HOW TO MEDIATE A FIRST PARTY PROPERTY CLAIM
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This is a beginner to intermediate discussion of some of the technical aspects of a roof claim designed to help a mediator feel comfortable and be successful in mediating a first party property claim.
What is a First Party Claim?

First Party Claim: Policyholder v Insurance Co

Third Party Claim: Claimant v Policyholder
624.604 “Property insurance” defined.—“Property insurance” is insurance on real or personal property of every kind and of every interest therein, whether on land, water, or in the air, against loss or damage from any and all hazard or cause, and against loss consequential upon such loss or damage, other than noncontractual legal liability for any such loss or damage. Property insurance may contain a provision for accidental death or injury as part of a multiple peril homeowner’s policy. Such insurance, which is incidental to the property insurance, is not subject to the provisions of this code applicable to life or health insurance. Property insurance does not include title insurance, as defined in s. 624.608.
Questions

What areas or subjects would you like to cover?

What are your expectations for today?
Typical Causes of Loss in a First Party Property Claim
HO1  Named Peril
HO3  Open / All Risk / Special
HO6  F.S. 718.111 (11)
HO7  Mobile Home
HO8  Older Home
Deductibles
F.S. 627 701

Hurricane Deductible
Applies every year
2%  5%  10%
Only applies in a hurricane storm

2% of $350,000 = $7,000
5% of $350,000 = $17,500
10% of $350,000 = $35,000

All other perils deductible / AOP
$500, $1,000 or $2,500

Consequences of a High Deductible
Flood
Florida Farm Bureau v Cox, 948 So.2d 758 (Fla., 2007)

Limited benefits
Actual Cash Value
Contents?
No Basements
Growing Market for First Party Property Claims, Lawsuits and MEDIATIONS, ARBITRATIONS AND APPRAISIAL UMPIRES

Hurricanes
Violent rain and thunder storms
Water damage
Sinkholes
Civil Commotions
Flood

Climate Change?
Practice Tip

Direct your marketing efforts towards the all the mediation participants.
The Participants

Public Adjusters
Experts
Contractors
Roofers
Attorneys
Insurance Carrier Representative
Mediators shall market their practice in a manner which is neither false nor misleading. **Rule 10.610.** While the rules do not specifically prohibit or sanction the use of **ratings or logos,** generally, a mediator is not prohibited from including accurate information in marketing material. However, if a mediator uses an AV rating from Martindale Hubbell or the logo, the mediator has an obligation to do so in a manner that does not mislead. Therefore, the mediator must ensure that, if the information and/or logo are used, it is clear that the rating relates to the attorney- mediator’s law practice (as opposed to his/her mediation practice). See MEAC 2004-001 and 2007006

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**Certified Civil Court Mediator**
Roof Claim Disputes

One of the most common disputes for mediation
In the even of another storm, it will be part of
most mediations
Department of Financial Service
Pre-suit Mediation Program

www.myfloridacfo.com/division/consumers/mediation/
F.S. 627.7015 &
F.A.C.69J-166.031

Assignments
Payments
Participants
Marketing Opportunity
Potentially Profitable
Recognizing a Potentially Difficult Roof Dispute

- 20-25 year old house
- Second or third owner
- Original roof
- Previous repairs
- Minor damage but now it leaks
- Owner is elderly of a single mom
- Public Adjuster, Roofing contractor on the file
- Photos with chalk circles
- Claim denied or adjusted as under deductible
- Assignment of benefits
The Defense in a Roof Claim Mediation

1. The denial, or under-deductible estimate is valid – no compromise, or minimum payment
2. The roof does not need to be replaced, minor repairs will do
3. The roof needs to be replaced, but it costs less than the policyholder’s estimate
Practice Tip

The mediator should find out quickly which position the defense is going to take.
The 25% Rule

If 25% of the roof is damaged, then the whole roof needs to be replaced.

Minority View: 25% of slope, not of whole roof.

Matching F.S. 626.9724.
How Much Does it Cost to Replace the Roof?

The defense:
$250 - $350 a square

A 25 square roof: $6,250 - $8,750

The policyholder:
$350 - $500 a square:
$8,750 - $12,500

The dispute then is between $6,250 – 12,500 ++
The mediator should be familiar with the vocabulary of roofs

A Square is a 10 X 10 foot section of the roof

Types of Roofs
Hip, Gabled / Mansard / Flat / pitched / sawtooth

Roofing materials
- Asphalt roof
- 3 tab architectural shingles
- Barrel tile
- Slate
- Metal

www.thespruce.com/best-roofing-materials-for-longevity-1821951
How the Insurance Carrier Prepares for Mediation
FNOL: First Notice of Loss

The production floor
Inspection

Company adjuster
Independent Engineer

Who attends the mediation on behalf of the carrier?
Inside the Clockwork

Desk Adjuster Review
Roundtable
Review of Exclusions / Conditions
Establishing Value
Assignment of Benefits / AOB

Policyholder  Contractor  Insurance Co
“This is a tool that is primarily designed to make the process simpler for you, when used with any ethical contractor, but has been widely abused by restoration contractors and a number of select roofing contractors have abused them”.

/www.collisroofing.com/resources/understanding-your-assignment-of-benefits
Assignment of Benefits

Practice Tip

Make sure you know at the start of mediation whether the policyholder has executed an assignment of benefits.
Attorney Fees
F.S. 627.428

Settlement pre mediation
Total Settlement $35,000
40% Attorney Fee $14,000
Costs $2,750
Policyholder $18,250

Mediation Settlement
Settlement Amount $35,000
Fee Demand $42,500
Total Settlement $77,500
“We reaffirm our adherence to the use of contingency fee multipliers in this State and make clear that there is not a “rare” and “exceptional” circumstance requirement before a contingency fee multiplier can be applied”.
Everything we hear is an opinion, not a fact. Everything we see is a perspective, not the truth

-Marcus Aurelius, 121 -180 AD