

HOARDING HAZARDS

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Hoarding may not only be a serious mental illness, but also a significant concern for insurance companies. It is estimated that there are between 6–15 million hoarders in the United States. The American Psychiatric Association estimates that 1 in 20 people — or between 2 and 5 percent of the population — are hoarders. As many as 50 percent of compulsive hoarders suffer from depression and 48 percent have anxiety or social phobias. A problem for insurance companies is that hoarding is often unseen and unknown, since many insurance companies inspect only the outside of dwellings.

What are the hazards?

While there is no exclusion for hoarding under the standard insurance policy, hoarding can be a reason for cancellation of the policy due to the increased hazards present. Hazards can include mold and water damage from leaking plumbing or roofs, biohazards from waste material and insect or rodent infestation, increased chance of fire due to accumulation of flammable materials or collapse of floors due to the weight of the hoarded items.

A house in Canton, Connecticut was torn down in June 2015 after it was condemned by town officials as uninhabitable in part due to hoarding. The Hartford Courant reported on June 4, 2015 that the house had become structurally unsound and that town records indicated the problems were partly due to hoarding. The fire marshal also indicated that the house was unsafe. The owners chose to demolish the house rather than repair it.

The National Fire Protection Association reported in April of this year that a house fire in Minnesota claimed the life of a man who was trapped by debris piled to the ceiling. Firefighters were unable to get to the man, and by the time they were able to cut a door, they found him trapped under the piles of debris.

One of the most famous cases of hoarding involves the Collyer Brothers, who were recluses living in New York City. They were both found dead in March 1947 amid more than 140 tons of items collected over decades. The trails and tunnels through the clutter were booby trapped to discourage intruders from breaking in and stealing their treasures.

Why is hoarding a concern for insurers?

Hoarders may not properly maintain their homes, especially if they cannot get to some areas, or even entire rooms. A leaky roof, nonfunctioning appliances and electrical problems can go untended, or even unnoticed if the clutter problem is extreme. Fire risk is increased when flammable materials and trash accumulate. The exposure differs on a case by case basis, since every hoarder has a compulsion to save different items. Newspapers, plastic bags, garbage, rotten food and even animal and/or human waste can be part of the problem.

Animal and human waste products can be infectious and dangerous to the hoarders as well as emergency responders. For example, rodent feces carries the Hantavirus, which can be fatal in humans, a fact documented by the U.S. Centers for Disease Control and Prevention. The odors are dangerous as well. Cat urine in particular includes a high concentration of ammonia, which is dangerous to anyone with a respiratory issue, according to the Massachusetts Office of Health and Human Services. In high enough concentrations, ammonia can damage even healthy lungs. In addition, waste products may be in areas that may not be seen or accessible during a visual inspection.



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Hoarding Concerns

- A leaky roof, non-functioning appliances and electrical problems can go untended or even unnoticed.
- Weakened floors and supports can lead to unsafe building conditions.
- Fire risk increases when flammable materials and trash accumulate
- Animal and human waste products pose increased health hazards.
- Rodent infestations can spread from the hoarder's home to others nearby.

Due to the secretive nature of hoarders, it is probably far more likely that hoarding becomes an issue after the claim is reported. In a loss that is covered under the terms of the policy, it may not be reasonable for the insurance carrier to balk at incurring the extra expense to remove all the excess contents from the dwelling in order to make necessary repairs.

Claims handling in a hoarding situation can be very difficult, especially if access to the damage is prevented by clutter. Unlike collectors, who display their

treasures proudly, hoarders will typically pile items haphazardly in a room, often to the point where access is impossible. Home repairs go undone, since the hoarder does not want an outsider to see the state of their home. Electrical wiring may be in disrepair or damaged by water or rodents. Animal, as well as human, waste products pose increased health hazards. Portable space heaters or cooking devices may increase the fire hazard due to the residents' inability to access their kitchen appliances.

Claims adjusters, contractors and restoration personnel are at risk when in a hoarding situation. Dangers include unsafe building conditions that might be hidden under the clutter, such as weakened floors and supports. A trip and fall is an obvious hazard since items are usually stored and piled haphazardly. The risk of contracting disease is also increased due to the presence of rodents or multiple pets and their waste. Some hoarders even save human waste.

Claims directly related to the hoarding, such as collapse of a floor due to excessive weight of contents piled there, or rodent infestation due to trash accumulation, could be denied as being due to an increase in the hazard or not being a fortuitous event. Failure to protect the property from loss could also be argued by the insurer in a hoarding situation.

In addition to physical hazards, claims handling can be stymied by the hoarder's emotional attachment to his or her belongings. The inability to throw anything away — even rotten food,

garbage or papers — is what leads to the hazardous conditions in the first place.

If the hoarding situation existed at the time the policy was issued, the insurance

company may be less likely to be able to sustain a denial of a subsequent claim, especially if the property has been inspected. Nevertheless, a hoarding situation that develops long after the inception of the policy could fall under the increased hazards exclusion.

Home values are severely affected by hoarding. Not just the hoarder's home, but neighboring houses are also diminished in value when a house is in visible disrepair. Rodent infestations can spread from the hoarder's home to others. In one case in New York State in 2013, a woman had 67 cats in her freezer as well as 99 live cats. The home was condemned and deemed uninhabitable.

Landlords are also impacted by hoarding. They may be unable to rent premises affected by hoarding habits of previous tenants or those in neighboring apartments. Eviction of the responsible tenant may not be possible since hoarding is considered a disability. Hoarders are protected under the Fair Housing Act, according to the Federal Department of Housing and Urban Development. However, landlords do have the right to evict a tenant who has done damage to the property, is storing dangerous materials or has blocked emergency exits. Keeping pets in excess of those allowed by the lease may be another reason.

Hoarding is another example of why inspections are a critical means of maintaining an insurer's profitability. Internal inspections are essential to identify potential hoarding problems and deal with them before, rather than after, the loss.

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