

Are You Prepared for Mother Nature?

Webinar

04.16.24



Shon DeVries. *Regional Sales Director, Oregon, Propel Insurance*
Corinna Kupelwieser. *Risk Management Executive, Propel Insurance*
Ken Strong. *Claims Consultant, Propel Insurance*

Agenda

- › Types of natural disasters, their costs, and frequency
- › Managing risks and hazards
- › Preparing for an event
- › Actions to take before, during, and after an event
- › Preparing your claim
- › Seasonal considerations
- › Insurance planning
- › Q&A

Today's Speakers

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SHON DEVRIES | REGIONAL SALES DIRECTOR, OREGON, **PROPEL INSURANCE**



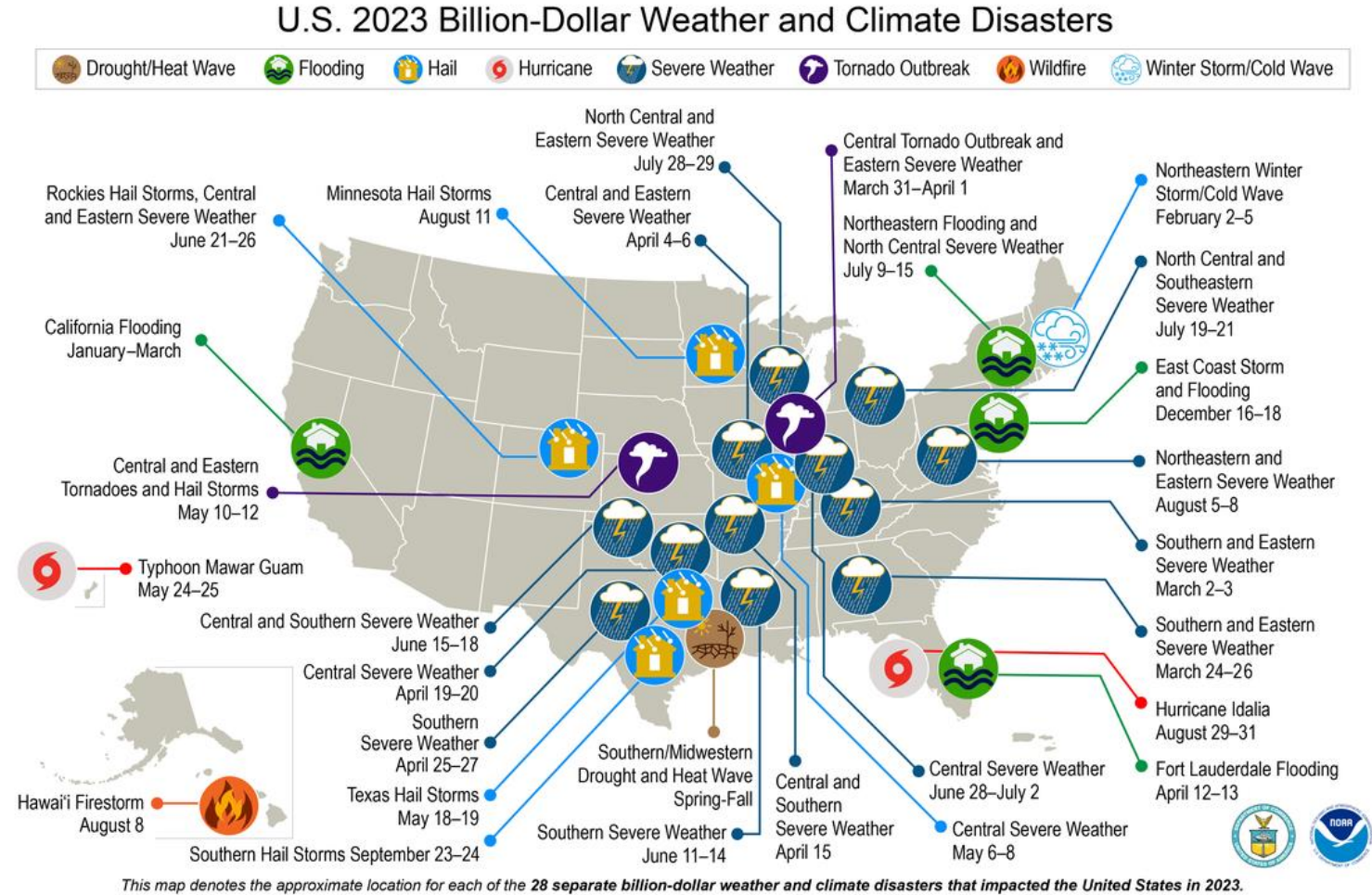
CORINNA KUPELWIESER | SENIOR RISK EXECUTIVE, **PROPEL INSURANCE**



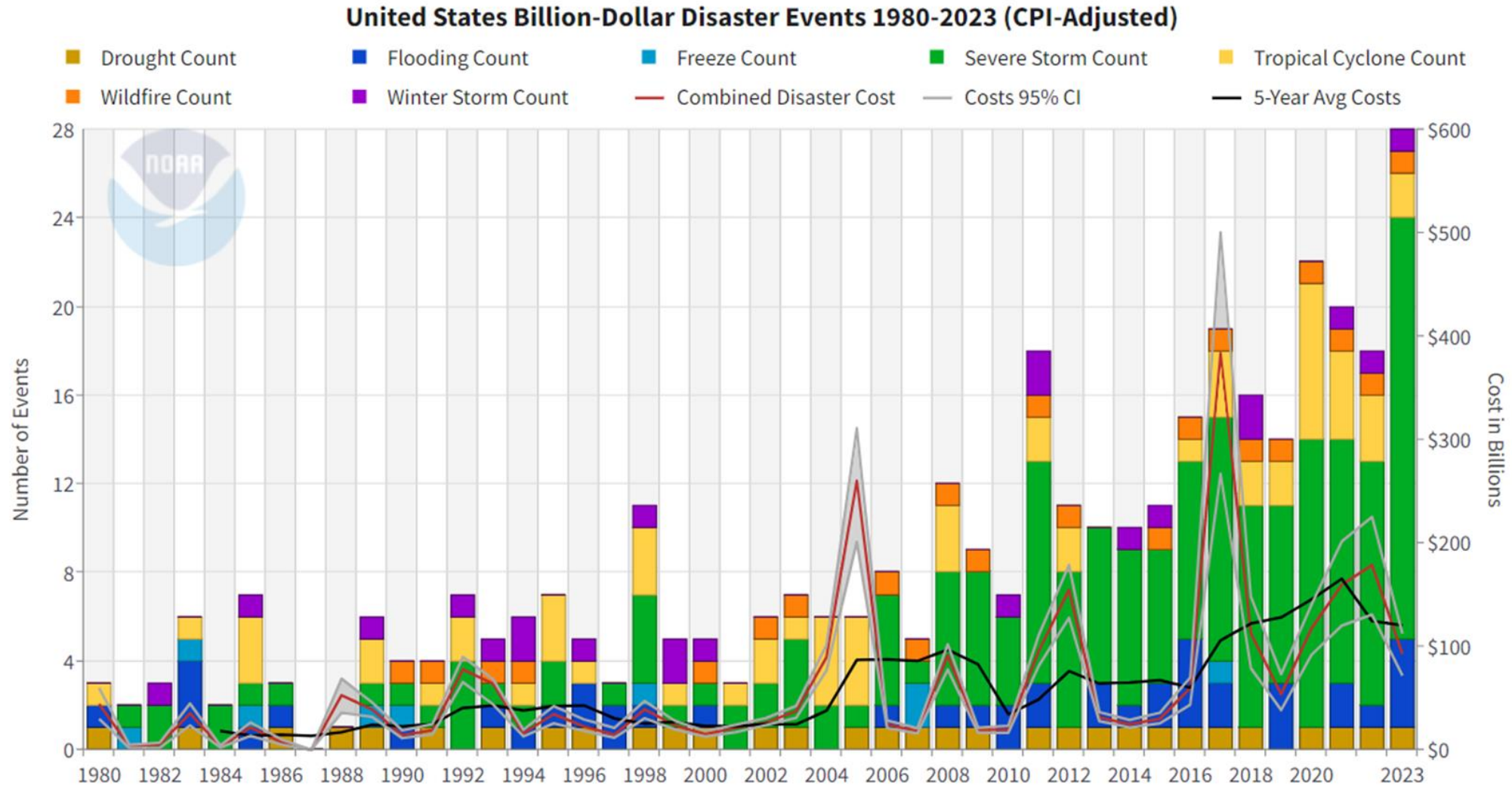
KEN STRONG | CLAIMS CONSULTANT, **PROPEL INSURANCE**

Why is This Important?

