

Cost Estimating/ Property & Injury Claim

Wild Fire Leads to Mass Property Damage Claims

The Problem

A few years ago, a raging wild fire burned more than 48,000 acres, seriously damaging more than 200 homes. Most were mobile and manufactured homes, and a handful were single family residences. The effects were widespread, in some cases destroying entire homes. Because of a peculiar contract to lease the land to an underinsured private company, a government organization ended up paying the claims for the damaged and destroyed homes. This government entity believed the cost estimates they were receiving from the owner's lawyers were inflated, with over \$15 million dollars total in claims.

The Solution

Pete Fowler Construction was hired by the government entity to collect, organize, review, and analyze the cost estimates that were submitted by various claimants to repair and rebuild their residences. Based on our analysis, we came to the conclusion that many of the owner estimates were indeed exaggerated and had frequent mistakes, including one estimate with a \$200,000 math error! Pete Fowler Construction updated the cost estimates with current pricing and market values and in total delivered 58 individual estimates with complete reports, including estimate comparisons and back up materials for the appropriate values. In the end, our estimates came in \$6.7 million less than those provided by the claimants, which is a 45 percent savings. Our client was very grateful for our detailed reports and the cases were settled.

