

PROPERTY LOSS COMPREHENSIVE REPORT

CONFIDENTIAL CLAIM FILE: HO-2024-8892

FIELD	VALUE	CONFIDENCE
Claim ID	HO-2024-8892	High
Policy Number	POL-TX-99824-HO3	Verified
Primary Insured	Alex Johnson	Verified
Risk Address	124 Maple Street, Austin, TX 78701	Verified
Date of Loss	November 16, 2024	Confirmed
Cause of Loss	Sudden & Accidental Discharge (Water)	Confirmed
Adjuster	Mike Ross (License #TX-44921)	Active
Total Payout	\$19,550.00	Final
Status	CLOSED - PAYMENT ISSUED	Final

1.0 EXECUTIVE OVERVIEW

On November 16, 2024, the insured property sustained significant water damage due to a plumbing failure in the second-floor master bathroom. The loss was captured by smart home telemetry, specifically a 'WaterHero' flow monitor and Google Nest ecosystem. The incident resulted in saturation of the second-floor vanity, subfloor, and first-floor living room ceiling and hardwood flooring. Emergency mitigation was performed by DryFast Inc., followed by restoration by Austin Home Restorations LLC. All coverage determinations have been finalized under Policy Form HO-3.

2.0 POLICY CONTRACT ANALYSIS

2.1 Applicable Policy Forms

The coverage is adjudicated under the standard HO-3 'Special Form' Homeowners Policy (Ed. 05/11). The following sections are relevant to the coverage determination:

Section	Provision	Application to Claim
Section I	Coverage A - Dwelling	Applies to structural damage (floors, ceiling, vanity). Limit: \$450,000.
Section I	Coverage C - Personal Property	Applies to contents (Rug, TV, Sofa). Limit: \$225,000 (50% of Cov A).
Section I	Perils Insured Against	Covers 'Sudden and accidental discharge or overflow of water' from a plumbing system.
Exclusions	Mold/Fungus	Limited coverage (\$5,000) applies if mold results from a covered water loss. (Not triggered in this case)
Conditions	Duties After Loss	Insured complied by contacting mitigation services immediately (DryFast Inc).

2.2 Deductible Logic

The policy carries a \$1,000.00 All-Peril deductible. This deductible is applied once per occurrence. In this calculation, the deductible was subtracted from the Coverage A (Dwelling) payment, resulting in a net dwelling payment of \$11,400.00.

3.0 IOT FORENSIC DATA ANALYSIS

The following data was extracted from the insured's 'WaterHero' and 'Google Nest' APIs. This objective data serves as the primary verification of the loss timeline.

3.1 High-Resolution Sensor Log (11/16/2024)

TIMESTAMP (CST)	DEVICE ID	METRIC	VALUE	STATE CHANGE
10:20:00 AM	Flow_Meter_01	Flow Rate	0.0 GPM	Normal
10:22:15 AM	Flow_Meter_01	Flow Rate	8.5 GPM	ABNORMAL START
10:22:20 AM	Hum_Sensor_MB	Rel. Humidity	48%	Rising (+3%)
10:25:00 AM	Flow_Meter_01	Total Vol	25.5 Gal	Continuous
10:45:00 AM	Cam_LvRm_02	Audio Level	45 dB	Dripping Detected
11:00:00 AM	Hum_Sensor_MB	Rel. Humidity	85%	Saturation Alert
11:15:00 AM	Flow_Meter_01	Total Vol	448.5 Gal	CRITICAL ALERT
11:15:05 AM	Valve_Ctrl_Main	Valve State	CLOSED	AUTO-SHUTOFF
11:15:10 AM	Flow_Meter_01	Flow Rate	0.0 GPM	Leak Stopped

3.2 Physics of Failure Analysis

The flow rate of 8.5 GPM is consistent with a complete severance of a 3/8-inch compression supply line under standard municipal pressure (60-80 PSI). The delay between the leak start (10:22 AM) and the auto-shutoff (11:15 AM) indicates the 'Smart Home' protocol was set to a '45-minute continuous flow' threshold before triggering. While this setting prevented immediate shutoff, it successfully prevented catastrophic flooding that would have occurred over the subsequent 3 hours before the insured returned.

