



## BURNED INDUSTRIAL ARTIFACT RESTORED (CONTINUED)

National Register Historic Places under structures that includes railway cars.



Handling this fire loss was challenging in that it was a handcrafted structure unique in its construction, character and design. The Insured was anxious that the structure be return to its pre-loss condition without harming the historical aspects of the railway car.



Coverage was determined along with the origin and cause of the fire. The fire had started in an overhead electric heater and was considered accidental. Due to the age of the heater, there were no subrogation possibilities.

The biggest challenge was making a decision as to rebuilding of the structure. It was important that preservation of the existing damaged structure and

contents be made quickly so that the car could be returned to its museum condition.

Working closely with the specialist to rid the car of smoke odors, complete cleaning along with restoring the surfaces/furnishings to their original condition, the Railway Car Specialist had sources to obtain matching replacement materials to fit with the interior of the car.

Today, a visitor will find no indication of a fire. The African Mahogany walls with inlaid oak shine throughout the coach. The furnishings and custom bunks are covered with fine upholstered leather. Specially made furnishings grace the dining room and sleeping rooms. Clerestory style windows with colored glass have been replaced. Leaded ornate decorations and brass hardware adorn the

walls, windows and doors, some of which were replaced; most were saved by cleaning and repair. The custom lighting system was a combination of carbide and electric and was replaced. The matching replacement light fixtures were found and installed. The ornate floor tile and matching patterned carpet were located and replaced through a restoration company.

Restoration costs were kept within the budget agreed upon with the adjuster. This large industrial artifact was successfully brought to its pre-loss condition satisfying the carrier and Insured.

*Georgia A. Taylor, SCLA, AIC, RPA, CPIW is a Fine Art Claim Specialist and General Adjuster for Property Loss Consulting, Inc. She has over twenty years' experience in claims.*

## SURVIVING THE STORM

(CONTINUED)

period of elevated activity over the next 15 years, when annual storm counts will rise above the long-term average. (*ATLANTIC BASIN SEASONAL HURRICANE FORECAST FOR 2004*; see our website of article for chart reference)



"If this new period of increased landfalling storms is now with us, it could pose serious threats to safety and to property for the country," said William Gray, professor of atmospheric sciences at Colorado State University.

Given the near-explosive population and developmental growth along sections of the U.S. Gulf and Atlantic coastal zones in recent decades, the implications of such a long-range outlook are grim, Gray states. With increasing storm frequencies come increasing threats to life and property, these hurricane-related property losses, in excess of \$1 billion, are becoming more and more frequent. In addition,

repetitive storm impacts along stretches of the U.S. shoreline during a period of increased tropical activity may exceed rates of natural recovery, especially in already stressed coastal zones, he predicts.

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**The Full article can be viewed at our website:**

[propertylossconsulting.com](http://propertylossconsulting.com)

## ADJUSTER PROFILE : MITCHELL B. SANDLIN, SCLA

Mitch Sandlin resides out of Property Loss Consulting's Southwest Regional office in Dallas, Texas. Mitch joined our firm in 2002 after twenty-nine years with a national carrier.

As regional property supervisor for this national carrier, Sandlin was responsible for staff development and technical supervision of property and inland marine claims for

parts of the Southeast and Southwest United States.

His General Adjuster experience is extensive, with a track record of winning accolades from both insurer and insured alike. His handling of a \$4.2M printing company fire in Denver resulted in a \$7M subrogation recovery, saving the insured's business for the uninsured loss. Mitch's expertise produced

excellent results in other complicated losses such as a \$4M chemical plant explosion in Arkansas, a \$2M water main break in a national charity in Oklahoma City and a \$13M hail loss for the City of Fort Worth, Texas.

For more information on Mitch Sandlin, or any of our other skilled adjusters please contact us at 800-918-3498.



## SOX IT TO US ONE MORE TIME

*By Jeff Martin, CEO, Property Loss Consulting, Inc.*

In the wake of a series of corporate accounting scandals and high profile bankruptcies, the Sarbanes-Oxley Act (SOX) was enacted in July 2002. The primary intent was to heighten the accountability and regulation of public-traded companies and the public accounting industry.

