

CRASH



EXPERIENCE SINCE 1965



SERVING INSURANCE PROFESSIONALS-LAWYERS-STATE FRAUD INVESTIGATORS AND LAW ENFORCEMENT

VOLUME 3 NUMBER 6 PART 1 www.rvappraisals.com www.rvinvestigations.com FEBRUARY 2004

MOLD IS GOLD

MOLD & MILDEW...TO PAY OR NOT TO PAY - THAT IS THE QUESTION

INSURANCE COMPANIES AND RV MANUFACTURERS ALIKE ARE EXPERIENCING THE WRATH OF MOLD CLAIMS. The new hot button with owner claims is mold infestation in their recreational vehicle and it is either the insurance company's responsibility or the manufacturer's. Never is it theirs. The owners are demanding that insurance companies replace interiors and complete recreational vehicles. The manufacturers are experiencing owners that not only want all interiors replaced, but the removal of all inside walls because there could be mold there. Insurance companies have been paying out millions of dollars in claims and RV manufacturers have been trying to appease the owners by taking care of many cases and trying to explain to owners that they did not create the mold. In most cases it is believed that insurance policies are not clearly written and there are no specific exclusions in the manufacturer's warranties that address this issue. So, should there be millions of dollars paid out for mold? This investigator has experienced hundreds of mold cases and if it is not directly attributed to impact damage or a manufacturer's product defect that clearly created

the mold, it must be dismissed as the owner's responsibility. Let's examine what are mold and mildew, the causes, the prevention, and the owner's responsibility.

Mold is often used interchangeably with the word mildew. They are the generic terms that describe a variety of microorganisms, including fungi, algae, rusts, yeasts, and bacteria. Mold (fungi) is present everywhere - indoors and outdoors. You are breathing it now. There are more than 100,000 species of mold. At least 1,000 species of mold are common in the U.S. Some of the most commonly found are species of Cladosporium, Penicillium, and Aspergillus. Mold is the common term used to describe a downy or furry growth on



the surface of organic matter, caused by fungi, especially in the presence of dampness and decay. A fungus (pl. fungi) may be any of a large number of microorganisms that are parasites feeding on living organisms or dead organic matter. Fungi are simple-celled organisms that do not need energy from light for growth. The fungi bear

microscopic spores that are produced in enormous quantities, are always present in the air, and spread via air currents. They are often water repellent and are resistant to desiccation (drying out). Extreme cold and heat will destroy them. When the spores are in a favorable environment, they will germinate. What constitutes a favorable environment is different for each species. After landing on a host material, a spore must obtain sufficient moisture to germinate and find enough food. Without moisture, the spores will lie dormant until favorable conditions occur. It is recommended that temperatures not exceed 75 degrees Fahrenheit and relative humidity not rise above 65%. These conditions are maximum levels and only reduce the potential for microorganism growth. They do not eliminate the threat. Some microorganisms can grow in significantly lower temperatures and at lower humidity levels.

Now that we understand what mold is and what causes it, let's examine the recreational vehicle and the owner's position. We all know that an RV can experience extreme temperatures when closed up, depending on the geographical area. With the RV closed up and no air circulating, the environment is ready for the microorganism feeding. If the RV does not have a dehumidifier

CERTIFIED APPRAISALS, ESTIMATES and CAUSE & ORIGIN INVESTIGATIONS
RECREATIONAL VEHICLES•MOTORCYCLES•BOATS

SERVICES AVAILABLE THROUGHOUT THE UNITED STATES AND ABROAD

PUBLISHED BY: R.V. APPRAISALS & INVESTIGATIONS OF AMERICA, INC. 407 DORCHESTER SQ. LAKE MARY (ORLANDO), FLORIDA 32746
PHONE (407) 688-9800 FAX (407) 688-0606 COPYRIGHT © 2004 BY R.V. APPRAISALS & INVESTIGATIONS OF AMERICA, INC.