4.0 MITIGATION & DRYING PROTOCOL

DryFast Inc. (Vendor ID: V-9982) mobilized immediately. The following psychrometric logs document the drying process of the structural materials.

4.1 Equipment Deployment

- 6x Phoenix AirMax Radial Air Movers (Assets #AM-101 to AM-106)
- 1x Drieaz Evolution LGR Dehumidifier (Asset #DH-22)
- 1x HEPA 500 Air Scrubber (Asset #AS-09)

4.2 Daily Psychrometric Log (Drying Progress)

Date	Time	Amb Temp	Amb RH	GPP	Material	Moisture Content	Status
11/16/24	17:00	72°F	65%	78	Oak Floor	99.9% (WME)	SATURATED
11/17/24	09:00	85°F	35%	62	Oak Floor	45.0% (WME)	Drying
11/18/24	09:00	85°F	30%	52	Oak Floor	22.0% (WME)	Drying
11/19/24	09:00	82°F	28%	45	Oak Floor	12.0% (WME)	Dry Standard Met

Note: While the moisture content was reduced to 12%, the physical structure of the white oak boards exhibited permanent 'cupping' (curvature of the wood), necessitating replacement despite successful drying.

5.0 DETAILED REPAIR ESTIMATE (SCOPE OF WORK)

Vendor: Austin Home Restorations LLC
Estimate ID: ES-2024-8892-REV2

CAT	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL
LIVLiving Room (Downstairs)					
WTR	Tear out wet drywall, cleanup, bag	16.00	SF	\$2.55	\$40.80
DRY	Install 5/8" drywall - hung, taped	16.00	SF	\$3.45	\$55.20
PNT	Seal/Prime/Paint ceiling (2 coats)	400.00	SF	\$1.10	\$440.00
FCW	Remove hardwood flooring (White Oak)	400.00	SF	\$3.00	\$1,200.00
FCW	Install White Oak plank flooring	400.00	SF	\$12.00	\$4,800.00
FCW	Sand, stain, and finish floor	400.00	SF	\$4.00	\$1,600.00
BTHMaster Bath (Upstairs)					
CAB	Detach & Reset Vanity Top	1.00	EA	\$250.00	\$250.00
CAB	Vanity - High Grade - Replace	1.00	EA	\$1,500.00	\$1,500.00
PLM	P-Trap/Supply Line assembly	1.00	EA	\$350.00	\$350.00
PLM	Plumber Labor - Emergency Call	1.00	EA	\$500.00	\$500.00
GENGeneral / Overhead					
MAT	Construction Materials / Waste	1.00	EA	\$1,664.00	\$1,664.00
TOTAL ESTIMATE					\$12,400.00

6.0 PERSONAL PROPERTY VALUATION (RCV/ACV)

The following items were claimed under Coverage C. Valuation was determined using 'Actual Cash Value' (ACV) vs 'Replacement Cost Value' (RCV) analysis.

6.1 Persian Rug (Total Loss)

- **Original Purchase:** \$3,500 (Rugs Direct, 2019).
- **Damage Assessment:** Irreversible dye migration (bleeding) due to saturation. Wool pile degradation.
- **Market Analysis:** Comparable hand-knotted Heriz rugs (8x10) currently retail for \$3,400 - \$3,800.
- **Decision:** Full Policy Limit payout of \$3,500 approved.

6.2 Samsung QLED TV (Electronics)

- **Diagnostics:** Unit failed power-on self-test (POST). Moisture detected on PCB.
- **Replacement Model:** Samsung QN90C Series (Current Equivalent).
- **Cost:** \$1,200.00 (verified via Best Buy current pricing).
- **Depreciation:** Waived under Replacement Cost coverage endorsement.

6.3 West Elm Sofa (Partial Loss)

- **Claim:** Water spots and odor.
- **Assessment:** Leather is not porous enough to absorb deep water in 50 minutes. Damage is cosmetic.
- **Remedy:** Professional leather cleaning and conditioning.
- **Allowance:** \$250.00 (Accepted by insured).

