as the removal and replacement of the saturated soil before the new slab was recast.



Conclusion

Before seeking assistance from The Greenspan Co./Adjusters International, CPF was considering a building settlement of \$459,000 and a deficit of over \$1 million in funds needed to restore their building. With The Greenspan Co./Adjusters International as their advocate, their total recovery was over \$1.8 million — four times the original offer — and the CPF building was restored to its original glory.

“ Not knowing where to turn, I called John Garamendi – the former Insurance Commissioner of California and currently a U.S. Congressman. ...without hesitating, John told me to call you. Looking back I know two things: 1) I cannot thank John enough for the recommendation and, 2) it is the best decision we ever made. ”

-Lou Paulson, President, California Professional Firefighters