



# ***Hurricane Preparation and Response Insurance & Risk Management***

- **December 6-7, 2012**      **Miami, Florida**
- **AAPA**

# ***Risk Management – Pre Loss Planning***

- **What to do before a loss:**
  - **Identification of insurance policies that are likely to be effected:**
    - **Property – Primary & Excess**
    - **Automobile**
    - **Flood – individual policies for each location**
    - **Hull and P&I**
    - **Workers Compensation**
    - **Liability – Primary & Excess**
    - **Public Officials**
    - **Police Professional**
    - **Crime**

# ***Risk Management – Pre Loss Planning***

- **Keep copies of important documents off site at a secured location and with critical personnel**
  - **Insurance policies**
    - Be aware of your limits and deductibles for impending perils
    - Important: Shared policy aggregates for Wind & Flood
  - **Financial Information**
    - Past 2 years worth of gross revenue
    - Bank statements
  - **Contracts**
    - Tenants
    - Responders – including contractors for emergency repairs
  - **Statement of Values**
    - Make sure all locations, buildings and equipment are included on the schedule



# ***Risk Management – Pre Loss Planning***

- **Communication:**
  - **Contact your insurance broker**
    - **Set up phone tree with designated port personnel and broker account and claims contacts**
    - **Identify claims adjuster(s) and contact information for immediate response**
    - **Pre loss photographs of all property**
    - **Identify contingent business interruption exposures**

# ***Risk Management – Pre Loss Planning***

- **Identify, review and/or contract with chosen responders:**
  - **Clean up and debris removal contractors**
  - **Valuation engineers**
  - **Dredge contractors**
  - **FEMA contacts**
  - **EPA contacts**
  - **Identification of possible off site contamination placement**

# ***Risk Management – Post Loss Recovery***

- **Designated port personnel makes contact with insurance broker and/or insurance company adjusters**
  - **Brokers can assist in the contact with all affected insurance company adjusters**
- **Contact contracted responders**
- **Set up meetings with adjusters and responders as soon as practicable**
- **Take pictures and document damage to the extent possible**
- **Set up special accounts to capture all expenses associated with loss**



# ***Risk Management – Post Loss Recovery***

- **Calculate and document expenses:**
  - **Extra expenses**
    - “expenses incurred to continue operations during the period of restoration of damaged property”
      - Temporary office space
      - Furniture
      - Replacement computers, etc.
  - **Business Interruption losses**
    - Record daily loss of gross revenue
  - **Other recovery expenses**
    - Expenses to reduce loss
      - Tarps
      - Rental equipment
      - Construction equipment

# ***Risk Management – Post Loss Recovery***

- **Request emergency funding from your insurance carriers**
  - **Have an amount in mind**
  - **Have a plan or outline on what the funding will be spent on**
    - **Emergency construction equipment to mitigate loss**
    - **Emergency dredging to mitigate loss**
- **Beware of Public Adjusters!**
  - **Charge a percentage of total recovered loss**
  - **Not a covered expense on most insurance policies**
  - **Independent adjusters are a covered expense**



# ***Insurance Renewals – Post Loss***

- **Work with your insurance broker**
  - Understand and communicate to commissioners probable premium increases
  - Adjust Statement of Values to reflect repairs and increases due to new building ordinances
  - Get renewal information to your broker early!
  - Adjust budgets to accommodate increases
- **Get involved with the marketing efforts**
  - **Develop a good story for underwriters**
    - Meet with underwriters to show lessons learned and new implementations to mitigate future losses
    - Pictures of port showing renovations, etc.

# ***Insurance Renewals – Post Loss***

- **You are the best advocate of your port**
  - **Develop relationships with underwriters – educate them on your risk management culture and make them feel good about writing your risk**
- **Identify options for renewal structure**
  - **Lower limits of coverage to mitigate premium increases**
  - **Increase deductibles**
  - **Review Statement of Values for possible adjustments**
    - **Replacement cost**
    - **Actual Cash Value (ACV)**
    - **Stated Amount**

# ***Risk Management & Insurance***



## **Questions?**

**Cindi Heffernan, CPCU**  
**Alliant Insurance Services, Inc.**  
**206-669-6289**

