

Fire Destroys Lumber Mill...



The Heart of the Community

Trinity River Lumber Company has a long standing history as the largest private employer in Weaverville, CA, and the greater Trinity County area. After a fire struck their mill in early fall and the insurance company presented a variety of challenges, Trinity River Lumber Company recognized a response was immediately necessary. Thankfully, a consultant in the milling industry recommended the services of Adjusters International.

Issues:

- The Trinity River Lumber Company employed 130 people and was a vital employment base within the community. With the mill destroyed, jobs would certainly be lost. What could Adjusters International do to keep this community at work?
- The insurance company suggested there would be no payments made as the water-flow was insufficient to allow the fire suppression systems to operate properly, in violation of protective safeguard endorsements. How would Adjusters International navigate such an enormous problem?
- There were no building plans or specifications in existence for The Trinity River Lumber's building. In addition, there were a series of upgrades over the 50 year span of the company's operational existence. Damages to the location were not only caused by fire and water, but also from corrosion to the metal foundation created by a contaminating agent that was applied as wildfire firefighters extinguished the fire. What methods could Adjusters International use to ensure that Trinity River Lumber was fully compensated given these circumstances?



Strategies for resolution:

- Adjusters International collaborated with Trinity River Lumber and the insurance company to secure funding for a temporary relocation of the business, and to provide all necessary coverage during Trinity River Lumber's restoration process. In addition, Adjusters International ensured that Trinity River Lumber was able to collect every coverage the policy entitled them to within the terms of their business interruption and extra expense coverage, as a means to continue distribution of as much payroll as possible.
- Adjusters International brought in a specialist for matters regarding the Protective Safeguards Agreements. It was learned that the inadequate water flow was caused by a city hired contractor who installed a back flow valve, but failed to turn the gate valve far enough. The gate valve was turned only 1/8 of the way needed to be correctly operational. Experts proved that Trinity River Lumber was unaware of the fact the fire suppression system was not fully operational because the gate valve was not turned completely on. Once presented with a succinct, provable argument and timeline, the insurance company was quickly convinced to move forward with the settlement.
- Adjusters International worked closely with Trinity River Lumber administering an elite team of equipment specialists, along with mechanical, electrical and civil engineers who worked together to develop a strategy that included the necessary code upgrades to the property. The implementation of the code upgrades also included a substantial increase in costs of construction, a measure which was initially denied by the insurance company. Due to the location of the mill, wildfire firefighters used an agent that is corrosive to metal while extinguishing the fire. As a result, Adjusters International was able to convince the insurance company that every piece of property affected by wildfire firefighters would be considered weakened or destroyed, and would need replacement. In addition, due to testing protocol, the immediate area outside of the fire base would also receive cleaning. The insurance company determined the position of Adjusters International as valid, and as a result, increased the settlement considerably.



Conclusion:

With the help of Adjusters International, what was initially a refusal of the insurance company to compensate the Trinity River Lumber loss resulted in an insurance claim payment in excess of \$25 million. The mill was rebuilt and redesigned to comply with current building codes, and is now fully operational. According to Dee W. Sanders, General Manager of Trinity River Lumber Company, "You allowed us the valuable time and resources for us to focus on redesign and reconstruction, allowing us to reopen our doors again and continue our history as the largest employer in Weaverville. Due to your efforts, a community was saved. You followed through on everything you promised. Please have anyone considering your services give us a call."

Owner, Frank Schmidbauer, at their ribbon cutting ceremony



"Due to the efforts of Adjusters International, a community was saved. Adjusters International followed through on every promise made in managing the insurance policy claim."

**-Dee W. Sanders, General Manager,
Trinity River Lumber Co.**