

Fierce Flash Flooding Hits Assisted Living Home



Investigation leads to a hidden culprit in disaster

In the dark hours before dawn in January, a sudden burst of torrential rain hit the town of Montecito in Southern California, dumping a half-an-inch of water within five minutes. The area had already faced two days of heavy rains, and the sudden deluge brought water cascading down ravines from the mountains carrying deadly mud and boulders along with it, hitting the edges of the sleeping town below. One of the structures suffering damage was Casa Dorinda, a large assisted-living facility for the elderly. Fortunately, none of the home's residents were hurt. Based on recommendations of others, Casa Dorinda reached out to Adjusters International/Matrix Business Consulting to explore representation. When the insurance company started hinting they might deny the claim, their decision was easy. The facility's executive team turned to Adjusters International/Matrix Business Consulting to handle its claim.

Issue:

- The insurance company based its decision to explore denial of Casa Dorinda's claim on the fact that the facility's policy excluded damage caused by floodwaters. Since the damage resulted from a flash flood, the insurance company would refuse to pay the claim, leaving the facility in a bind as it needed to repair the damage as quickly as possible to minimize the disruption to its elderly inhabitants.



Strategies for resolution:

- An investigative team from Adjusters International/Matrix Business Consulting got to work and quickly realized that a previous catastrophe was directly responsible for the damage caused to Casa Dorinda. A month earlier, a major wildfire known as the Thomas Fire had devastated Southern California and burned over 281,893 acres, including the mountainous area above Montecito.
- The experts from Adjusters International/Matrix Business Consulting proved that the fire's wholesale destruction of vegetation in the mountains above Montecito rendered the landscape vulnerable to the heavy rains. The fire transformed the organic soil to ash and char and created a water repellant layer, which led to increased runoff. Since the charred soil was no longer anchored down by roots, it was susceptible to erosion, and the runoff carried it away, which contributed to the cascading debris flow which hit the facility.
- Based on this analysis, and previously established California law, coverage issued on the loss would need to be paid.



Conclusion:

The investigation by Adjusters International/Matrix Business Consulting tied the damage suffered by Casa Dorinda directly to the fire and concluded that the living facility's insurance policy should cover it. It argued the debris flow would not have occurred under normal circumstances.

As a direct result of the investigation, Casa Dorinda's insurance company reversed its decision and approved the payout for the loss.



"The December Thomas fire and subsequent January 9th debris flow was a devastating blow to Casa Dorinda and Montecito as a whole. As part of rebuilding from these events, we are pleased with the outcome and settlement Adjusters International/Matrix Business Consulting helped to orchestrate with Nationwide Insurance. There is no question we would not have been as successful without Adjusters International/Matrix Business Consulting."

- Brian McCague, President & CEO and
Lachlan Hough, Chairman