

The Hazards of a Hoarding Resident: An Insurance Perspective

According to the Mayo Clinic, hoarding is defined the excessive collection of items, along with the inability to discard them. Hoarding often creates such cramped living conditions that homes may be filled to capacity, with only narrow pathways winding through stacks of clutter. Some people also collect animals, keeping dozens or hundreds of pets often in unsanitary conditions. There are also a variety of not so obvious hazards that we'll discuss here.

Hoarding was a topic discussed at the National Apartment Association Education Conference & Exposition in Boston in June.

In addition to the obvious problems that hoarding can cause, it also could be a time bomb waiting to destroy property, start lawsuits, or take your entire apartment property down.

From an insurance perspective, hoarding risks can be severe. Here are some examples:

1. Storing combustibles near light bulbs may cause a slow ignition leading to fires that are quickly fueled by newspapers, magazines, boxes, and other flammable materials.
2. Potential lawsuits could result from the hoarding due to unsafe conditions for other residents
3. Possible cancellation of your insurance policy due to underwriting becoming aware of a hoarder during an insurance inspection before or after an actual loss.
4. Trip and fall claims by repair people or even your own employees.
5. The items that are being hoarded can be dangerous, such as old ammunition, cans, or fireworks.

The probability of a fire greatly increases if you have a resident who is a hoarder. The best protection from financial loss after a fire is to make sure your building is properly insured for its full cost, including building code considerations, to reconstruct it after a loss. By doing so, you will most likely avoid any insurance penalty for not carrying enough coverage to

rebuild. This is called a co-insurance penalty and many insurance companies have this in their policy, so be sure to check yours.

Is hoarding illegal?

If the resident is breaking any local fire, safety, or health codes, then that is usually in violation of your rental agreement. Also, if the resident causes infestation or their hoarding moves beyond their apartment, that may also violate your rental agreement.

If you find yourself with a hoarder as a resident, consult an attorney for the proper steps to properly approach this situation.

Bear in mind that there are some circumstances that can be corrected by working with the resident who may not even realize they have this problem.

Did you ever have a resident who is hoarding? What did you do about it? Please share your story here!