



Agency pre-planning pays off during Superstorm Sandy

One independent insurance agency's experience with the storm



In late October 2012, IA&B-member Lisa Parry Becker found her agency, her customers and her family in the path of monstrous Superstorm Sandy. As the storm bore down on the region, Parry Becker relied on her agency's extensive pre-planning to assure her customers' needs were met swiftly. Read on for her best practices — and lessons learned.

Over the past few years, our region has faced flooding numerous times. Most often, it's local — involving the Delaware River, which separates New Jersey, where I live, and Pennsylvania, where our family insurance agency is located. What's been described as the largest of these floods took place in 1955, before I was born.

More recently, we've seen flooding brought on by extraordinary amounts of rain associated with tropical storms and hurricanes — Floyd in 1999, Ivan in 2004, Irene and Lee in 2011, and other events. So in the latter part of October, when buzz started about potential mid-Atlantic impact from what then was Tropical Storm Sandy — a system hundreds of miles away from the Florida coast — we thought we knew what was coming.

We were wrong. This time was different.

I was actually in Florida as Sandy began her approach. Early in the week, we talked about the storm at an industry dinner and while we gathered to watch the final presidential debate. On Wednesday, I flew home and on Friday, our world was turned upside down as we began implementing our disaster plan — and not our annual Halloween party preparations.

Warnings coming from our insurance companies, local and state emergency preparedness officials and our ever-so-dramatic local weather forecasters were much different than they had been in previous years. The messages were much stronger. Everyone, including our agency staff, was in emergency mode.

We believed we were ready for this storm and its potential impact, thanks to information and ideas I picked up from the Agents Council for Technology (ACT) website's Disaster Planning page (independentagent.com/ACT, select "Planning & Security") and from fellow agents I knew through my volunteer work with ACT, AUGIE (ACORD-User Groups Information Exchange) and ASCnet (Applied Systems Client Network).

Getting ready

We had our agency disaster plan in place from the 2011 storms, which allowed us to act before the storm hit. We had thought through potential scenarios that could affect our agency and clients and were ready as Sandy approached. It was nice to have all of that work done ahead of time. All we had to do that Friday was go through the checklist and follow the steps we had outlined. Things were pretty much on autopilot.

We had laptops, cell phones and, most important, extra chargers on hand to keep our portable electronics powered up. Given the likelihood that we would probably be operating without power, we printed expiration lists and client lists. This advice, from Gulf Coast independent agent Angelyn Treutel, who has lived through hurricanes, including Katrina and Rita in 2005, was invaluable, and had served us well in 2011.



Take advantage of free emergency-planning resources

There's no time like the present to prepare for the future — whatever it may bring. Resolve to develop your agency's business-continuity plan should the worst occur. After all, that's when your customers need you most.

Access IA&B's free, members-only Emergency and Business Continuity Planning Manual to develop a customized plan for preparing for, responding to and recovering from a business disruption. Best yet, the end result is housed online, so you can access it offsite. (Read more on page 24)



IABforME.com
(select Resource Center,
then Agency Management)



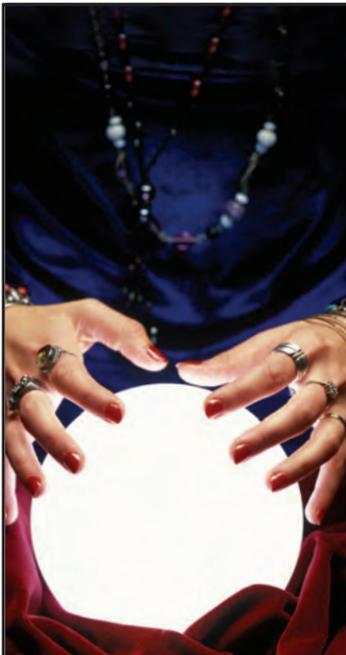
We updated and printed a spreadsheet that contained all of the contact information for our company claims offices so we'd have information handy and would be prepared to respond to customer calls. We needed to be able to go into action quickly. As independent agents, that's what we do — we respond and act on behalf of our clients. It is emotionally stressful to have a claim; if we're there when customers need us and if we can walk them through the process, we've done our job.

