

BUSINESS

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INSURANCE

Amherst adjusters speed claims at ground zero

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While New York City works to recover from disaster, an Amherst company is playing a behind-the-scenes role in the city's financial comeback.

National Fire Adjustment Co. helps businesses claim insurance payments and get back on their feet. As one of the nation's largest public insurance adjusters, it has sent squads of workers to the destruction zones of San Francisco's earthquake and Hurricane Andrew in past years.

Now, the 65-person company is going into overdrive as businesses in lower Manhattan call for help with their insurance claims.

"It's terrible—you've got businesses that are totally gone," company president Ronald J. Papa said in a telephone interview from New York.

In the aftermath of the attacks, National Fire is representing a growing list of clients located in or near the World Trade Center. Their claims total \$250 million, "and that's growing by \$1 million to \$5 million a day," Papa said, as new clients come forward.

Among its clients is the Century 21 Department Store chain, whose 150,000 square-foot store at the foot of the twin towers was knocked out of commission.

Although store workers were spared injury, the cost of lost business will be steep. Papa said.

While businesses like Century 21 can relocate, "the problem is, there are no other locations comparable to the World Trade Center for traffic count," Papa said. Many firms will suffer a permanent loss of business.

Most insurance adjusters work for insurance companies. As a state-licensed public insurance adjuster, National Fire Adjustment is one of relatively few companies that works on behalf of the victims

of fire or disaster. Founded in 1922 by Ronald Papa's grandfather Bernard J. Papa, it has offices in eight cities including New York.



National Fire Adjustment Co. is handling more than \$250 million worth of insurance claims at the World Trade Center site.

The company works for claimants in its home of Western New York and around the country. It helped Salvatore's Italian Gardens on Transit Road collect after a 1994 fire caused over \$1 million in damages. In Wheeling, W. Va., it dealt with insurers for Wheeling Downs when an Ohio River flood in 1996 buried the race track in mud.

Disagreements between insurance companies and their clients provide a steady source of business for public adjusters.

"The insurance industry has more money than God, and their interest is to keep that money," said Jonathan Bein, deputy director of the National Association of Public Insurance Adjusters in Herndon, Va. The industry association has about 200 members with about 500 certified adjusters.

Public adjusters may have learned their trade with an insurance company, or have a background in law or accounting. They help claimants inventory their losses, establish values for lost items, and read the policy

carefully to craft a complete claim, Bein said.

Valuing assets is often an area that calls for an adjuster's expertise, he said. For example, some companies have old equipment that is worth nothing according to accounting records, but which will be costly to replace. Other firms claiming lost business may not be able to point to large historical profits, but are missing future results.

"If it's a new business, maybe it wasn't showing any profit yet," Bein said. A public adjuster will examine trends in the industry and estimate the value of new products that were about to bear fruit.

In states that don't require licensing of public adjusters, some may pursue the job as a sideline, Bein said. For example, they may work with construction companies, helping businesses that need to rebuild win insurance claims. Members of the association aren't allowed to work for anyone but the claimant.

Sometimes a public adjusters job is to save clients from themselves. At National Fire, one client prepared a claim for lost business and calculated the amount of losses for one year, although the policy didn't limit compensation to a single year, Papa said. In fact, it's likely the client's business won't return to normal for several years.

It is estimated that insurance claims resulting from the twin towers' collapse will total \$30 billion over time. Insurance companies have been quick to respond, providing emergency funds to some businesses before a formal claims processing.

But National Fire Adjustment isn't counting on insurers' easy-going mood to last forever.

"In this business, the first dollar is always the easiest," Papa said. "The last dollar's the hardest."

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