- 2023 was a record-high year
 - 28 separate billion-dollar weather and climate disasters
 - \$93 billion in losses
 - 492 fatalities
- Hard market/premiums



Are Natural Disasters More Frequent?



Before the Event - Risk Management Process

- ▶ Identify the risk
 - Mother Nature
- ▶ Assess the risk
 - Are we exposed to the risk and what type?
- ▶ Implement controls
 - Business Continuity Plan
 - Emergency Response Plan
 - Disaster recovery
- ▶ Review annually and in anticipation of pending events



Assess the Risk



Resources:

- › Reach out to your insurance broker
- › RiskFactor.com
- › Federal resources
- › Other state and local risk resources



A screenshot of a website menu titled "Hazards and Preparedness". The menu items are listed in a vertical column, each in a separate white box with a blue border. The items are: Cascadia Subduction Zone, Cascadia Island Mapping, Be 2 Weeks Ready, ShakeAlert® in Oregon, Community Preparedness, Individual Preparedness, Business Preparedness, and Preparedness Publications. Above the menu is a small image of a blue sign with white text that reads "TSUNAMI EVACUATION ROUTE".

Business Risk Assessment



Business Continuity Planning

› Direction and Control

- Emergency Management Group
- Team processes and procedures
- Emergency Operations Center

› Communication

- Notifications/warnings
- Organizational chart
- Customer lists
- Confidentiality Agreements
- Utility providers
- Suppliers and equipment providers

Business Continuity Planning

› Life Safety

- Evacuation planning
- Assembly and accountability
- Shelter
- Employee training
- Family preparedness

› Property Protection

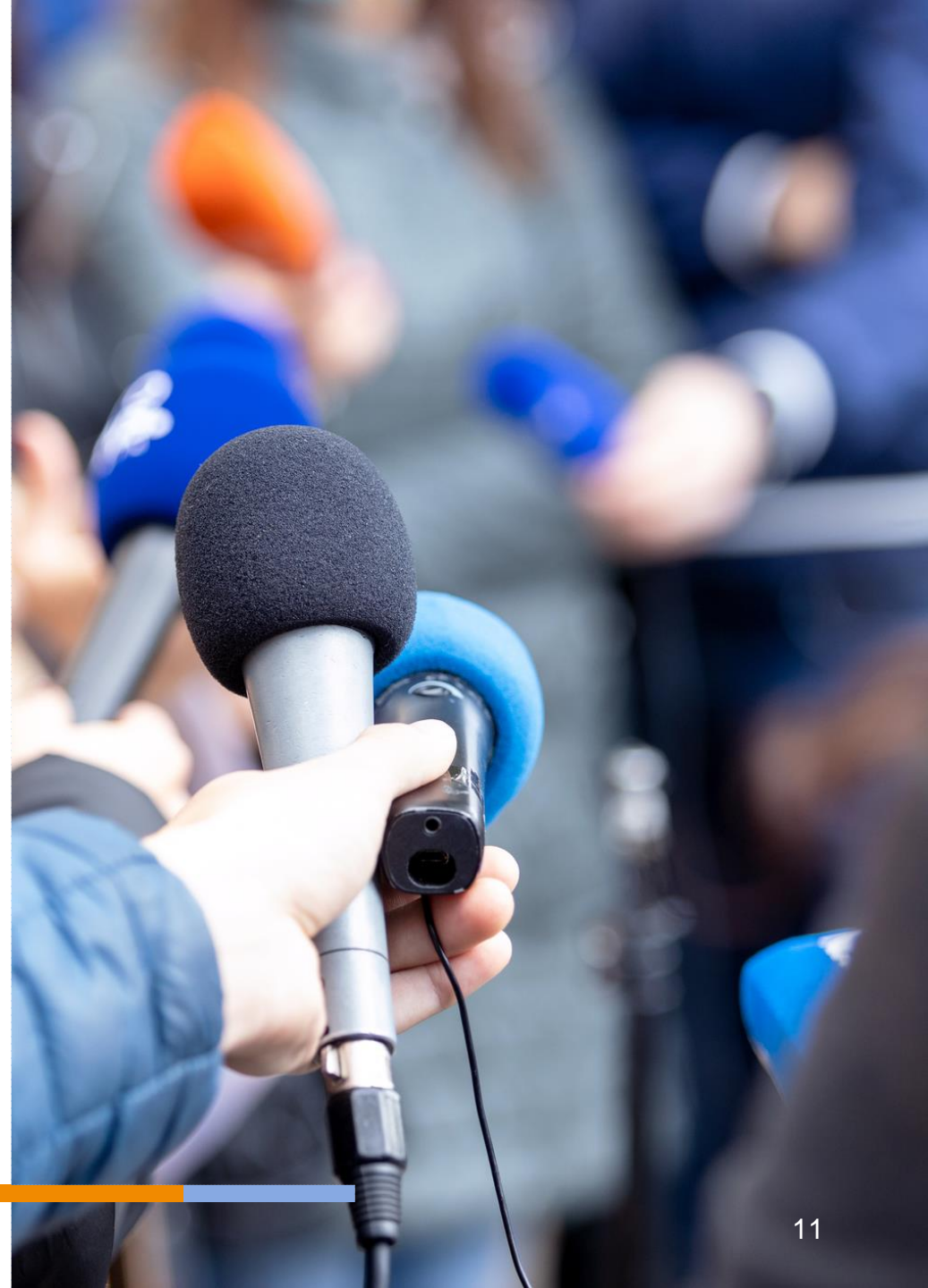
- Protection systems
- Mitigation
- Facility shutdown
- Records preservation
- Building information



