

INDEPENDENT AUDIT (2)

INSURANCE INDUSTRY RESPONSE to FLOOD AFFECTED BUILDINGS in CARLISLE 2005

Apathy or Ignorance?



**Photo taken 4 weeks after the flood! 10th Feb 2005 in Warwick Rd.
Contractor and loss adjuster are proud to display their names!
The building is still wet and uncontrolled on all levels!**

An Audit of East Sussex-Lewis floods in 2000
showed the same problems, how much money has been
wasted since?

Summary

Following the release of my first Carlisle audit I have been criticised by some who feel my findings are unbalanced and even malicious. Ask the Insurance company shareholders or those asked to pay higher premiums for incompetence. The audit is visual; the comments are technical and obvious. There is no witch hunt, few if any involved in the recovery response can deny the findings; they are blatant which is so much more indefensible.

Four weeks after the flooding and many buildings are still uncontrolled, wet with unnecessary secondary damage occurring needlessly. I have stated opinion and substantiated where possible, I am prepared to be questioned or debate audit contents, I have raised my head above the parapet, and made many statements, it should be easy to discredit me if I am wrong.

Lewis & Kent Flooding 2000

I undertook a similar audit in Lewis and Kent in 2000 following wide area flooding.

That document results are identical to this audit and the Insurance industry response to property damage has simply not moved on. In fact it has gone backwards in many ways. A concluding report will be available which identifies these issues and will provide recommendations to benefit all concerned in the field of property damage repair. Please contact me if you require details.

Bullet Point finding of this Audit

Many contractors and loss adjusters, surveyors and builders have the skills necessary to undertake competent damage recovery. Unfortunately each has special qualities that currently, may not be linked or used in unison. There appears to be a total misconception by some of the following different procedures;

- Mitigation and the need for speed to control or reduce damage
- Drying, anyone can dry but restoration speed drying is a skill
- Builders, essential & skilled but not to be confused with restoration
- Restoration, the art of salvage and restoring to pre loss condition
- Surveying, the science of buildings and quantifiable components.
- Standards, misinterpreted by those not familiar with areas above.
- Balance & triage the need to identify economic salvage or replacement
- Loss adjusters to move quickly to utilise all above skills in triage

Audit 2 Objective

To remove any doubt that day to day or wide area property damage claims are mismanaged and cost more than they should. More importantly indicate that time, money & resources could be better utilised to reduce claim costs and simultaneously improve profit and reduce time to claim closure. To provide an overview of technical problems and identify serious areas of concern regarding specific claims and industry response.

Note

Legal and criminal liability aspects have been excluded from this audit, although very significant areas of concern for both CEOs and suppliers exist. Long tail claim liability has also been excluded

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A review of competence four weeks after the flood!



Both Raining inside!



10 Osborne House
St Martins Lane
Beckenham
Kent BR33XS

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Raining Inside,



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Upstairs.



Raining Builder

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Condensation on windows from a company that knows drying !

CASE STUDY 6

BUILDER DRY'S FOR FREE!



Remove floor, all plaster, woodwork, **even first floor was removed!** The cottage next door was stripped downstairs only? Free drying perhaps?

10 Osborne House
St Martins Lane
Beckenham
Kent BR33XS



If all wet materials and some that are dry are cut out, drying costs can be reduced to zero. Building costs may escalate but is free drying too good to miss? Note the paper under the wet floor board and wet joist, the dust on top of the power socket! Both buildings were DRY!



**10 Osborne House
St Martins Lane
Beckenham
Kent BR33XS**

Case Study 7



This strip out was being well done by a building company. This is a point of interest only, but can emphasise the specialist skills required in restoration.

The hydraulic lime plaster had a fibre component obviously to give it some strength and flexibility.

What is the hazard?

- 1. Caustic burns from wet high alkali plaster?**
- 2. Asbestos used sometimes in this age of plaster?**
- 3. Anthrax spores?**

If you said number three you would be correct. Horse hair was used as a binding. Anthrax was common place in 18-19century and most people then had immunity, due to constant animal exposure. Today very few people have natural immunity and a health risk existed here.