By Friday afternoon, we had posted our claims cellphone number and my personal email address on our website, so customers could reach us in the event our office or our

office phone system were not accessible. We posted similar information to our Facebook page and our LinkedIn pages, and shared it via Twitter. I am amazed at how many people saw the information online — I know because I received calls, text messages and emails on those otherwise private numbers and email addresses.

We shared hurricane preparedness information on our blog, including links to local resources and information we received from one of our carriers during Hurricane Irene that was worth saving. We distributed the blog post through Facebook, LinkedIn and Twitter. We used these forums to update readers on what was

As independent agents, that's what we do — we respond and act on behalf of our clients. It is emotionally stressful to have a claim; if we're there when customers need us and if we can walk them through the process, we've done our job.



A subsidiary of
JGS
INSURANCE

We See a Bright Future

More options await you with Preferred Property Program's umbrella policies

Our umbrella programs are designed to offer the most comprehensive coverage so the future is never in doubt. Our umbrella liability policies are written by XL Insurance, with Chubb Insurance Group for the excess layer, featuring flexible, broad coverage that includes:

- \$5 to \$25 Million in umbrella coverage with up to \$50 Million in total limits.
- Hi-Rise apartments up to 35 stories eligible, with higher eligible by referral.
- Excess of D&O, General Liability, Auto, Employers Liability, Employee Benefits and more.
- Developer-sponsored boards eligible.

Contact us for a quote:

888.548.2465

info@umbrellaprogram.com

www.umbrellaprogram.com



Preferred Property Program®

Service is our specialty; protecting you is our mission ©

960 Holmdel Road, Holmdel, NJ 07733

XL Insurance is the global brand used by XL Group plc's insurance companies. Preferred Property Program's XL policies are underwritten by Greenwich Insurance Company.



occurring. Using our various lists, we spent much of Friday calling flood customers and making priority arrangements with tree-removal companies, clean-up and restoration companies, contractors and others. We knew if the storm were less severe than predicted, we could always remove folks from the priority cleanup list — a lesson we learned a few years back during a different storm.

Waiting it out

Because we were able to do so much agency work ahead of time, we were able to spend time preparing my parents' house on the river for potential flooding, including sand bagging and moving furniture from the first floor to higher ground. We continued to make work preparations, but we didn't really have to spend a lot of time thinking about what we needed to be doing because all of the planning was already done. Again, we just continued to work through the checklist.

Given the dire forecasts, my dad broke with tradition and decided he and mom would evacuate their home this time and stay with us. Usually, he likes to stay put so he can manually operate the sump pumps and get water out of the basement when it starts to come in. But this time he didn't. I'm not sure why, but he apparently sensed things — including the wind — would be different this time.

Over the weekend, I started receiving texts from clients — flood clients, in particular. We started receiving status updates from as far away as the Jersey Shore. This is actually the first time in 15 years we've seen much flooding there, so this was new and different—and we were glad we were ready. We started reporting claims right away, which enabled our clients to have first response from claims adjusters. As one of our carriers put it, we want to be first in to adjust and first out to pay claims.

We were able to communicate via text with our employees. It was reassuring to check in and

see how everyone was doing and to make sure they and their properties were OK. It's important to take care of your employees and to make sure they're prepared. When claims arrive, if their personal affairs are in order, they're better able to help clients.

At our home, we all waited for the full force of the storm to arrive. On Monday it hit with a vengeance. We lost power at around 8 p.m. Sunday evening and continued our wait by candlelight. We tried to sleep, knowing we'd need to be rested, but the wind and driving rain outside were relentless.

It's important to take care of your employees and to make sure they're prepared. When claims arrive, if their personal affairs are in order, they're better able to help clients.

After the storm

When we woke up early the next morning, Dad and I boiled water for coffee and headed out to check on his and mom's house, as well as neighboring houses. There was no power anywhere — generators were operating traffic lights. Everywhere we went, all we saw were trees, trees and more trees strewn about. The downed trees had created a monstrous debris field down their lane and in the yard. Fortunately,



there were no trees on the house and water had not entered the basement.

Later in the morning, I headed to the office — about 30 minutes away. The scenery was the same. Downed trees all around. When I arrived at the office, fire alarms were sounding, even though there was no fire. A sprinkler within our condo unit complex had burst.

Because we weren't scrambling for info ..., we could help our clients when they were scrambling and when they needed us most.