Business Continuity Planning

› Community Outreach

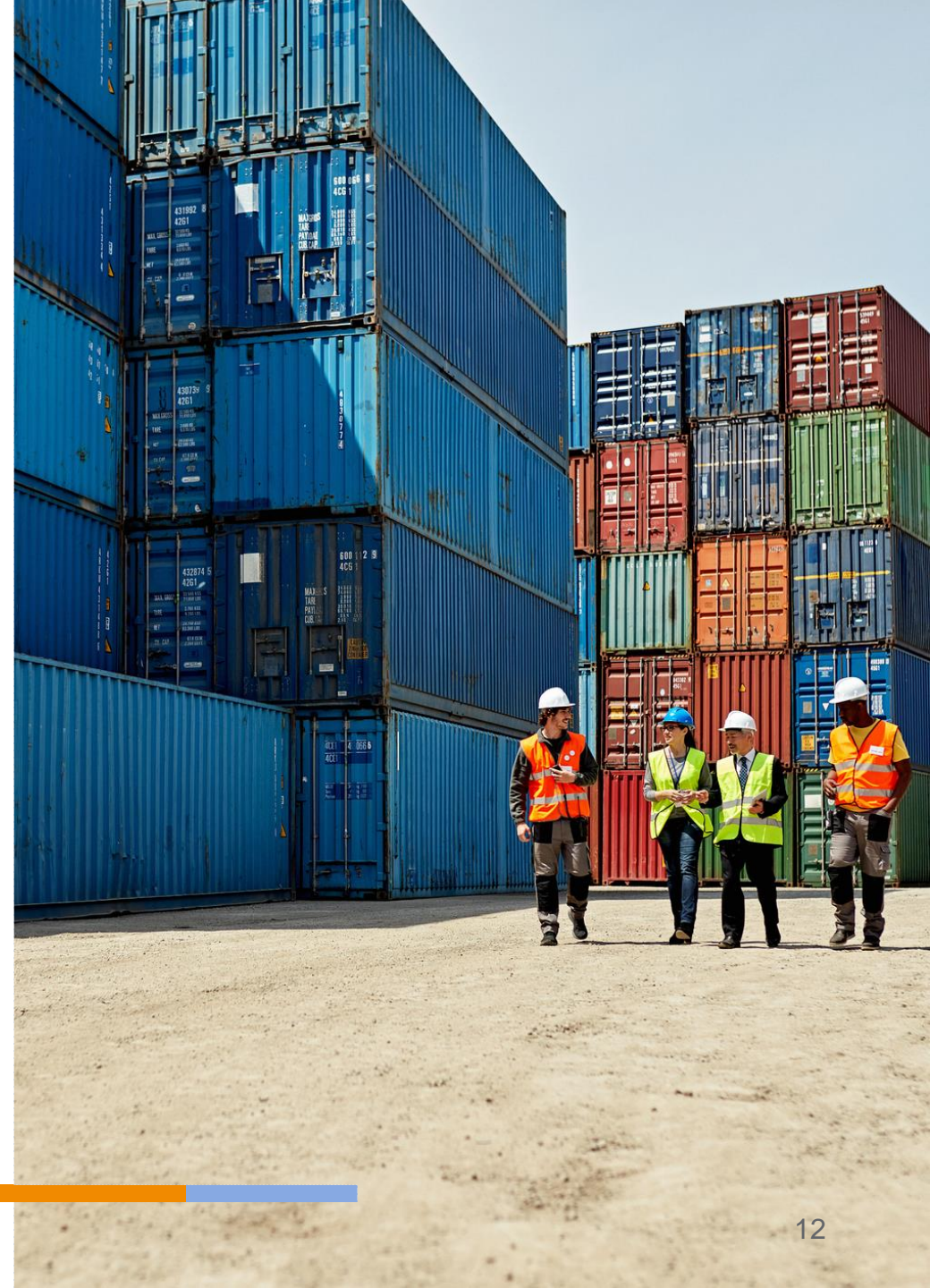
- Mutual Aid Agreements
- Public information
- Media response
- Local emergency information



