

# CRASH



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## WOOD ROT....WHO PAYS?

**You have insured the RV. The outside and inside looks great. But do you know what may be between the walls, ceiling or floor?**

The value placed on the RV is based upon the structural integrity among other things. Right? What if there was previous water infiltration that was unknown to the owner or the new owner bought it knowing it was damaged internally and because of that damage was able to purchase for a great price, then submit a claim to the insurance company for the repair? Also, what if the RV had been sitting in a subtropical climate where the outside ambient temperature was in the 90-degree plus area, thus generating inside temperatures in excess of 135 degrees? The degree of deterioration depends upon such elements as time, temperature, humidity and the amount of water intrusion. If an insurance company has unknowingly placed a value on the RV with substantial internal damage that was created from failed owner maintenance and the RV is involved in an accident, then what amount does and insurance company pay?

What if the true undamaged portion of the RVs fair market value was 50 percent of the insured value due to newly discovered wood rot and the damage cost to repair was 80 percent of the insured value? Do you total the RV or accept the error and pay for the wood rot and impact damage? What if there was only minor damage but the impact was in the wood rot area and in order to repair the impact damage the wood rot area must be repaired? How far do you go in repairing the actual impact damage in order to obtain structural integrity? Where do you draw the line?



These questions are handled first by requesting a cause & origin investigative report to determine if the damage was due to improper maintenance or a manufacturing defect. If it was failed maintenance then those areas of wood rot can be dismissed and the impact area can be addressed. The investigator must look at the structurally damaged wood rot areas as if it did not exist and write the estimate accordingly.

It could be argued that it might be the insurance company's responsibility to bring the RV back to the original condition regardless of previous damage, but it is this investigators opinion that it is not the insurance company's responsibility to pay for non-impact damage due to neglected maintenance. The owner paid for an impact policy not a maintenance contract. Water infiltrated wood rot is extremely expensive to repair and most insures will argue that they should not pay for the separated cost when impact and wood rot are connected. The declarations in most policies are specific and a firm stand must be taken. The problem occurs when a claims representative has nothing to support them on how to proceed, and then the easiest disposition is to accept an estimate and pay the claim. The claims representative is not going to get an honest answer from the repair shop. Their motivation is money and the more work the more money.

The wood rot and impact damage can be surgically separated and a solution can be forthcoming provided a knowledgeable investigator and the claims representative do their respective jobs.

by Thomas Bailey

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