

## [ServiceMaster and Water Damage Claims](#)

NBC Los Angeles

Couple Recalls 'Leaky Toilet Nightmare' What started out as a leaky toilet turned into a local couple's worst nightmare. They got into a battle with their insurance company and are now suing. It is a case their attorney says could affect hundreds of thousands of homeowners. Ora Tamir and husband Eli have owned this home three years. It's a rental, their retirement nest egg. "This is an investment for us to retire," Ora Tamir said. "We don't have any retirement." A toilet leak has proved to be water torture, soaking the first floor and what little savings they have. "It flooded this whole area," Ora Tamir said. The Tamirs filed a water damage claim with State Farm Insurance. Ora says they were referred to a company called ServiceMaster. Carpeting and laminate flooring were ordered removed immediately, but Ora says the decision was different for the more expensive hardwood flooring in the kitchen, that a ServiceMaster rep consulted State Farm. "He said, 'I don't want you to remove the floor. I want you to dry it out. It's too expensive to replace.'" It was his exact words. "ServiceMaster used fans to dry the floor out. State Farm paid for the work." They said, "it's dry, everything is fine," so I hired a contractor. "Ora says the contractor hired to replace the floors told her the wood kitchen flooring needed to be removed. It was, several days later. "There was still water there when they removed the floor," Ora says. Water and mold, the entire kitchen had to be demolished, even the walls were cut open. The Tamirs say they've spent tens of thousands of dollars and they tell the I-Team that State Farm says the mold isn't from flooding and offers to pay only a small amount for mold removal. "This is an institutional practice," says Evangeline Grossman, the Tamirs' attorney. "It's not just something that has happened to the Tamirs." Grossman has filed three lawsuits, including a class-action against State Farm, Service Master, and another clean up company, Serve Pro. Grossman accuses State Farm of influencing both clean up companies by referring them for business, while all three companies argue they operate independently on behalf of clients. Grossman said the benefit to State Farm is that they are saving money on claims and the benefit to ServiceMaster and Serv Pro is that they are getting repeat business. Responding to an I-Team request, State Farm issued a statement saying they rarely comment on pending litigation and policyholders always have the right to select their own service company to do their repair work. Even so, Grossman says the two clean up companies get over 50 percent of State Farms claims referrals for water damage,

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contracts worth tens of millions of dollars."It's an unspoken rule that you are supposed to go out there and dry it out as cheaply as possible," Grossman says. For the Tamirs an insured rental property was supposed to bring peace and security, instead it's debt and lawsuits, a nest egg with a crack growing wider everyday."They cannot play with people," Eli says. "It's not with money they are playing. They playing with ... I cannot even explain to you my feelings."According to State Farm, California is number one in the nation for water damage. Nationwide they paid over \$1.7 billion for water loss claims. We contacted all three companies. They all told us that they would not comment on this case because of pending litigation.