Business Continuity Planning

› Recovery and Restoration

- Procurement, logistics, and distribution
- Operations
- Product or service development
- Marketing, sales, customer accounts
- Customer and aftersales services
- General management and firm infrastructure
- Human resource management
- Technology and process development





Business Continuity Planning

- » Implementation and Maintenance of your **Business Continuity Plan**
 - Integrate the plan into your company operations
 - Arrange for Business Interruption and Property Insurance
 - Conduct drills and exercises
 - Train employees
 - Audit the plan annually

Windstorm

Pre-Loss Actions

- › Is your **Business Continuity Plan** current?
- › Building design
- › Review your Emergency Response
- › Protect openings
- › Maintain roof and wall systems
- › Secure surrounding facility

During the Event

- › Activate your **Emergency Response Plan**
- › Stay informed of updates and alerts from federal, state, and local authorities and websites
- › Prepare to put **Business Continuity Plan** into action



Windstorm



Post-Loss Actions

- › Protect the facility from further weather damage
- › Patrol premises for looting or vandalism
- › Communicate anticipated return to operations
- › Continue to execute on your Business Continuity Plan



Being Prepared

Being prepared for a natural disaster claim involves several proactive steps that individuals and businesses can take to ensure they are adequately protected and can effectively navigate the claims process.

[Here's a guide on how to prepare for a natural disaster claim:](#)

- › Document your property
- › Maintain insurance policies and contact information
- › File your claim promptly
- › Post-disaster recovery and restoration
- › Document damage after a disaster
- › Be proactive & organized
- › Keep your adjuster abreast with any new information

FEMA

- › Contact your insurance company
- › Register with FEMA
- › Provide necessary information
- › Document your loss
- › Stay informed
- › Attend inspection
- › Review FEMA's decision
- › Appeal if necessary
- › Follow up
- › Stay patient



What Disaster is Up Next?

- **Hurricane season runs from June 1st to November 30th each year.** However, hurricanes can occasionally form outside of this timeframe, particularly in the early and late parts of the season.
- Fire seasons typically occur during times of the year when weather conditions are conducive to the ignition and spread of wildfires. In many regions, **fire season coincides with dry seasons** or periods of drought when vegetation becomes dry and flammable.
- **Convective storms/tornados run from May through June** or earlier in spring and later into summer depending on location. March through June is peak season.
- **Winter Storms can occur** in the United States **from late fall through early spring**, typically between November and March. However, the timing and frequency of winter storms can vary depending on the region.

News from April 2024

States Across the US Midwest Are on Alert for Tornadoes: Weather Watch

Apr 2, 2024 – Storms and tornadoes are in the forecast for states across the Midwest in the US, with further weather warnings and advisories stretching further east. There is a moderate risk of severe thunderstorms... [read more](#)

After spiking premiums, nonrenewals and complaints about unpaid claims, more than 115,000 property owners in southwest Florida are now facing a new slap in the face after 2022's Hurricane Ian: 25% higher flood insurance rates because local officials reportedly allowed subpar rebuilding for flood-damaged homes.

[Why risks of damaging hurricanes are so high this year](#)

Hurricane

An "extremely active" Atlantic hurricane season is likely this year, a key preseason forecast warns, with chances for long-lived and intense storms fueled by record ocean warmth and atmospheric patterns known for boosting tropical cyclones.

Meanwhile, California is unlikely to have a repeat of last year's super bloom of flowers. That's because super blooms are preceded by drought, and this winter there had plenty of rain and snow, according to Heather Schneider, a rare plant scientist at the Santa Barbara Botanic Garden.