Case study 1 Revisited

This is a sad statement of the industry. In the previous audit document I mentioned this claim. The surveyor said the building was wet and told the hoteliers they had to move out while their home and business was gutted. I surveyed the property and found it to be dry. I showed the insured who was surprised to say the least. I called the Insurance Company and told them a mistake had been made, so confident were they in their surveyor they ignored my warning. I offered to meet their loss adjuster on site and prove but they declined. On Wednesday 9th Feb the builders arrived to gut out. I saw the policy holder who was clearly concerned. I asked if he had spoken with insurers and he said yes, they had told him to accept their advice or he would not have redress or their support.

The builders had to steam off the wallpaper as it was dry, and you can see the moisture runs on the wall.

I surveyed the property again in front of the insured and two independent witnesses. The results are visual. Please note I did not use specialist equipment that I may have usually used in surveying but industry standard Protimeter, with wood calibration. Of significant importance is that a moisture reading of 23% wme in brick, is approximately 6%. The measurements were taken from brickwork exposed by plaster removal the day before and may have been wet from wallpaper stripping.



**Wall paper, plaster and floors going. Unnecessary cost to insurers £100,000
Disruption and loss of business to insured?**

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22% wme wood moisture equivalent = approximately 6% moisture content



Different room 6% moisture content.



Dry floor boards



Joists at 13.8% Using penetrative spikes. Acceptably Dry without drying!

My survey concluded that only part of the party wall and an area below a bay window, were appreciably wet. Both areas may have been historic damage.

The surveyor provided a works specification to the builders.

The following line items would appal any professional restorer or health and safety competent person.

The following description is not an exact quote but from memory.

1. Remove plaster and disinfect brickwork
2. Sterilise floor joists.

How many builders are infection control qualified? How many know the difference between disinfection and sterilisation. Clearly the surveyor doesn't understand either. Sterilisation is not possible outside a laboratory. What chemical was the builder expected to use, what is the method statement or indeed application or protocol. The specification had no scientific meaning, but was an authority for unqualified persons to undertake a task for which the health & safety of others including contractor employees would be placed at risk. Equally had the contractor followed what they thought was reasonable instruction the property could have been contaminated with residual chemicals with liability issues for CEOs and mortgage lenders. Disinfection is a complex operation and is best described in our glossary. Please visit for explanation.

http://www.disasteradvice.co.uk/Glossary_Search.asp

A property just a few streets away were visited by large insurers nominated contractor. They entered the home with fogging equipment, when they left they had paper masks on their heads. I asked the homeowner what they had done, she said, "They came in and sanitised my home, lovely smell"

Unfortunately that lovely smell is associated with a chemical that is a known carcinogen, the homeowner should not have been in the premises, the contractor should have been aware of their own personal danger and worn full face respirators with special filters. The chemical is banned in the country that makes it.

Case Study 5 Revisited Civic Centre Carlisle

From the first audit I made it clear that the building was at risk from catastrophic secondary damage. I emphasised the risk not the catastrophe. The flood waters submerged the basement and rose to approximately five feet on the ground floor, the picture shows a tide mark some four feet high but you can estimate the true depth by adding a few steps as seen on the right of the picture.

My question is how wet do you think the building is and how much equipment would you need to dry quickly to enable repair, resumption of business and claim closure.

If you said none for three weeks and then just one machine you would be in line with the claim management team. This is what was on site during my second inspection on Thursday 9th February 2005.



Flood line, 4 steps above pavement! Remember the whole of the basement, engineering services, and storage was submerged!

Please note,

The following review does not predict:

