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Expert opinion

Property Damage: An Expensive—But Avoidable—Insurance Claim

By John Culotta



As a PCO, the only things you want to harm are the pests invading your clients' homes. But sometimes treatments can destroy more than termites or bed bugs. As an insurance professional, I see quite a few claims every month for property damage caused by PCOs in the course of a normal treatment, claims for the value of a melted record collection, ruined carpet or even a home gutted by fire. Most of these could be prevented with a little attention to detail.

Common property damage claims

The most common claims stemming from chemical damage to the home are relatively minor. Various chemicals can discolor carpeting, rugs and siding, as well as leave residue on wood floors. As I have discussed in previous newsletters, improperly applied chemicals can also cause extensive damage to landscaping and result in large claims.

Though heat treatment has emerged as the most effective and time-efficient treatment for bed bugs, it carries substantial property damage risk. Items often damaged by heat treatment include furniture, paintings, record collections, electronics, wallpaper, house plants and even pets.

With heat treatments, you also have potential for catastrophic losses. Since most heat treatments are done with propane burners, that creates a significant fire hazard, with the potential to destroy an entire home, apartment complex or even multiple homes.

Because a high temperature needs to be maintained for a long period of time, the temptation is to set the regulator and forget it. Unfortunately, if the unit is not being monitored, it is very easy for the temperature to rise dangerously. We see claims arising from situations in which the people charged with monitoring the unit simply fail to do so.

That uncontrolled temperature increase can lead to another problem: sprinklers. If the temperature of a heating unit rises too high, it can trigger automatic sprinkler systems and cause extensive water damage to a home should the sprinkler system not be turned off. Water damage is extremely costly to remediate.

How to prevent causing harm

As I have written in the past, communicating clearly with customers is a

crucial step in avoiding big insurance claims. Don't make too many guarantees in your contracts or conversations with customers, and ensure they are aware of the potential for damage.

Most PCOs administering heat treatment do provide a checklist for customers, which details items that may be damaged and should be removed from the home. However, PCOs must remember that list is not a guarantee—you can never be sure that customers have removed everything they should have, and they may argue after the fact that they were not sure a damaged item had to be removed.

That is why attention to detail is your greatest tool in preventing property damage. Many of the claims I review every month could have been avoided if the PCO had focused more on the details. In fact, a seemingly minor oversight like forgetting to close a door can lead to a claim worth several thousand dollars. Take note of pets, windows and doors, big-ticket items and any other sources of potential loss. Whether you are using chemicals or heat to treat an infestation, the little things make a big difference in preserving your client's property and your reputation.

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