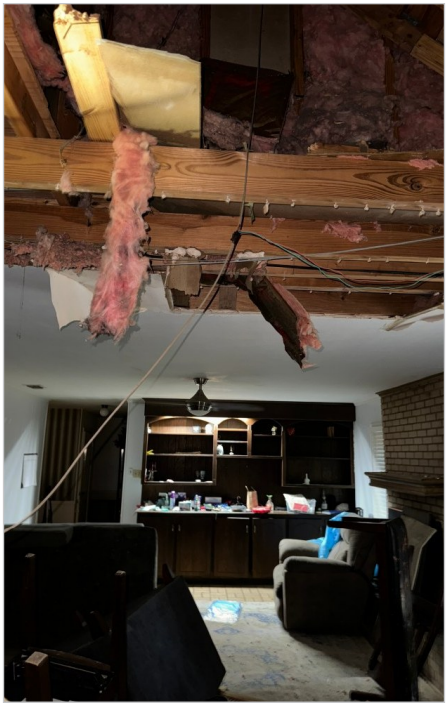
CASE STUDY 01

Tree Impact Leads to Catastrophic Loss to Rental Property and Rental Income

COATS
CLAIMS CONSULTING







Client Profile

PROPERTY
Single-family dwelling

USE
Income-generating rental property

LOCATION
Tyler, Texas

OCCUPANCY
Tenant-occupied

DATE OF LOSS
May 28, 2024

Loss Description

On May 28, 2024, a powerful storm rolled through Tyler, Texas, and a massive tree collapsed onto a tenant-occupied rental home, piercing through the roof. The home was left structurally compromised, unsafe for habitation, and immediately unlivable.

TIMELINE
Claim dispute resolved within 10 weeks of representation. Construction completed in 6 months.

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Claim Challenges

Severe Underpayment: The carrier's initial offer did not account for structural, interior, or income-related losses.

Asbestos Contamination: Testing confirmed asbestos-containing materials (ACM) in the drywall joint compound, which had to be abated before any rebuild could begin.

Rental Displacement: The tenant was forced to relocate, and the landlord's rental income stopped indefinitely.

Policy Interpretation: Disputes arose over scope, code upgrades, loss of use, and proper remediation protocol.

Solutions Applied

- ✓ Prepared detailed estimates covering the physical damage, code-required upgrades, asbestos abatement, and full restoration.
- ✓ Coordinated environmental testing, which confirmed asbestos in the drywall compound and required licensed abatement before reconstruction.
- ✓ Documented the lost rental income and submitted a loss of use claim for fair rental value during the displacement period.
- ✓ Worked directly with the desk adjuster and the carrier's field team, using documentation to address scope reductions, exclusion arguments, and delays.

RESULTS AT A GLANCE

INITIAL OFFER	FINAL SETTLEMENT	INCREASE OVER INITIAL OFFER
$3,000	$296,000	$293,000
	$285,000 repairs + $11,000 rental income	

Increase Over Initial Offer is the final settlement minus the carrier's initial offer and does not reflect deductibles or fees. Every claim is different, and past results don't guarantee a similar outcome.

CLIENT IMPACT

> Because the asbestos was properly identified and abatement was coordinated with licensed professionals, the property was fully abated and rebuilt in compliance with environmental and building code requirements. The landlord recovered both the structure and the lost rental income, avoiding serious financial loss from the carrier's original $3,000 offer.