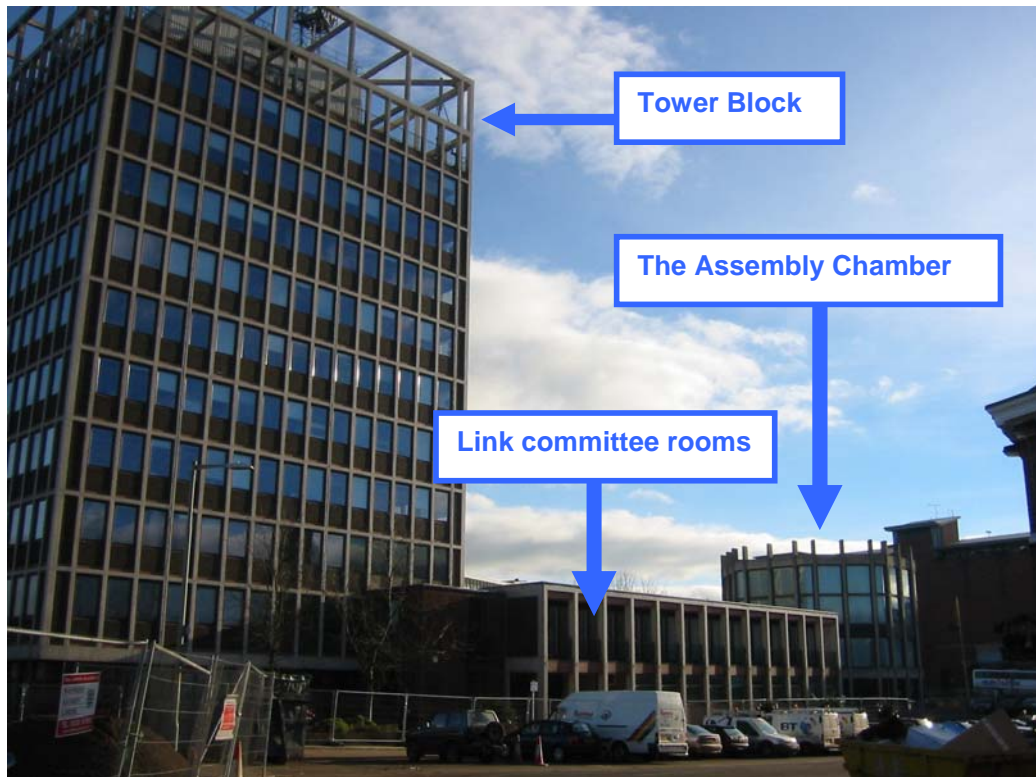
- **More secondary damage,**
- **Toxic mould**
- **Destruction of organic materials**
- **Odour**
- **Hygiene or Sanitation problems**
- **Latent damage claims**
- **Concerns regarding unnecessary delays in claim closure**
- **Liability issues**
- **Dissatisfied client**
- **Dissatisfied townsfolk**

But the review does emphasise the unnecessary increased risk!



**The Assembly Chamber
See Page 15**

This is the view of the Civic Assembly Chamber 8th January By the 10th Feb only 1 piece of drying equipment had been installed, one 2 KW electric fire!



No equipment seen in the Assembly Chamber or library committee rooms (Link building) in over 4 weeks! Only the tower block had any drying installed.



This is the ground floor of the round assembly chamber. Walls have been stripped, floor and building envelope saturated. No drying equipment installed, uncontrolled evaporation, doors open to both main tower and link building. The humidity is so great it is forming on the windows even with doors open!

The photo below shows the assembly hall directly above the previous photo.



The chamber is high quality wood and leather and is on two floors, Photo taken from the upper gallery. The circle shows the use of one 2 KW electric heater. The only controls in the entire building. Is there a risk of mould? Is this apathy?
Can this really be seen as claim management in 2005?

The Building Recovery

The council official apparently in charge of this building recovery initially asked for my proposals for drying the building on Jan 26th. He understood controls I recommended. He was apologetic when the Insurer installed a nominated contractor the following day.(Three weeks after the flood) On Feb 9th he asked if I could attend site as he was concerned at the drying progress. I attended site at approximately 16:00 where he was meeting with the insurance company claims team. I suggested I undertook a quick building assessment to identify any shortfalls in the drying program, which we could discuss with them.

The following information was gathered in 30 minutes.

The heating was now fully operational although no ventilation was operating. Only one propane heater/dryer was installed for the whole building complex which consisted of three linked buildings. (see first photo) Tower block, library, conference facility which is the 2 floor link building connecting to the round Assembly Chamber.

