



INSURANCE
&
ASSURANCE

INSURANCE

Coverage By Contract In Which One Party Agrees To Indemnify Or Reimburse Another for Loss That Occurs Under The Terms Of The Contract.

Bisbee's Municipal Property Coverage



- Building - \$1,842,000
- Contents - \$200,000
- Separate Aggregate Limit - \$250,000
- Extra Expense and Income - \$250,000 (Aggregate Limit) - \$250,000
- Asbestos Abatement - \$10,000
- Deductible - \$1,000

Bisbee's Inland Marine Coverage

- Electronic Data Processing - \$100,000 (\$500 deductible)
- Valuable Papers and Records - \$50,000 (\$500 deductible)
- Rented or Leased mobile or Misc. Equipment - \$500,000 (\$500 deductible)
- Mobile Equipment (Scheduled) - \$424,589 (\$500 deductible)
- Misc. Equipment (Scheduled) - \$412,419 (\$500 deductible)

Municipal Property Coverage

Building Coverage is:

The Structure and Any
Items That Are
Permanently
Attached To It.



Contents

Any Items Not Considered
To Be Part Of The Structure



Aggregate Limit



Extra Expense and Income

Expenses incurred that would

Not have been incurred but for the fire.

Relocation Expense



Inland Marine Coverage

Electronic Data Processing

- Computer Equipment
- Software



Valuable Papers and Records

- Usually is defined to include almost all forms of printed documents or **records** except money or securities
- Historic Document restoration
- Required documents



Rented or Leased Equipment

- Photocopiers
- Computers
- Telephones



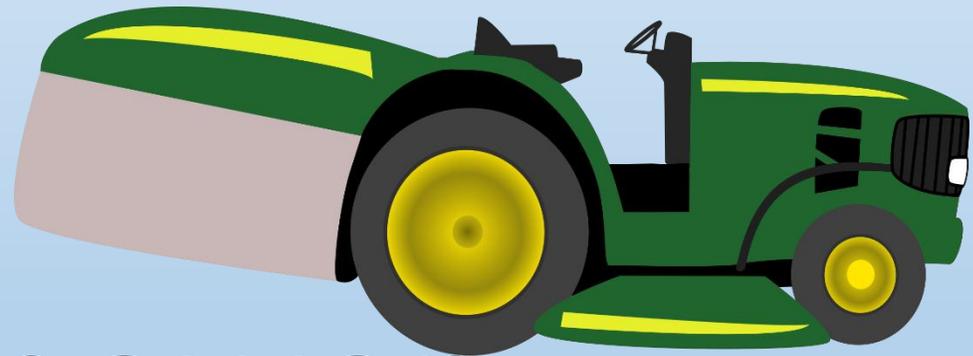
Mobile Equipment

Self Propelled Equipment

That Is Not An Automobile

- Tractor

- Riding Lawnmower



Miscellaneous Equipment

Any Equipment not falling into other categories



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What is Our Present Insurance Status?

- Abatement
- Demolition
- Structural Engineer
- Document Retrieval and Storage



Asbestos and Lead Abatement

- Insurance Coverage of \$10,000
- Current Estimate of \$32,000



Demolition

- Demolition Estimate of \$305,000
- After the Building Limit is Reached, Additional Debris Removal Coverage of 25% of the Total Amount Becomes Available - \$460,000



DC Restoration

Hired By Insurance Adjustment Firm Because:

- Extensive Experience In Large Commercial Fire Demolition, Restoration and Construction
- Hired Many Times In the Past – Known To Do Quality Work
- Closest Large Commercial Contractor To Bisbee
 - Savings In Materials and Equipment Transportation
 - Savings In Per Diem

Building Insurance To Date

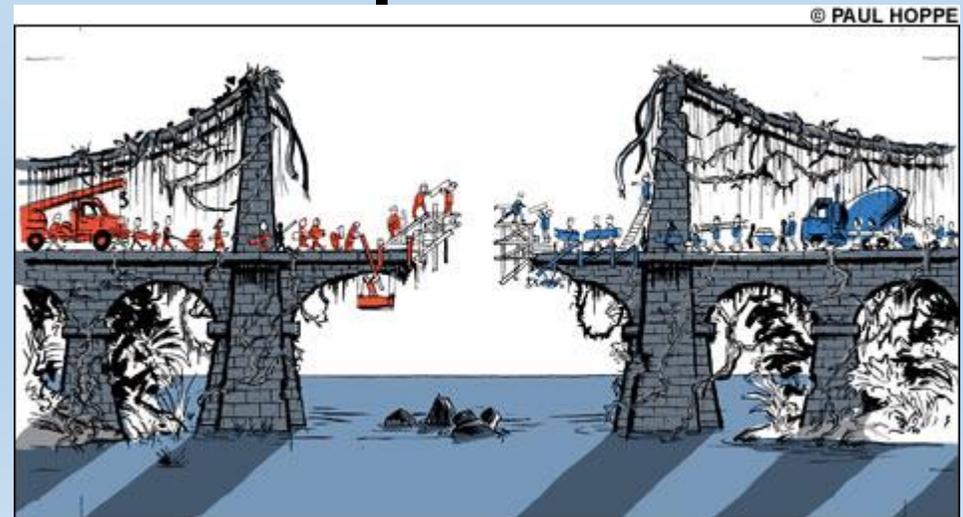
Policy Limit -	\$ 1,842,000
Abatement	\$ 10,000
Demolition Estimate	\$ 305,000
Labor & Equipment Per Diem	\$ 35,000
	<hr/>
To Date Total Available	\$1,492,000 *