The SOX of 2002 represents the most important U.S. federal securities legislation affecting public companies and other market participants since 1934 when the SEC was created. The impact of the SOX has created an almost unprecedented focus, concern and activity on financial reporting and regulatory compliance among publicly traded companies, including insurance organizations. Publicly traded organizations are being

compelled not only to assume full responsibility for the information included in their financial reports, but they must also review and certify the procedures they use to gather and compile this information in the first place. While assuming responsibility for one's financial reports should be of no dispute, getting organizations and their procedures to compliance is another matter.

Recent moves by state regulators to apply provisions of the federal SOX to insurers - regardless of whether they are publicly traded or not has drawn opposing views from across the industry. The opposing views are falling on deaf ears as state officials seem intent to move forward.

Appointed representatives of insurers have been arguing for some time now the existing financial oversight of

insurers probably already exceeds that applied to public companies. They feel the SOX provisions would add unnecessary and sometime onerous costs to insurers. Furthermore, this would have a tremendous impact on the smaller insurers. Section 404 of the SOX "Management of Internal Controls", requires companies in each annual report to include a statement of management's assessment of how effective the controls are for financial reporting. Some insurers will find transforming compliance to SOX into a competitive advantage, while others will be adversely impacted. The insurance industry is continuing to undergo significant change, as today's playing field is both competitive and complex. There are fewer "new" customers to pursue and more

### DRYING CONTAMINATED BUILDINGS

In conjunction with Restoration Consultants of Sacramento California, Property Loss Consulting, Inc. is pleased to sponsor the IICRC accredited course on Drying Contaminated Buildings. This course, geared towards adjusters, covers scientific drying principles, inspection and documentation criteria, procedures and case studies in drying buildings. This 3-day course will be held in early Fall in Baltimore, Maryland. Registration is \$395. Contact Nancy in our Baltimore office or [restcon.com](http://restcon.com) for course schedule and further information.

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**REDEFINING SUPERIOR  
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## **SOX IT TO US ONE MORE TIME (CONTINUED)**

entities pursuing them. Competition has increased with banks and brokers adding insurance products to their product mix, and insurers are now offering broader financial services products. The Internet has had its impact by adding increased pressure to margins by enabling customers to do their own comparison-shopping.

Consequently, insurance companies are continually trying to adjust to the new challenges and opportunities this brings. It comes as no surprise, therefore, the traditionally product-centric insurance industry has turned to a customer-centric approach to achieve its business goals, improve customer retention, reduce operating costs, grow revenues, and increase shareholder value while doing this in an already highly regulated industry. Some maintain that SOX was designed for companies that have significantly less disclosure in their financial statements than insurance companies do.

The compliance process has turned out to be substantially more time consuming and expensive than the government forecasted several years ago. The additional burden on corporations of maintaining compliance will continue to escalate as outside entities discover how to capitalize on this government mandate. In early 2005, we will find out just how well publicly traded companies have prepared for SOX section 404. Most acknowledge the pain to comply has and will continue to hit hard for years to come. As the tentacles of SOX continue to dig themselves into our environment, many are prepared for the "SARBOXING" match to begin.

### **LOSS OF INCOME – QUESTION SUBMITTED!**

You're handling a loss for a store which occupies leased space. As a result of a covered cause of loss the leased space is damaged and the store cannot open for a month while repairs are made. The lease is an informal agreement which does not include insurance, casualty or other pertinent clauses. Your insured tells you that he feels morally bound and is going to pay the rent for the full month whether you reimburse him for it or not.

*Question Submitted:*

**Is the month's rent a continuing expense?**

*Email to: [claims@propertylossconsulting.com](mailto:claims@propertylossconsulting.com)*

#### **Last Issue – Reply!**

Gary Howarter of General Casualty in MN, responded that the cost of renting replacement trucks *would be* a covered Extra Expense: Even though the damaged trucks were not Covered Property, the expense is for rental, not replacement of the damaged delivery vehicles. The loss of income coverage speaks to damage to "property" at the described premises.