

November Blaze Threatens Hotel's Seasonal Business

It was in late November that an arsonist set a devastating fire to a popular Maryland hotel. The hotel, just five miles from Washington, D.C., does the majority of its business during the city's cherry blossom season. If the season was missed, they would not only lose that year's tour business, but bookings for the following years were also at risk.



DESCRIPTION

The five-story, three-section hotel had 160 rooms. Fifteen rooms were completely gutted, and 120 had smoke and water damage. Adjusters International was hired to represent the hotel to assist in expediting the claim and to help the hotel reopen for business in time for the April rush.

ISSUES

The hotel owners wanted to settle the claim and rebuild their property in four months. This short time frame required a precise claim management plan to accomplish such an ambitious feat.

The hotel needed to secure replacement furniture and fixtures for 120 rooms in time for the proposed reopening date in April.

Several guests lost their belongings in the fire and all of the guests needed to be relocated to another hotel.

The hotel faced the loss of substantial income while closed, but once the property was repaired, cash flow would suffer as business would be slower than normal for several months while they rebuilt their customer base.

By spring, the substantial amount of water used to fight the fire had caused a serious mold infestation.

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SOLUTIONS APPLIED

Adjusters International brought in building experts to quickly and accurately assess the damages to the hotel. After several days of negotiations, a damage estimate was agreed upon with the insurance carrier. The building contractor agreed to a penalty clause, whereby the contractor's fees would be reduced if the job was not completed in time.

Adjusters International began assessing the contents damage to the 120 rooms. This estimate was expedited due to the significant lead time necessary for ordering new fixtures. The imposed deadline for settling the contents claim was also met, allowing the hotel owners to order the replacement furniture and fixtures with plenty of time to spare.

The hotel's policy covered added costs of relocating guests to comparable properties — and included coverage for guests' personal property.

Adjusters International's accountants prepared a loss of income claim that utilized the hotel's extended period of indemnity endorsement. Although they were operational in June, business was slower than

normal, impacting their income. The Adjusters International team proved that the hotel's business suffered for an additional 180 days — and the hotel was fully reimbursed for lost income through the month of October.

During the fire, the property's sump pumps burned out, an event which went unnoticed in the aftermath. During the spring rains, the pumps failed to remove water, causing an infestation of toxic mold. The insurance company eventually agreed to reimburse the hotel owners \$40,000 to repair the additional damage and remediate the mold.

OUTCOME

The property was successfully repaired and ready for partial business for the tour season. Adjusters International provided seamless service under the pressure of intense deadlines to satisfy the goals of the hotel owners — and the hotel suffered no long-term financial consequences.

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