The first floor offices now fully operational had a relative humidity of 63% @ 20c which gave the air the ability to carry almost 010 kg/kg of moisture. A clear

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warning was the condensation which had to be wiped of windows constantly. Secondary damage now occurring. Mould most likely

The Drying Protocol

Although two drying machines were initially installed on or around the 28th of Jan one was removed a few days later to undertake a drying job in a restaurant over the road. Therefore only one piece of drying equipment was seen in the entire complex on Thursday 10th Feb and that was struggling to create incoming air at 35%rh @ 22c a pitiful .006 kg/kg and was being used to dry a single room on the ground floor of the main building, the tower block. This was poorly set up with the dry air supply within 2 meters of the extract and with the nearest air movement directing the dry air supply towards the extract. One of the hoses from the machine to the building had fallen off and another collapsed. The air being forced in was unfortunately wetter than ambient.



Dry incoming air being blown in vortex towards extract! Not very efficient!



This picture tells a story on its own. The deflated polythene tubing is believed to be from the disconnected supply from the trailer mounted dryer in the following pictures. The plastic now deflated has caused a vapour barrier and condensation can be seen underneath. This is a very good visual on just how wet the building is. When can the council relay floors? How unnecessary is this delay? The drying program and controls should have been installed weeks ago!

The ventilation ductwork and AHU located in the basement had been submerged. The risk of standing water within the ventilation ductwork, drip trays etc must be considered as a potential health risk from legionella. Mould may have formed on dirt and filter cellulose material, and some bio amplification due to moisture, warming air and dirt, contamination from flood water must be a consideration.

It may be a surprise that no decontamination was undertaken and although the ventilation system was not operating it did link all parts of the building via ductwork to the contaminated flood areas. As warm air is known to rise, (stack effect) coupled to laminar air flow through open vents, doors, it must be assumed that contamination will travel through this vector agent.

This may, and again the emphasis is on risk not prediction, result in a variety of possibly health risks including a legionella outbreak. See CEOs responsibility for nominated contractor/employee.



High level ductwork above flood level but see condensation on windows and obviously will form internally as duct is and not insulated, note the duct end is not sealed (circle) and will transport contamination throughout building when air movement, doors, windows are moved.



This is a duct at soffit level in the basement, previously totally submerged in black water. The whole system is contaminated and may contain standing water. A serious legionella risk! See debris on lips of duct. Consider the biological growth potential in that sodden filter or debris within the ducting.

A possible criminal liability and responsibility for the insurer who nominated the claim management company. Corporate manslaughter charges could be brought against those in charge of this project (Insurer CEO) if a fatality occurred. Fatalities do occur in legionella outbreaks. Has a suitable risk assessment been undertaken or is the health of several thousand people entering the building down to luck?

The flooding could not be prevented. The re occupancy of the building without competent risk assessments or controls may be indefensible.

Following this survey (requested 30 minutes previously) I reported to the council official who had for some time been discussing problems and possibly my involvement with the Insurance claim team. I attempted to report to the official but he apologised profusely and said that the Insurers claim team had said if he didn't follow what they said they may not be responsible for the outcome.

I felt that the situation at these offices was at a critical stage and insisted in informing him of the danger from heating the building without any form of dehumidification or ventilation. He said they open windows. The following photo shows how many were open 3!



HOW NOT TO DRY A FLOODED BUILDING

Turn up the heating, close the windows.

**Could there be a better example of claims incompetence?
Is this a reasonable criticism, have you seen anything worse?**

**An audit I undertook for a major insurance company showed
an alarming 70% of claims were overcharged, damage allowed
to escalate or scope drift was evident!**



This photo shows additional ductwork which was underwater but not sealed or disconnected? Cold air entering the building, causing dew point and resultant condensation resulting in unnecessary secondary damage? Bio risk?



This photo shows a trailer mounted system poorly installed with a collapsed hose, top, and disconnected hose bottom. The windows are not sealed either

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allowing cold air to enter the drying area which may result in additional cold spots and dew point being reached locally. Condensation and mould potential. As I said in the previous audit, contractors and suppliers may have explanation for items identified in this report.

This is not a witch hunt. No contractors will be identified

Can anyone honestly say things couldn't be better?

Money and time are misspent. The resources are there.

All audit documents, including the 2000 edition can be downloaded at www.disasteradvice.co.uk Contact me for free access code.

Report may be copied if accreditation given to author.

Report Ends

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