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City insurance clause dampens CIRSA hopes of reimbursement

Northfield Insurance won't reimburse Colorado Intergovernmental Risk Sharing Agency for payment it made to Salida for damages after deep snow caused the 2001 roof collapse at the hot springs pool.

A summary by Salida attorneys Leavenworth and Karp, P.C., explained results of the appeal.

"The city had insured the building under tiered policies. Under tiered policies, CIRSA was responsible for the first \$250,000 of a loss and Northfield was responsible for coverage of losses between \$250,000 and \$1,000,000," the summary reported.

After the roof collapse, CIRSA paid the city more than \$1 million and subsequently sought reimbursement from Northfield of \$750,000. Northfield refused to pay, arguing damage was caused, in part, to "decay of wooden trusses produced by the swimming pool damp environment."

The contract contained an "anti-concurrent causation clause." The trial court interpreted the clause to allow for apportionment of the loss between snow and the dampness, wear and decay.

Northfield was required to pay only for the amount of loss caused by the snow, but the court of appeals reversed and said Northfield was not required to reimburse CIRSA for any amount.

The summary said because decay, wear and tear, and dampness were partial causes of the roof collapse, the clause prevented any recovery from Northfield.

Source: [Mountain Mail, Salida, Colorado](#)