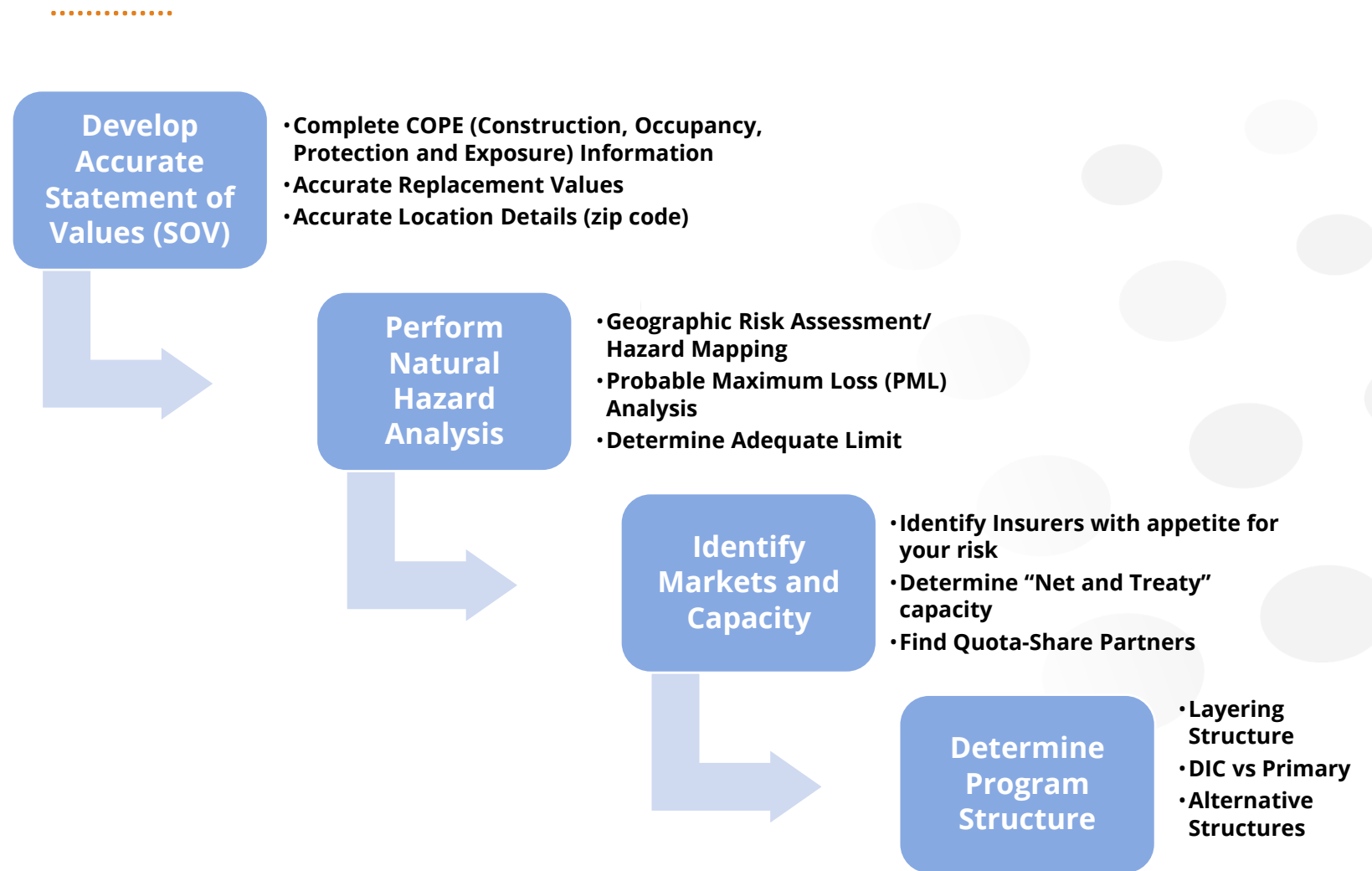
Schneider said that places that had super blooms a year ago are now having non-native grasses flourish, which are outcompeting the California flowers. This can have deadly consequences later in the year when wildfire season starts.

Native flowers break down quickly and leave bare patches on the landscape that can slow fires, non-native plants hold on and fill in those gaps.

"With the non-native annual grasses especially, they create a standing biomass of fine fuel," Schneider said. "When fires start that grass acts as really great tinder and it also creates a fine connective fuel so the fire can connect all the dots between the shrubs. So it creates bigger fires and sometimes leads to hotter fires."