Without power or telephones, it would have been difficult to work in the office. But with the constant ringing of alarms, it was impossible. So I set up my office in the parking lot — in the front seat of my SUV. I was equipped with chargers, powered-up cell phones, my Netbook and an iPad. I had printed ACORD loss notices from 2011 along with my printed expiration lists.

I took calls from clients and called others. I received emails and text messages — some with pictures of storm damage.

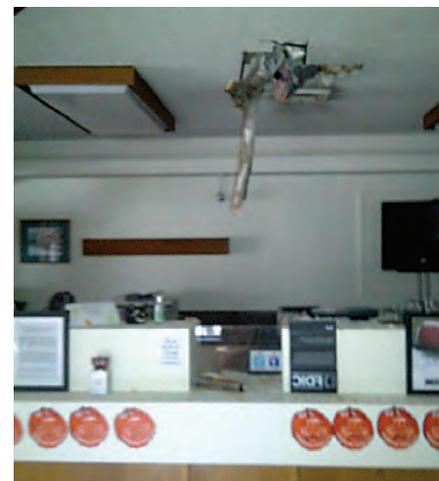
And I responded to clients and forwarded information to claims offices and adjusters. As the day went on, the magnitude of losses became more apparent. We had a number of claims at the Jersey Shore, and numerous claims in eastern Pennsylvania and into central New Jersey.

The worst property damage claims we had involved property damage resulting from falling trees. One was rather significant: The tree apparently caused the foundation to crack and some walls to move. After our contractor was out to assess the damage, we realized we needed the assistance of an engineer to identify, interpret and advise the needed repairs so the home could be structurally sound again. The engineer's report was instrumental in settling this claim for our client. Another property claim — just 10 minutes up the road from our office — was caused by a number of trees falling on the insureds' home and cars.

On the less-severe-but-kind-of-humorous end of the scale was fence damage caused when a flying trampoline landed. Knowing nobody was hurt, and property damage was minor. The image of an eight-foot trampoline soaring Frisbee-style through the air makes me chuckle. (It turns out this is a liability claim for the trampoline's owner since she had not anchored the trampoline prior to the storm.)

A local bank we insure, which had been decked out with Halloween decorations, had a tree come through the roof. Tree branches poking through the bank's drop ceiling seemed to complement the holiday décor.

We worked quickly with the insured and the contractor to tarp the roof to prevent further damage, conduct some initial cleanup and prepare estimates. I received a call from the claims adjuster the following Sunday evening for follow-up—all parties



in the claim system worked diligently to service and respond to claims.

Agency and carriers expedite the claims process

In addition to claims for property damage caused by trees and trampolines and flooding, we also handled calls on loss of refrigerated products, business interruption, business income and more. We worked with insureds and contractors to shore up properties, get emergency repairs done quickly and get estimates



put together for cleanup and repairs. And we worked with carriers to get claims moving. In many cases, when we did the pre-work and submitted photos, invoices and repair estimates to the insurance companies, they were able to adjust claims with this information which expedited check issuance.

On Tuesday — the day after Sandy hit — one of our carriers sent out an email announcing it was hosting a series of webinars to provide claims response info. The company let us know it had positioned two teams of adjusters just outside of the impacted areas on the east coast, and it was ready to move. The company's goal was to be first in and first out, to be first responders. The communication was fantastic, just like the claims response.

Discussion with a commercial client from Sea Isle City, N.J., drove home our agency's and carrier's value. We had texted the weekend before Sandy hit and before they evacuated the island. On Monday afternoon,

when they were able to return to the island, she let me know one of her two commercial buildings had sustained three feet of water damage within the building. We set up a flood claim that day. An adjuster was assigned right away and was available to go out to look at the building that same week. We were able to have him send an advance of \$15,000 to the insured prior to completing a proof of loss. In contrast, she did not see an adjuster at her residential condo, which we don't insure, for at least a couple of weeks. Two flood claims with two totally different response scenarios.

Two days after Sandy hit, we were able to return to our office; power had been restored and the sprinkler (and the noisy alarm) had been dealt with, but the phones were still down. When everyone returned to work, my brother Ryan and I divvied up the claims that had been coming through our cellphones, and fellow employees worked them using their own cell phones. We were able to tie all of our

mobile communication back to our management system, so we have permanent records of what transpired.