CRASH



EXPERIENCE SINCE 1965



SERVING INSURANCE PROFESSIONALS-LAWYERS-STATE FRAUD INVESTIGATORS AND LAW ENFORCEMENT

VOLUME 3 NUMBER 6 PART 2 www.rvappraisals.com www.rvinvestigations.com

FEBRUARY 2004

MOLD IS GOLD

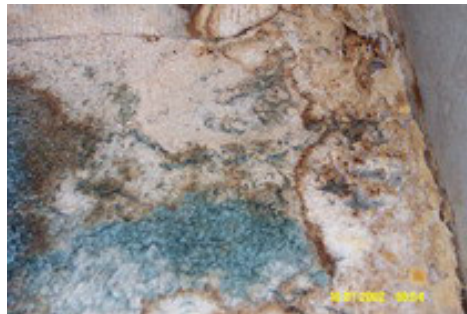
(which most don't) or the air conditioner active (most are not running in storage) then the two primary essentials (heat and humidity) are present to initiate the spore growth. If the RV has some form of leak then the spore growth condition is enhanced to a greater degree. We know that mold germinates from high humidity, heat and little or no ventilation.



If an RV has mold present then the first examination must be for water infiltration. Most heavy concentrations of mold are from some form of water infiltration. The best means to prevent or control the spread of microorganism growth in an RV is to deny the spores the moisture and heat necessary for germination. Therefore regulating the environment, especially the humidity, will reduce the possibility of mold infestation. So what can the owner do? What if he chooses not to take protective measures to insure a proper environment that will inhibit mold growth? Nothing!!! He does nothing and then calls the insurance company or manufacturer and wants them to solve

and pay for a problem he could have prevented and chose not to. It is this investigator's opinion that unless there is clear and convincing evidence of impact to the RV, which created water infiltration, or there was a manufacturer's product failure, then it is the owner's responsibility for any damage.

Insurance companies and manufacturers cannot hold the hand of an owner, educate them on preventive measures, and force them to do the right thing. This investigator has never seen BLANK Insurance & Maintenance Company or BLANK RV Manufacturer & Maintenance Company. When did insurance companies and manufacturers have an obligation to pay for maintenance



issues? As adults, owners should not point fingers at the insurance companies or manufacturers, but instead take responsibility for their own actions.

This investigator has investigated hundreds of mold cases, with claims totaling in the thousands of dollars, and unless there was evidence of impact or manufacturer negligence (which al-

lowed water to infiltrate), all the cases investigated were dismissed with a Cause & Origin Determination Report. Claims were stopped dead in their tracks. Insurance companies STOP paying out hundreds of thousands of dollars when the policy does not provide for non-impact water induced compensation. Manufacturers STOP appeasing owners in the name of "Goodwill." Where does it say in the manufacturer's limited warranty that you will pay for an owner's failure to properly maintain and protect his RV from mold or negligence?



When water does infiltrate from a window, gasket or other means outside the warranty period (and if it is not an insurance related impact), then clearly and concisely it is an owner's maintenance issue and must be dismissed. It's your choice, the more you needlessly pay for, the more the owners expect!!!!

by Thomas G. Bailey

COMING NEXT MONTH.....
HAIL DAMAGE

CERTIFIED APPRAISALS, ESTIMATES and CAUSE & ORIGIN INVESTIGATIONS
RECREATIONAL VEHICLES•MOTORCYCLES•BOATS

SERVICES AVAILABLE THROUGHOUT THE UNITED STATES AND ABROAD

PUBLISHED BY: R.V. APPRAISALS & INVESTIGATIONS OF AMERICA, INC. 407 DORCHESTER SQ. LAKE MARY (ORLANDO), FLORIDA 32746
PHONE (407) 688-9800 FAX (407) 688-0606 COPYRIGHT © 2004 BY R.V. APPRAISALS & INVESTIGATIONS OF AMERICA, INC.