

Best's Insurance Law Podcast

Home Modification and Impact on Claims - Episode #150

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Hosted by: John Czuba, Managing Editor

Guest Expert: Dan Thompson of [DeeGee Rehabilitation Technologies](#)

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John Czuba: Welcome to "Best's Insurance Law Podcast," the broadcast about timely and important legal issues affecting the insurance industry. I'm John Czuba, Managing Editor of *Best's Insurance Professional Resources*.

We're pleased to have with us again today expert service provider [Dan Thompson](#), president and CEO of [DeeGee Rehabilitation Technologies](#), with offices in Ontario, Canada, and in Arizona. Dan has worked with the litigation arena for over 26 years.

He is a registered rehabilitation professional, registered vocational professional, and a certified life care planner. His company's services include providing expert opinion to insurance carriers, attorneys, and medical professionals by assessing the needs and vocational capabilities for people with disabilities.

Dan, we're very pleased to have you with us again today.

Dan Thompson: Thank you very much for having me, and I look forward to the podcast.

John: Thanks, Dan. Today's topic for discussion is home modifications. Dan, for our first question today, what are home modifications, and what impact do they have on insurance claims?

Dan: Home modifications may consist of ramps, elevators, low threshold, wider doorways, ceiling lifts, or other modifications, such as hardwood flooring, to ensure a place is wheelchair accessible. In other words, to meet the person's physical needs.



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That may also include wheel under counters, grab bars, low light switches, higher electric outlets, or non-slip flooring in bathrooms, anti-scald devices, for example, to make sure that shower heads aren't burning people, environmental controls, or even a backup generator, to ensure that critical equipment, such as ventilators, will continue to operate, despite power outages.

Having said that, John, if someone, let's say, someone who is deaf, their accommodations may include a TCY or a telephone text machine to ensure that they can communicate with the outside world. It may also include flashing lights, instead of an alarm bell, if, of course, there's smoke or carbon monoxide within the home.

Of course, if the individual is blind, and I'm actually working on a case right now in the East Coast of Canada for an individual who is blind. Because they lived in a group home setting, the standard of care has come into play.

To make things more accessible for them, that may include talking appliances to improve their safety. It may also be a matter of having the home reorganized, and ensuring that things are maintained in the same spot.

If they've got good ergonomics, and you know that the sofa is located in the middle of the room, then they're less likely to trip over it, or have it become an inconvenience for them. Those are some examples, I think, of that.

Then, of course, it would be the insurance company's responsibility to make sure that they maintain that for that individual, both now and in the future.

John: Dan, how about any differences between the United States and Canada in terms of how home modifications are dealt with by the insurance industry?

Dan: Sure. In Ontario, which is where I live half the year, there's been a whole cottage industry that has developed for companies who do home modifications. In essence, John, what they end up doing is, their floor plans to make the home accessible will be a matter of moving the kitchen to the bedroom, the bedroom over into the other area.

Their objective, really, is try to jack up the cost so that it's so expensive to renovate the existing home that they end up buying a brand new home for that individual. As I'm sure you can appreciate, the problem with that is, this individual may be a fourth generation person who's received government subsidies, or been a fourth generation welfare person.

The whole point of an insurance settlement is to maintain their lifestyle, or to ensure that they can do the things they did before. If you take somebody, of course, that was poor, or didn't have a whole lot of money, it doesn't make sense to have the settlement become a windfall for them.

Obviously, that's going to, I think, prejudice the amount of money that they need. In essence, if we look at it from that perspective, I think it's important to only give them what they need, and not necessarily what they want.

John: Overall, what's the average cost, or lifetime costs, for home modifications, Dan?



Dan: That's an interesting question. Here in the United States, of course, we have legislation set up by the veteran's administration. What they do is they look at the fact that they've averaged about \$64,000 for the average cost to renovate a home.

To me, that makes much more sense. If you think of \$20,000 to renovate a bathroom to make that wheelchair accessible, about another \$20,000 to make a kitchen wheelchair accessible, and \$10,000 for a safe means of egress. I think most jurors can see that as being a reasonable cost.

The problem with those cottage industry companies that we talked about before is that they also do not take equity into consideration. I think in my opinion, when we set up the life care plan, yes, there should be accommodations for an individual who, in essence, needs to have their home accessible for them.

I think it should be a one-time cost. I don't think that every time they move, that we should be renovating each new home. If they've been given \$64,000 or \$50,000, depending on what number is agreed upon by plaintiffs and defense, then that, as I said, should be that one time deal.

We shouldn't have to renovate when they move from Seattle to Florida, to Tallahassee, or whatever the case may be.

John: Dan, who should typically cover the costs?

Dan: Obviously, the whole point of having insurance, and to have that settlement, is that I think the insurance companies should be paying that. Now, having said that, if we take individuals who are injured outside of the litigation arena, then there are government subsidies.

As I mentioned, there's programs through the Veteran's Administration to help cover those costs. I guess in a way, of course, Veteran's Administration is also government and/or insurance as well. In Ontario, for example, the March of

Dimes, of course, has a program where they will subsidize part of the cost of ensuring a home is wheelchair accessible.

I would say that if you're inside the insurance arena, or if you're looking at a settlement, those costs, of course, will be covered by the insurance carrier. If you're outside of that, then probably government subsidies would come into play.

John: Dan, what do you see for home renovations or modifications in the future?

Dan: I see more developments in terms of smart homes. Right now, of course, we've got everything from you can monitor on your phone what's happening at your house. You can see if there's an intruder or burglars of some sort.

You, of course, can regulate the temperature of the home. You could turn up the heat, turn up the air conditioning, or turn it down if you're going to be away for a vacation. I see more developments in that arena to just ensure that the home is going to be more convenient and accessible for individuals with disabilities.



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Keep in mind, John, if we look at the telephone, which is a revolutionary device, and was developed over a hundred years ago by Alexander Graham Bell, he designed that initially to accommodate his wife's hard of hearing, or her deafness.

Yet everybody uses the telephone. I'm sure it's an epidemic with young children who use their cellphones nowadays, instead of developing their social skills. To me, although I see more developments in that area, they may not necessarily be an extraordinary cost that needs to be into a life care plan.

It may be something that just comes automatic into new homes as they're developed.

John: Dan, thanks so much for joining us today.

Dan: John, thank you very much. Look forward to doing one of these in the future.

John: That was Dan Thompson, president and CEO of [DeeGee Rehabilitation Technologies](#), with offices in Arizona and Ontario, Canada. You can learn more about Dan's company at [deeqeerehab.com](#). Special thanks to today's producer, Frank Vowinkel.

Thank you all for joining us for "Best's Insurance Law Podcast." To subscribe to this audio program, go to our web page, [www.ambest.com/claimsresource](#). If you have any suggestions for a future topic regarding an insurance law case or issue, please email us at lawpodcast@ambest.com.

I'm John Czuba, and now, this message.

Transcription by CastingWords

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