Lessons learned

Needless to say, going through another major storm like Sandy taught us some important lessons. First and foremost, we'll continue to trust Dad's intuition. If he decides to evacuate his home, we know things will be serious.

We also learned the value of preparation, which was aided by the information available through ACT and other industry sources. One of our carrier calls drove that home. On that call, other agents were asking for FEMA's phone number and the number to report National Flood Insurance Program claims. They asked if they could report claims with just a name and/or property address. All I could think was, "Wow! I'm so glad we were prepared" and "I'm so thankful for the ACT documentation." Because we weren't scrambling for info like this, we could help



our clients when they were scrambling and when they needed us most.

I learned the importance of mobile technology and power. When the office is without power and phone service, we could respond, thanks to our laptops, iPads, cell phones and chargers. We could text pictures to claims offices, so adjusters could see first-hand what they were dealing with, and we could exchange info with clients anytime, anywhere.

Being **first** in with claims ... put us in a **priority** position with carriers, and got the ball **moving** early.... That's huge: In a **disaster** like this, being **able** to move money makes all the **difference** in the world.

Equally important was social media. Being able to communicate early and often—and not having to learn social media as the storm approached, but knowing how it worked because we use it to connect with clients and prospects all the time — made a huge difference in response and customer reassurance. I suspect we'll continue to build on the communication we started before and after the storm and help clients prepare even more for possible future disasters.

Being first in with claims (thanks, again, to having info at the ready as part of our agency disaster

BULL'S EYE



If you're looking for targeted coverage for farm and ranch, **take AIMS.**

Agricultural Insurance Management Services

722 Route 3A • Suite 10
Bow, NH 03304
877.552.2467
www.aimscentral.com

AIMS' Agribusiness insurance products are underwritten by Great American Insurance Group.



301 E. 4th Street
Cincinnati, OH 45202

AIMS' Agribusiness insurance products are underwritten by Great American Insurance Group.



HARFORD MUTUAL

COMMITTED TO MUTUAL SUCCESS

A.M. Best upgrades Harford Mutual to a Financial Strength Rating of **A (Excellent)**



FOR THE LATEST RATING, ACCESS WWW.AMBEST.COM

WWW.HARFORDMUTUAL.COM



Dear Grandpa,

You are the best insurance agent ever!! I think that you work very hard and try your best. You handle claims without difficulty and you always get them done on time. You always stick with your claims even if you don't like them. I am very proud to have ^{you} as a grandpa. You are great!

Best Wishes,

Bill

plan) put us in a priority position with carriers and got the ball moving early. I learned how valuable this was when our customers were getting checks before some of their neighbors had even heard from an adjuster. That's huge: In a disaster like this, being able to move money makes all the difference in the world. Getting advances lets our insureds pay contractors and keep things moving.

We're rethinking our phone system. Our local phone company was affected by the storm; as a result, we had no service and we couldn't retrieve voice mail. An Internet-based phone system could offer more flexibility and allow us to manage and route calls more easily if we face another similar disaster.

Because school was cancelled for a week and we were camping at home without electricity for nine days, I wasn't the only one learning things. My eight-year-old son received several days of on-the-job "claim adjuster assistant" training. He learned about roofs and tree damage,

partial payments, deductibles and coverage triggers. This learning builds on other expertise he developed accompanying me on underwriting risk inspections starting when he was 18 months old.

He also learned about how insurance agents respond when disaster hits. On Friday, at the end of one of the most draining weeks we'd encountered as a staff, he put his artistic skills into motion and drew pictures for everyone in the office under Uncle Ryan's guidance. He even wrote my dad a letter, complimenting him on his hard work and client response. It made me proud — and a bit hopeful that the sixth generation of Parrys is being groomed to keep our local business moving forward.

Ten weeks after the storm, I'm amazed at how much our region — and our staff and customers — went through. And how far we've come. I'm honored to be an independent agent, and I'm privileged to have resources, like fellow agents

and groups like ACT, that help me to support my clients and community, in good times and bad. 

Lisa Parry Becker is a principal of Parry & Son, an independent insurance agency located in Langhorne, Pa., as well as a member of the ACT Committee. Lisa wrote this article for ACT (independentagent.com/ACT), and she can be reached at lisa-parry@parry-insurance.com. This article reflects the views of the author and should not be construed as an official statement by ACT.