

1930

2005



June 2005

Vol. 32 No. 10

## Seattle Claims Adjusters Association

**Celebrating 75 years of service to the claims community — 1930-2005**

*"A professional organization dedicated to the ongoing education of the claims community.  
Providing an arena for member interaction and the sharing of resources."*

### President's Corner

— by **C. Annette Grace**, President



The end has come...

I have certainly enjoyed my tenure as President this past year! Thanks to my fellow board members **Lizzy Adkins**, **Julie Benedict** and **Shon O'Fallon**, you all have been great to work with. I also would like to extend a huge thank you to all those committee members who "made things happen" for the various events throughout the year! The organization is headed in the right direction and I look forward to joining the ranks as Past President.

My charity of choice this year was Seattle's **Union Gospel Mission**, specifically their youth services department. My family and I have always believed in giving back to those who are less fortunate. We have also put volunteering at the top of our priority list. We always seem to gravitate towards teen/youth,

thus the reason why I chose Seattle's Union Gospel Mission. This organization is absolutely awesome, they have done—and continue to do—great things in our communities. Thank you for allowing me to contribute to this great organization on behalf of the Seattle Claims Adjusters Association.

Have a great summer and we'll see you again in September! Don't forget it's time to renew your dues!

**Adjusters — it's time to renew your dues!**

— Application available on our website —

#### Next Meeting of the SCAA

**September 16, 2005**

The Swedish Club, 1920 Dexter Ave North, Seattle, WA

#### Program

**Membership Drive—Dues Renewal**

#### Menu

**To be announced**

#### Cost

**\$10 Members \$18 Non-Members**

#### Time

**11:30 a.m.**

*If you have special dietary needs, please give a 48-hour notice by calling the Swedish Club at (206) 282-5903.*

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## ON THE DOCKET

Date	Speaker/Topic	Menu
Sept 16	SCAA Meeting Membership Drive — Dues Renewal	TBA
Oct 21	SCAA Meeting	TBA
Nov 18	SCAA Meeting	TBA

### Meeting Information

Please keep in mind that we'd like to start and end promptly during our monthly meetings. Here is the timeline for each meeting:

11:30 a.m. Registration  
 11:45 a.m. Buffet  
 12:00 p.m. Meeting Called to Order  
 1:00 p.m. End of Meeting

Please arrive on time and have your cash or check (payable to SCAA) ready. We appreciate your cooperation and assistance.




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## Past President's Day

Many thanks to all our past presidents who attended the May Meeting:

Lee McGonagle	1949-50
Al McMahan	1965-66
Joesph Whitlow	1968-69
Dick Cuff	1972-73
Norm McFarland	1979-80
Sharon Setzler	1981-82
Frank Lucarelli	1984-85 (Winner \$100 drawing)
Walt Stolle	1985-86
Thomas Ewing	1986-87
Larry Garlinghouse	1988-89
Nancy Bryant	1989-90
Michael Radcliff	1991-92
Willie Markey	1992-93
Bob Haggerty	1994-95
Sue Dahlin	1995-96
William Markey	1996-97
Keo Capestany	1998-99
Steve DeKoekkoek	1999-00
Carol Seepersad Green	2000-01
Fred Biehl	2001-02
Janice Howard	2002-03
Donna Silver	2003-04

## Blue Bucket Drawing



May's winner was **Gail Tuomi** of Grange Insurance. She took home \$250! Congratulations Gail! Will you be the next winner? Remember, you must be present to win! Next drawing is September 16.

## WINNERS FOR MAY

### \$50 Adjuster/Member Drawing

**James Gomez**  
**Frontier Adjusters**

### \$25 Adjuster Drawing

**Hanna Oh**  
**Grange Insurance**

### \$25 Vendor Drawing

**Michelle David**  
**Argus Pacific**

### *Door Prize Winners*

Starbucks Gift Cards Provided by WMCI

**Jessie Williams**  
**Classic Claim Service**  
and  
**Deborah Chaney**  
**Grange Insurance**  
and  
**Lisa-Anne Glenn**  
**Grange Insurance**

## Help Wanted

We are a growing independent adjusting company with an emphasis on providing responsive, cost-effective and professional claims services to insurance carriers and self-insureds. We are looking for a part-time field claims representative in the Seattle area. Must have a minimum of 5 years of experience and an exemplary reputation in the industry. Multi-line expertise preferred and public entity experience a bonus. We offer competitive compensation and benefits, and flexible hours. Please email a resume and cover letter via email to [mike@farrell-associates.com](mailto:mike@farrell-associates.com).

## Help Wanted

Local independent adjusting company is looking for a self-starter with an interest in aviation to handle aviation claims. Call 425/898-8500.

## Help Wanted

Great opportunity in an exciting and growing company. Independence—work from home. Partners Claim Services is a cutting edge Independent Adjusting and Third Party Administration firm. We are searching for an individual with integrity and drive to join our team of professionals. We are looking for an adjuster with at least 5 years of field experience. However, if you do not have field experience and you are the right fit, we will train you. Contact Jim Davis at 253/851-2948 or [jdavis@partnerscs.com](mailto:jdavis@partnerscs.com). ([www.partnerscs.com](http://www.partnerscs.com))



## ←SCAA Board for 2005-06

From left: Shon O'Fallon, Secretary; Gail Tuomi, Treasurer; Julie Benedict, Vice President; Lizzy Adkins, President; C. Annette Grace, Immediate Past President

Press Release**V&M Restoration Announces New Branch Manager for Seattle Office**

We are pleased to announce that Michael Lane has recently joined V&M Restoration, Inc. in the capacity of Branch Manager in our Seattle office. Michael brings with him over 18 years of experience in the insurance restoration business.