Planning for your Property Renewal



Natural Hazard/PML Study Example

United States Earthquake Key Return Period Losses - Shake, Fire Following, EQSL including Loss Amplification

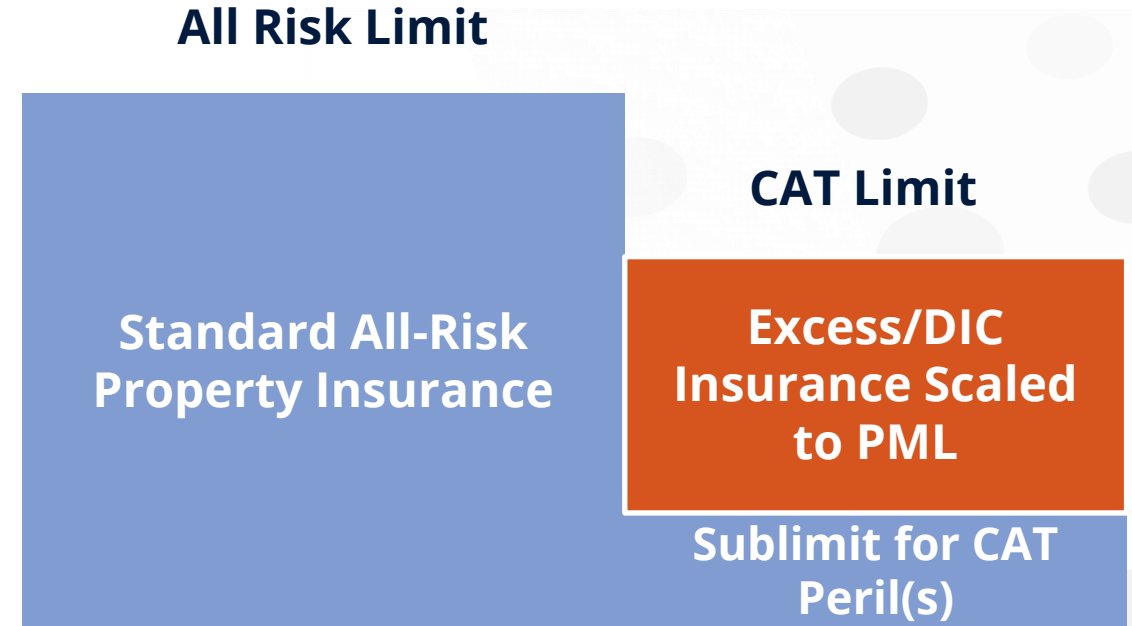
| Critical Probability | Return Period (years) | Ground Up Loss | Deductible Loss | Loss Net of Deductible and Layering |
|----------------------------|-----------------------|----------------|-----------------|-------------------------------------|
| 0.010% | 10,000 | 314,556,274 | 7,508,448 | 308,005,663 |
| 0.020% | 5,000 | 249,525,304 | 7,483,615 | 243,395,535 |
| 0.100% | 1,000 | 109,249,646 | 7,138,947 | 101,689,071 |
| 0.200% | 500 | 56,154,490 | 6,864,991 | 47,946,999 |
| 0.400% | 250 | 15,144,338 | 5,927,300 | 9,036,053 |
| 1.000% | 100 | 325,977 | 229,828 | 140 |
| 2.000% | 50 | 254 | 25 | 0 |
| 4.000% | 25 | 0 | 0 | 0 |
| 10.000% | 10 | 0 | 0 | 0 |
| 20.000% | 5 | 0 | 0 | 0 |
| Average Annual Loss | | 360,040 | 44,788 | 315,252 |
| Standard Deviation | | 7,320,850 | 511,351 | 6,994,714 |

