

ALERT

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SUBROGATION AND RECOVERY

News Concerning
Recent Subrogation and Recovery Issues



TEXAS WILDFIRES ALERT

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Texas is in the midst of the worst drought the state has seen since 1895. The addition of high winds to a drought of this magnitude has produced a recipe for wildfires. Texas Gov. Rick Perry has said that the wildfires have destroyed more than 3.6 million acres — an area equal in size to the state of Connecticut. Most recently, winds from Tropical Storm Lee whipped across the state and aided in sparking more than 190 wildfires. As the fires rage on, President Barack Obama has declared a major disaster with no end in sight, as dry conditions are expected to continue into the fall.

BASTROP COUNTY FIRES

The Austin, Texas, area has been particularly affected by the recent round of wildfires. Two significant wildfires originated near Bastrop State Park on Sept. 4, 2011, with another fire breaking out west of Bastrop in Cedar Creek. Bastrop is located approximately 25 miles east of Austin.

The two larger fires that originated near Bastrop State Park are collectively referred to as the Bastrop County Complex fire. This complex of fires has destroyed more than 1,500 homes and 35,000 acres. The Texas Forestry Service says that the Bastrop County Complex fire is currently 70 percent contained. Firefighters report that most of the momentum has been stopped, so the fires are not spreading as rapidly as before.

The fire in Cedar Creek is known as the Union Chapel fire. It scorched 912 acres and destroyed 28 homes. After the Union Chapel fire was 90 percent contained, officials began managing it as part of the Bastrop County Complex fire. The Union Chapel fire originated on private property due to negligent maintenance

At this time, the causes of the Bastrop County Complex fire are believed to be “utility related.” The first origin area, located in the city of McDade, has now been opened to private fire investigators. Early findings suggest that this wildfire originated when a tree became entangled in power lines during strong winds. The power lines at issue are present on the scene, but they will be removed today (Thursday, 9/15). The experts for Bluebonnet Electric Cooperative, the local utility, documented the tree beneath the power lines before it was removed and preserved as evidence. It is expected that privately hired fire investigators and electrical engineers will continue to document the scene and observe the evidence removal and preservation process.

Today, our experts will be permitted to access the area where the other Bastrop Complex fire originated. We will be documenting Bluebonnet Electric Co-op’s power lines at that location, to determine whether negligent installation or maintenance of the utility played a role in causing that fire.

Bastrop County has posted a destroyed structures list containing the addresses of many of the confirmed destroyed structures (and they warn that the list is not comprehensive): http://www.co.bastrop.tx.us/uploads/documents/BC_Disaster/Destroyed%20Structures.pdf. The ZIP codes impacted by the Bastrop Complex Fire include 78602, 78659, 78650 and 78957. The Union Chapel fire affected ZIP codes 78612, 78616 and 78617.

STEINER RANCH FIRE

Also on Sept. 4, the Steiner Ranch fire ignited beneath Austin Energy power lines just southeast of Mansfield Dam in Austin. Preliminary findings are that the Steiner Ranch fire originated when secondary electrical power lines slapped against each other mid-span, which caused arcing and sparks to shower down onto a vacant wooded lot beneath those power lines. The fire spread across RM 620, where the wind carried embers west in several locations, igniting dried brush and spreading through wooded ravines and dry creek beds and eventually into the Steiner Ranch housing development. The fire was fully contained on Friday, Sept. 9, after consuming 162 acres and 23 homes, with many more homes partially damaged. We have placed Austin Energy on notice of several anticipated claims arising from the failure to properly maintain power lines with sufficient distance between the conductors to prevent wire slap.

Property damages within Steiner Ranch are estimated to exceed \$10 million. The ZIP codes that may have been affected by the Steiner Ranch fire are 78732, 78726, 78750 and 78730.

PEDERNALES BEND/SPICEWOOD FIRE

The Pedernales Bend fire (also known as the Spicewood fire and Pedernales Fire One) was yet another fire sparked on Sept. 4 near Lake Travis in the Austin area. The fire then moved

southwest, jumping the Pedernales River and continuing to burn into Hays County. Fanned by strong winds, this fire grew quickly, with firefighters reporting that dry cedars were bursting into flames like they were doused in gasoline. The Pedernales Bend fire has burned 6,500 acres and destroyed 67 structures, including 34 homes. The fire was finally contained on Sept. 7. The cause of the Pedernales Bend fire is still under investigation. Power lines owned by the Pedernales Electric Cooperative near the origin area are being examined to determine whether they played any role in the fire.

ASSISTING YOU WITH WILDFIRE CLAIMS

Cozen O'Connor has subrogation attorneys located in Austin, Dallas and Houston who regularly evaluate recovery potential arising from wildfires. Our Texas subrogation practice offers an experienced view of the local court systems and the best fire and engineering experts available. By allowing Cozen O'Connor to assist multiple clients on these wildfire losses, you benefit from collective wisdom and can reduce expert expenditures.

Please report all new wildfire claims to Stephen Halbeisen at 214-462-3005 or shalbeisen@cozen.com or Angela Hahn at 512-666-5910 or ahahn@cozen.com.