Michael began his insurance restoration career in 1988 as a laborer for Enterprise Construction in Woodinville. By 1991, he was a full-time insurance restoration estimator and spent the next five years in that capacity.

In 1996, he became a licensed independent adjuster handling structural damage claims for the next two years.

Michael went back into contracting for Bridgeway Construction Company in 1998. He spent a year and a half in the Seattle market and was promoted to Regional Manager of the Portland, Oregon office. Bridgeway was later purchased by Belfor USA Group and he remained in his current position through the Spring of 2002.

Michael and his family, wife, Kimberly, and son, Alexander, relocated back to Seattle where he accepted a position with Alliance Restoration Services and his initial duties included the set-up and implementation of operational procedures. For the last year and a half he was a Project Manager, handling both commercial and residential losses of all sizes.

V&M Restoration, Inc. is a full-service company and Michael looks forward to servicing all your restoration needs in the Northwest region. He can be reached in our Seattle branch at (866) 304-3473, and via email at [mlane@vmrestoration.com](mailto:mlane@vmrestoration.com). ❖

Case Study**Policy Cancellation Issues  
Must an insurance company  
give cancellation notice to a  
mortgagee?**

— by Jeff Eberhard

When determining coverage, one issue is whether the subject policy was in force at the time of the loss. This can be complicated when a homeowner insured has failed to make timely payments and the policy was canceled, but the mortgagee was not notified. What obligation does the insurer have in providing notice to the mortgagee when the insured cancels the policy? The Washington Court of Appeals has recently held that unless the policy specifically requires to the contrary, the insurer may not have a duty to provide notice to the mortgagee when the policy is canceled by the insured.

In Higgins v. Scottsdale Insurance Company, \_\_\_ P.3d \_\_\_, (Wash.App. Div. 3, 5/17/2005). Earl Higgins held a secured interest in a home pursuant to a deed of trust executed by Larry and Pamela Kelty. Pursuant to the trust agreement, the Keltys were required to obtain homeowner's insurance. They purchased coverage from surplus lines carrier Scottsdale Insurance.

The Kelty's arranged payment of their insurance premium through a premium finance agreement with Tepco. In the premium finance agreement, the Keltys granted authority to Tepco to cancel the insurance policy on the Keltys' behalf should they failed to make timely payments. Unfortunately, the Keltys failed to make timely payments to Tepco. Tepco contacted Scottsdale and canceled the policy effective March 12, 2002.

Higgins did not receive notice until August 21, 2002 that the policy was canceled in March. On August 31, 2002 a fire broke out in the kitchen and damaged the home. After the fire, the Keltys voluntarily conveyed the property to the Higginses by quitclaim in lieu of foreclosure.

Higgins filed a homeowners claim with Scottsdale alleging the policy was in force at the time of the fire because Scottsdale did not give proper notice of cancellation to Higgins. The claim was denied and  
(See Case Study... continued on page 5)

**Adjustments**

If you have any questions and/or any "Adjustments" please contact **Jay Jared**, *Cunningham Lindsey* at  
Phone: 425/672-0160 Fax: 425/672-0106  
Email: [mjared@na.cunninghamlindsey.com](mailto:mjared@na.cunninghamlindsey.com)

## Case Study... *(Continued from page 4)*

Higgins filed a Complaint against Scottsdale.

Higgins presented three arguments in support of his claim that the policy was still in force because of improper notice. First, Higgins argued that Scottsdale had canceled the policy and pursuant to the policy must give cancellation notice to the mortgagee. The court found that because Tepco, acting on behalf of the insureds, initiated the policy cancellation, the insureds actually canceled the policy, not Scottsdale. Therefore, under the plain language of the policy, Scottsdale was not obligated to notify Higgins of the cancellation.

Second, Higgins argued that Washington law requires notice to the mortgagee. The court was quick to point out that whereas RCW 48.18.290 entitled "Cancellation by insurer" requires that notice be sent to the mortgagee, by contrast, RCW 48.18.300 applicable to cancellation by the insured does not require notice to the mortgagee. The court held that no applicable Washington statute or administrative code requires notice to a mortgagee or any other entity with an interest in the property if the insured cancels the policy.

Finally, Higgins contend public policy supports the notion that mortgagees have an individual right to adequate notice of cancellation from the insurer. Generally the court will not invoke public policy to override express terms of an insurance policy. As discussed above, the Scottsdale insurance contract's failure to require notice to the mortgagee when the insured cancels the policy does not violate any statute or judicial precedent. As a mortgagee, Higgins may have been entitled to notice from the Keltys, but they were not entitled to notice from Scottsdale.

**Adjusting Pointer: When deciding coverage issues based on a canceled policy, first decide if the policy was canceled by the insured and then look to the language of the policy for specific notice requirements to mortgagees or entities with an interest in the property when the insured cancels the policy.**

— If you want to be notified of new cases, please send an email to [caseupdate@smithfreed.com](mailto:caseupdate@smithfreed.com).

— This article is intended to inform our clients and others about legal matters of current interest. It is not intended as legal advice. Readers should not act upon the information contained in this article without seeking professional counsel.



**OCAA Annual Golf Tournament**  
Scramble with Two Shotgun Starts  
7am & 1pm

**Rock Creek Golf Course, Portland, OR**  
**Friday, July 22, 2005**

Visit [www.oregoncasualtyadjusters.org](http://www.oregoncasualtyadjusters.org)

## Seattle Claims Adjusters Association

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to the  
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