**Note: loss amounts stated above use the RMS Stochastic Event Rate Set

500 Year Event PML = \$48M

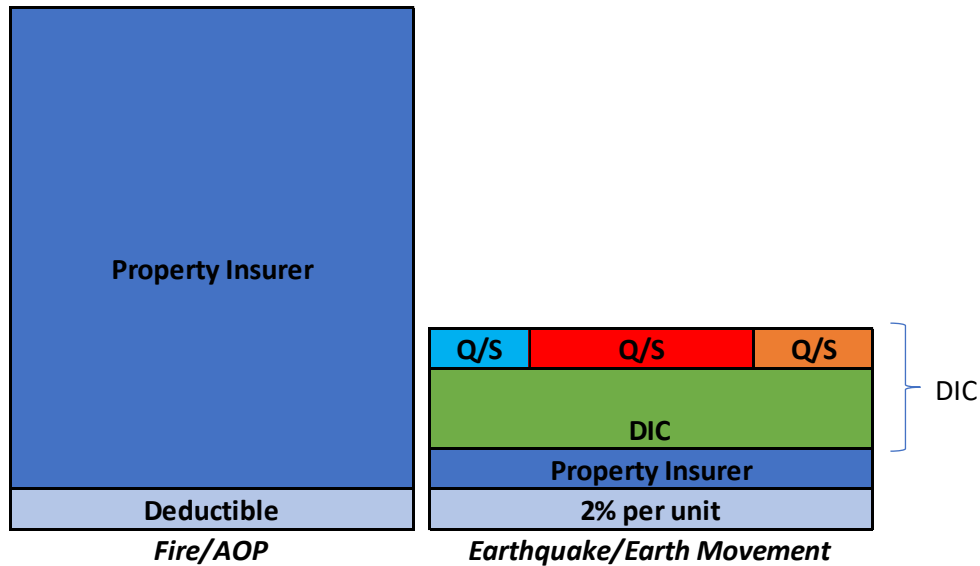
Insuring Property Against Catastrophic (CAT) Perils

- Covering CAT Perils is expensive
- Get as much sublimit as available from All Risk Property Insurer
- Add Difference-in-Conditions (DIC) Insurance to stack on top of Sublimit
- Reduce Cost by buying PML only



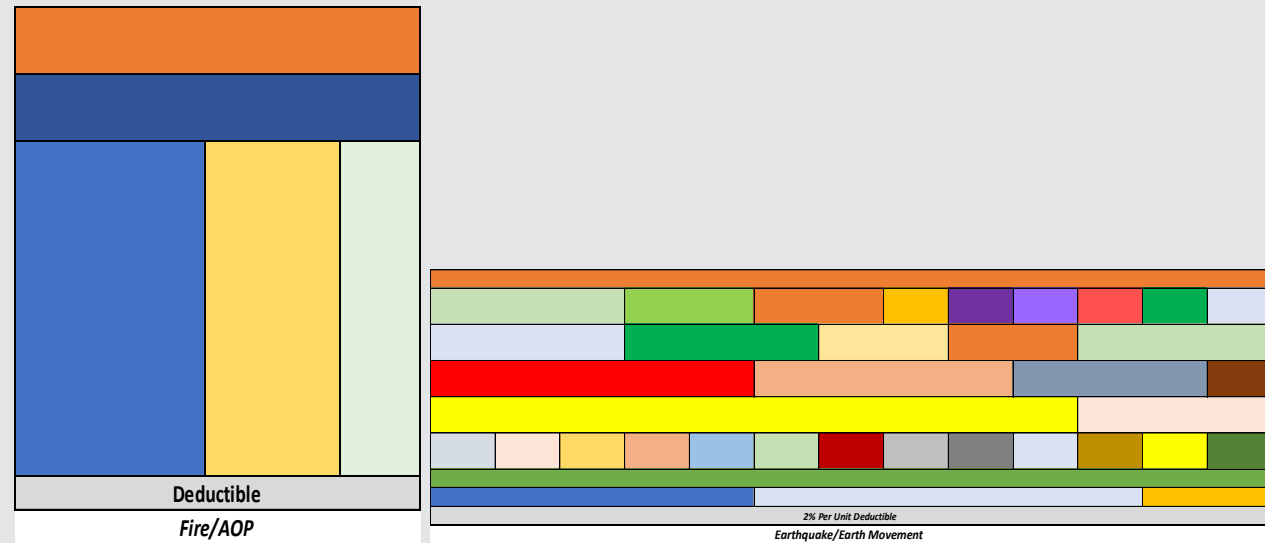
DIC Structure: Limited Capacity = More Complex

2020 Property/DIC Structure



- › One insurer providing primary property and EQ limits
- › 4 DIC insurers providing excess EQ coverage in 2 layers

2024 Property/DIC Structure (same program with same limits)



- › Five insurers providing primary property and EQ limits on a quota-share basis in 3 layers
- › 27 DIC insurer providing excess EQ coverage in 7 layers

Parametric Insurance and Other Alternatives



TRADITIONAL INDEMNITY-BASED INSURANCE



PARAMETRIC INSURANCE



Summary

- › Kinds of disasters and how they may impact you and your business
- › How to manage those risks
- › What to do when an event occurs
- › Loss mitigation
- › How insurance plays a part in your recovery plan

Q&A

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