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Settling Complex Claims with the Involvement Matrix

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Settling multiple claims in a large fire loss can be a daunting task. This is especially true if there are multiple tenants involved. Large fires usually have complicated causes where several parties share the responsibility for the damages.





Engineers at Warren have developed a technique that we call the Involvement Matrix to help determine and assign the involvement. The Involvement Matrix works like this:

First, list the problems, contributing factors, or involvement of the various parties down the left side of a spreadsheet. Second, list the involved parties along the top. Then, in the matrix, use the evidence to assign one of three levels of involvement for the problem.

- Primary Action = 2 points (black box)
- Secondary Action = 1 point (gray box)
- No Action = 0 points (clear box)

Involvement or problem	Involved Parties			
	Tenant	Owner	Property Manager	Sprinkler Maintenance
Cause				
Contributing Factor				
Negligence				

-  **Primary Action** – Party involved caused the problem
-  **Secondary Action** – Party involved knew or should have known about the problem and taken action to resolve the problem

To make this work you have to know what happened. You have to know and understand how and where the fire got started. You have to know how the fire spread and you have to know the problems associated with fighting the fire. When the Involvement Matrix is complete the level of involvement assigned to each party is graphically depicted by the amount of black color in their column.

Let's take a look at a sample Involvement Matrix for a large fire that happened a few years ago. There were three major problems, each with two large factors. The first major problem was that the fire started in the dust collector owned by Tenant No.1. That problem was complicated by the fact that the housekeeping in and around the collector was not good. Tenant No.1 also used poor engineering practice when they decided to place the collector inside the facility. Such



equipment is notorious for fires. The second major problem was that the sprinklers did not work. That problem was complicated by the actions of more than one party. Parts of the sprinkler system were disabled and no one was doing a proper inspection of the equipment. The third major problem was the lack of water with which to fight the fire. More than one party was involved in disabling the auxiliary water supply by isolating the system and draining the supply pond.

The responsible parties identified were Tenant No.1, the owner, the real estate property manager, and a sprinkler maintenance company, hired by the owner to service the sprinkler system.

The Involvement Matrix shown below is a graphic depiction of the results of comparing the problems with who did or did not do what they should have done. Tenant No.1 gets black boxes because the origin of the fire was in his equipment. The equipment was not properly located or cared for. Tenant No.1 also receives a black box for the sprinkler system not working because he ignored employee reports about the lack of water in the sprinkler system.

In simple terms, the party with the most black or gray in their column loses.

The owner got gray boxes for the sprinkler system not working and for not having enough water available. Additionally, he did not have an effective management system in place to restore and maintain the facility's fire suppression systems.

The owner gets a black box for draining the pond because he ordered the pond dam breached, thinking that he was eliminating the potential liability of an unattended body of water.

The property manager was assigned gray boxes for the sprinkler system and lack of water because he didn't have an effective management system in place to ensure that the systems were understood and properly inspected and maintained. He was assigned

black boxes for the disabled sprinkler system and for not properly inspecting the systems because he was hired by the owner to do it.

The sprinkler system maintenance company was assigned a black box for the sprinkler system not working because they were hired to restore the system but failed to even propose a program of necessary work. They were given a gray box for the lack of water because they failed to identify the need for or the presence of the auxiliary water supply in their inspections of the system.

Negotiators and decision makers found that the Involvement Matrix was a valuable tool when it came to resolving the complicated disputes and damage claims that resulted from this fire.

The engineers at Warren will be glad to use our experience to help you resolve claims regarding involvement of parties using this valuable decision making tool.

Involvement Matrix

	Tenant No. 1	Owner	Property Manager	Sprinkler Maintenance
Origin in Filter House				
Filter not cleaned				
Filter in building				
Sprinkler didn't work				
Valves not locked open				
Sprinkler not inspected				
Lack of water				
Supply pond drained				
Isolation valves closed				

