

# CatManDo, Inc.

## Claims Adjuster Alert

*Practical Knowledge for Adjusting in an Impractical World*



Chuck Ross is President of CatManDo, Inc. a full service independent insurance adjusting company, providing accurate, cost-effective and reliable property insurance claims adjusting, TPA and insurance appraisal services to Florida insurance carriers. The firm was founded in 2000 with the express purpose of providing a higher quality of claims service than is currently available and is focused on managing the clients indemnity dollars. Prior to starting CatManDo, Chuck served as the National Field Manager for Geico and was the designated property auditor for USAA.

### The Exploding Drain Pipe

Water losses represent about 50% of ALL losses in Florida and misclassification of pipe leak claims is costing carriers a boat load of money. To effectively manage these claims, your adjusters **MUST** be able to distinguish between supply lines and drain pipes. More importantly they must understand the different characteristics of each when one bursts, ruptures or leaks water and the role they could play in uncovering unwarranted claims. If your claims adjusters (both inside and field) are simply reporting that a “**pipe**” leaked, you are not getting your monies worth from them and this could be costing you **BIG** bucks by paying claims that are not owed.

#### Water Losses

#### SUPPLY LINES vs. DRAIN PIPES

##### Supply Line Characteristics

- Supply lines are under pressure.
- Supply lines typically measure from ½” to 1” in diameter, with the most common at ¾”.
- Supply lines are usually copper in older homes, PVC in newer construction.
- Supply lines can develop a pinhole leak or rupture. In either case, the water will continue to leak out of the pipe until a supply valve is shut off.
- Pinhole leaks will cause water accumulation in one small area.
- Ruptures may cause water damage throughout the entire house.
- Supply lines include all incoming supply of potable water to the sink faucets, showers and bathtubs, toilet tanks, washing machines, dishwashers, water softeners, exterior hose bibs and water filtration systems.
- Supply lines have clean water in them and when they burst, clean water is what comes out.
- The adjuster can easily rule out or confirm supply line leaks by checking the water meter gauge.



Copper Water Supply Lines



Drain Pipes



Water Supply to Shower

## The Exploding Drain Pipe.....continued

### Drain Line Characteristics

- Drain pipes are not under pressure.
- Drain pipes are typically 2" to 4" in diameter.
- Drain pipes are made of cast iron or PVC.
- Drain pipes typically have less than 20% of the pipe filled with water at any one time.
- Drain pipes only have water actively flowing thru them when they are being used. For example: The drain line leading from the kitchen sink only has water flowing in it when the kitchen faucet is open.
- Drain pipe leaks above the slab are typically ongoing over a period of time because they only leak when the drain is being used.
- Drain pipe leaks below the slab seldom cause damage above the slab because the water flows down into the earth due to gravity.

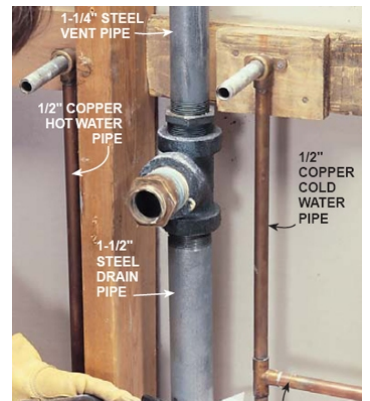
### Things to Look for in Your Claims Investigation

- You must identify the exact pipe that leaked. What kind is it? Supply line or drain pipe?
- Was anybody home and was there any water on (washing machine, dishwasher etc.) during the time of the loss?
- It is important to identify who found the damage. What did they do? When did they find it? Who did they call? How did it happen?
- Is the damage being claimed long-term or sudden and accidental?
- A drain pipe is the most likely cause of long-term (ongoing) damage.
- A supply line leak is the most common cause of sudden and accidental damage.
- If long-term damage is reported from a drain pipe leak, is there pre-existing damage hidden behind the walls?
- If the damaged claim is from a supply line, there should be evidence of more wide spread damage including swelling of cabinet corners, doors, toe kicks, pressboard furniture or the very least visible water stains.



Supply Leak & Damage

*“To effectively manage these claims, your adjusters MUST be able to distinguish between supply lines and drain pipes.”*



Typical Water Supply & Drain Set-up

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