



Claim Review: CLM-2026-0072327

Field	Detail
Insured	Lisa Abernathy
Line and loss	Homeowners — Water - surface flooding
Policy	HO-MA-1086750, form BW-HO 01 26, term 2026-07-18 to 2027-07-18
Loss location	Springfield, MA
Loss date / received	2026-10-16 / 2026-10-18
Estimate or demand	\$89,180
Flags from the claims system	[Above desk authority]

Recommendation: Deny. The adjuster makes the decision.

1. Coverage

- **In force on the loss date:** Yes — the loss date (2026-10-16) falls within the current term, 2026-07-18 to 2027-07-18, and the policy record shows status "In force" with no cancellation date (claims.policies; extra/claims-handling-guidelines.md:15-16).
- **Coverage that applies:** Coverage A, Dwelling, and Coverage C, Personal property, would otherwise respond: "A. Coverage A, Dwelling: the house and attached structures." / "C. Coverage C, Personal property: contents owned or used by an insured, anywhere in the world." (extra/homeowners-policy.md:7,9).
- **Exclusions, sublimits, conditions, endorsements:** Section I Exclusion 1 controls: "Flood: flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind. Unless the Flood endorsement is on the policy." (extra/homeowners-policy.md:23-24). This policy's endorsements are Water backup and sump overflow (\$10,000) and Identity fraud expense only — there is no Flood endorsement (BW-HO 05 FL) listed (claims.policies). The Water backup endorsement does not apply: it answers Exclusion 2 (sewer, drain or sump backup), not Exclusion 1 (a river's overflow is surface water/flood) (extra/homeowners-policy.md:25-27).

2. Red flags

- **Indicators present:** None.
- **Indicators checked and not present:** P1 (inception/limit increase <30 days — term began 2026-07-18, ~90 days before loss), P2 (late report without explanation — reported in 2 days), P3 (policy cancelled/lapsed near loss — status In force, no cancel date recorded), P4 (3+ claims in 12 months — no other claims found on this policy), R1 (CAT claim outside event area/dates — no cat_code on this claim), R2 (old/progressive damage reported as sudden — description is a sudden,

weather-driven overflow), R3 (financial difficulty or property for sale — nothing noted) (extra/siu-red-flags.md:8-21).

- **SIU referral:** Not required — referral needs two or more indicators, or any one marked "must refer," and none are present here (extra/siu-red-flags.md:3-4).

3. Reserve

- **Amount:** \$95,774.40 (\$88,680 indemnity + \$7,094.40 expense).
- **How it follows from the reserving guidelines:** No prior paid claims exist for "Water - surface flooding" in MA (or anywhere) in the claims history (query returned 0 rows), so the history-based method (Guideline 2) has nothing to draw on; the file falls back to the FNOL estimate under Guideline 1: \$89,180 estimate less the \$500 deductible = \$88,680 indemnity reserve (extra/reserving-guidelines.md:6-9). Because coverage is being denied but the amount is still reserved in full per Guideline 6 — "Coverage in doubt: reserve the full expected amount... do not reserve zero because a denial is likely" (extra/reserving-guidelines.md:15-16) — and the claim exceeds \$25,000, 8% is added for adjusting expense: $\$88,680 \times 8\% = \$7,094.40$, for a total of \$95,774.40 (extra/reserving-guidelines.md:17).
- **When to revise it:** Revise once new information changes the expected payment by more than 25% or \$10,000 — in practice, revise to \$0 once the denial letter is issued (extra/claims-handling-guidelines.md:44-45).

4. Authority

- **Who may settle it:** A Claims examiner (authority up to \$250,000), because the \$89,180 estimate exceeds the Desk adjuster limit (\$25,000, which triggered the system's own "Above desk authority" flag) and the Senior/field adjuster limit (\$75,000) (extra/authority-limits.md:7-9,14). No CAT code is attached to this claim, so the catastrophe desk-authority bump to \$40,000 does not apply (extra/authority-limits.md:19). Because the recommended denial exceeds \$25,000, it also needs a supervisor's review before the letter is sent (extra/authority-limits.md:16; extra/claims-handling-guidelines.md:53).

5. Recommendation and next steps

Deny, under BW-HO Section I, Exclusion 1 (Flood).

- Obtain supervisor sign-off on the denial before the letter is sent (required for any denial over \$25,000) (extra/claims-handling-guidelines.md:53; extra/authority-limits.md:16).
- Issue the denial letter (template 3) quoting Exclusion 1 in full, and, consistent with the past decision below, advise the insured to check any separate flood policy (e.g., NFIP) they may hold.
- Revise the reserve to \$0 once the denial is sent (extra/claims-handling-guidelines.md:44-45).
- **Deadlines:** Contact the insured within 1 business day of FNOL — by 2026-10-19 (claim received 2026-10-18) (extra/claims-handling-guidelines.md:7). Begin investigation within 10 calendar days — by 2026-10-28 (extra/state-claim-timelines.md:10). Decide (and send the written denial, citing the specific policy provision) within 30 calendar days of a complete proof of loss (extra/state-claim-timelines.md:11,14).
- **Past decision followed:** CD-25-19 — "River overflow, three feet of water on the first floor; no flood endorsement -> Denied; referred the insured to their flood policy, none in force"

(extra/coverage-decisions-2025-2026.md:11). The facts here (river overflow, three feet of water, no flood endorsement) match this precedent closely.

The question asked

Help me resolve claim CLM-2026-0072327: water - surface flooding for Lisa Abernathy (Homeowners, Springfield, MA), policy HO-MA-1086750. I took it from the claims queue; I make the decision.

Use datalake_query on the claims data:

1. *SELECT * FROM claims.claims WHERE claim_id = 'CLM-2026-0072327'*
2. *SELECT * FROM claims.policies WHERE policy_number = 'HO-MA-1086750'*
3. *SELECT claim_id, received_at, loss_date, loss_type, status, outcome, paid FROM claims.claims WHERE policy_number = 'HO-MA-1086750' AND claim_id != 'CLM-2026-0072327' ORDER BY loss_date DESC*
4. *For the reserve: SELECT round(avg(paid)) avg_paid, count() n FROM claims.claims WHERE status = 'Closed' AND paid > 0 AND loss_type = 'Water - surface flooding' AND state = 'MA' AND received_at > now() - INTERVAL 36 MONTH*

Read in the workspace: extra/homeowners-policy.md, extra/claims-handling-guidelines.md, extra/authority-limits.md, extra/siu-red-flags.md, extra/reserving-guidelines.md, extra/coverage-decisions-2025-2026.md and extra/state-claim-timelines.md.

Answer in this order, short and easy to scan, with a path:line citation for each point:

1. *Coverage: was the policy in force on the loss date; which coverage applies; any exclusion, sublimit, condition or endorsement that changes it (quote the wording).*
2. *Red flags: the SIU indicators present (by code) and whether a referral is required.*
3. *Reserve: the amount and how it follows from the reserving guidelines.*
4. *Authority: who may settle it, and why.*
5. *Recommendation: pay, partial pay, deny, refer to SIU, request information or escalate; the next steps and the deadline; and any past decision it follows.*

Then offer to draft the letter from the templates. If I ask for a written report or a PDF, follow extra/templates/claim-review-template.md.