*When Building Limit Is Reached, 25% of Limit Is Added Toward Demolition - \$460,000

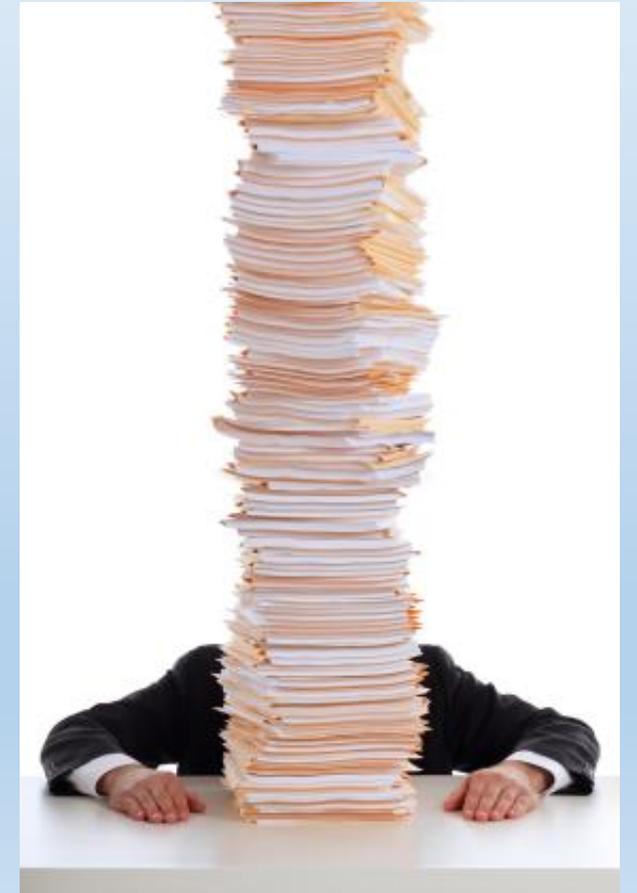
Structural Engineer

- Initial Evaluation - \$2,176.65
- Will Require a Second Evaluation When Demolition Is Completed



Documents

- Move From Building Vaults to Temporary Storage
- Estimated - \$18,000
 - Hand Labor
 - Collapsed Floor
 - Hazardous Materials Scene



NOW WHAT ??

- After Demo, A Structural Engineer Will Make A Final Determination Regarding The Building Integrity
- Repair Estimate is Prepared Via RFP
 - The Insurance Company ONLY owes for The Building AS IT WAS



NOW WHAT ??

- Code Compliance Will Require An Elevator, Fire Suppression System Requiring Extra Money – Money Left (?) From Aggregate Limit May Be Used
- Public Meetings Will Be Held To Ascertain The Public's Wishes
- Council Will Decide Rebuild Option
- An RFP For An Architect Will Be Issued (If Appropriate)
- Council Will Award Architect Contract
- An RFP For A Contractor Will Be Issued
- Council Will Award Rebuilding Contract
- Best Case Timeline – 24 Months Plus



Public Investigation

- Cochise County Sheriff's Office
- BATF
- NRT



Findings

- No Evidence of Arson or Criminal Activity
- Fire Origin - 2ND Floor Storage Space
- Alterations Throughout the Years
- Past Electrical Wiring Observed
- Older Wiring Systems Can't Be Ruled Out
- Newly Installed Electrical not Energized



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Insurance Investigation

- Fire Origin, Cause and Responsibility Investigator
- Forensic Electrical Engineer
- Equipment
- Distinct but Concurrent Investigations



Findings

- Fire Origin – 2nd Floor Storage Space Ceiling
- Only potential Ignition Source – 1st Generation Knob and Tube wiring
- Cause – Fire of Electrical Ignition
- Rafters to Which Wiring Was Attached Collapsed Into Building
Therefore EXACT Electrical Wire Was Not Identified
- Recent Electrical Work Eliminated As Causation
- Fire Classified As Accidental
- No Subrogation Potential



QUESTIONS

David M. Smith
Mayor, City of Bisbee