7.0 CAUSATION & TECHNICAL PLUMBING REPORT

7.1 Component Failure Analysis

The failure occurred at the supply line connection to the 'cold' side of the master bathroom vanity faucet. The specific component identified is a braided stainless steel supply line with a 3/8-inch compression nut.

Failure Mode: Stress Corrosion Cracking (SCC) vs Mechanical Failure.

Based on the text evidence from the repairing plumber ('Joe'), the diagnosis was a 'faulty compression nut'. This suggests the nut sheared off the threads, likely due to overtightening during initial installation or a manufacturing defect in the metallurgy of the nut.

7.2 Plumber Statement (Reconstructed)

Provider: Joe the Plumber (Lic #4482)

Date: Nov 16, 2024

Statement: "Arrived 3:45 PM. Found supply line disconnected. The nut had split vertically. No evidence of corrosion or slow leak prior to burst. Replaced with new fluidmaster line. Verified leak free."

8.0 SUBROGATION & RECOVERY ANALYSIS

Subrogation is the process of recovering costs from a liable third party. An analysis was conducted to determine if the loss could be tendered to the supply line manufacturer or the installer.

8.1 Target 1: Supply Line Manufacturer

Potential Liability: Product Defect.

Analysis: The supply line is approximately 5 years old (based on home age). To prove a manufacturing defect, the failed nut would need to be retained and sent to a metallurgy lab for destructive testing (Cost ~\$2,500).

Decision: Cost Prohibitive. The claim value (\$19k) does not justify the forensic expense.

8.2 Target 2: Smart Valve Manufacturer (WaterHero)

Potential Liability: Failure to prevent loss.

Analysis: Review of the Terms of Service (ToS) for the device indicates it is a 'monitoring aid' and does not guarantee leak prevention. Furthermore, the logs show the device *did* activate according to its 'Away' profile settings (45 min delay).

Decision: No Liability. The device functioned as programmed.

8.3 Target 3: Installing Plumber

Potential Liability: Improper installation (overtightening).

Analysis: Statue of Repose in Texas for improvements to real property is 10 years. However, proving overtightening 5 years post-installation is factually difficult without the original installer's records.

Decision: Close without Subrogation.

9.0 COMMUNICATION & CONTACT LOG

Date/Time	Party	Direction	Summary
11/16 14:45	Insured	Inbound	FNOL Call. Reported 'house is a swimming pool'.
11/16 15:00	Adjuster	Outbound	Auth for Mitigation (DryFast) given verbally.
11/18 09:00	Adjuster	Internal	Reviewed Sensor Logs. Coverage confirmed.
11/18 11:00	Adjuster	Field	On-Site Inspection. Photos taken. Measurements: 400sqft.
11/20 14:00	DryFast	Inbound	Drying complete. Inv \$3,500 received.
11/22 10:00	Adjuster	Outbound	Settlement offer email sent. Rug = Total Loss.
11/22 10:45	Insured	Inbound	Accepted settlement. Agreed to sofa cleaning.
11/24 09:00	Finance	Internal	Payment issued via EFT. File Closed.

10.0 FINAL FINANCIAL RECONCILIATION

The following ledger represents the final disposition of funds for Claim HO-2024-8892.

CATEGORY	PAYEE	STATUS	AMOUNT
Emergency Mitigation	DryFast Inc.	Paid (Direct)	\$3,500.00
Dwelling Repairs	Alex Johnson	Paid (Indemnity)	\$12,400.00
(Less Deductible)			-\$1,000.00
Contents (Rug)	Alex Johnson	Paid	\$3,500.00
Contents (TV)	Alex Johnson	Paid	\$1,200.00
Contents (Laptop)	Alex Johnson	Paid	\$2,000.00
Contents (Sofa Clean)	Alex Johnson	Paid	\$250.00
ALE (Hotel)	Marriott / A. Johnson	Reimbursed	\$1,200.00
		NET PAYOUT	\$19,550.00

CERTIFICATION

I certify that this report represents a true and accurate investigation of the facts and circumstances regarding the captioned loss. All payments have been issued in accordance with the policy provisions and applicable Texas Insurance Codes.

Signed:

Mike Ross

Senior Property Adjuster | SafeGuard Insurance