



Weathering the Storm: Preparing for and Responding to Weather -Related Disasters

A Framework for Preparedness and Resilience

Meet the Panelists



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HURRICANE KATRINA

AUGUST 23 - 30, 2005

RAPID INTENSIFICATION #1

- FROM 75 MPH TO NEAR 110 MPH
- CATEGORY 1 TO CATEGORY 3

HOLLYWOOD

LANDFALL #1

- AUGUST 25, 2005
- MAX WINDS: 80 MPH
- CATEGORY 1 HURRICANE

GETS NAMED "KATRINA"

- AUGUST 24, 2005
- TROPICAL STORM

TD TWELVE FORMS

- AUGUST 23, 2005
- TROPICAL DEPRESSION



Understanding Disaster Events

Types of Disaster Events

Disasters can be natural, such as earthquakes, floods, fires, and hurricanes, or man-made, such as industrial accidents. Both can have wide-reaching impacts on communities.

Impact on Communities

Disasters often result in loss of life, damage to property, and disruption to daily life. Communities face significant challenges during and after these events.

Importance of Preparedness

Preparedness, rapid response, and recovery are crucial in reducing the impacts of disasters and enabling communities to recover effectively.

Recovery

The importance of partnerships is crucial in rescue and recovery efforts. Disasters overwhelm the capacity of any single organization, municipality, or insurer.



The Maui Fire Tragedy



Devastation in Lahaina

The fire destroyed homes and historic sites, leaving Lahaina deeply scarred and its residents displaced.



Emergency Response Efforts

Widespread and rapid emergency actions were taken to aid survivors and mitigate further damage.



Lessons in Preparedness

The disaster highlighted the importance of improved readiness and resilience for future emergencies.

Flooding in the Western North Carolina Mountains

Western North Carolina's 2024 flooding event, fueled by Hurricane Helene, stands as a stark reminder that inland communities face escalating risks from extreme weather, especially as climate change intensifies rainfall.





Flooding in the Western North Carolina Mountains

Flood Impact Overview

- Historic rainfall reached 31 inches
- Over 126,000 homes affected
- More than 6,000 miles of roads damaged
- Around 1,000 bridges impacted
- Human toll includes 100+ deaths
- Thousands of people displaced
- Endangered salamander habitats lost
- Few inland evacuation plans exist
- Less than 3% have flood insurance
- Climate risks and infrastructure weaknesses
- Delays in aid response



DISASTER MANAGEMENT CYCLE



Insurance's Role in Disaster Planning and Recovery

1. Effectively mitigate risk through comprehensive insurance solutions.
2. Safeguard assets, liabilities, and essential business functions.
3. Strengthen financial resilience and support uninterrupted operations.
4. Encourage proactive evaluation and preparedness for potential risks.
5. Handle claims arising from negligence appropriately.
6. Lower costs associated with casualty and workers' compensation claims.



Insurance Gaps in the Face of Disaster

Specific Exclusions in Standard Policies

Flood and Earthquake Damage – Standard property policies generally exclude these perils

Business Interruption (BI) Limitations – BI often won't respond if the underlying peril is excluded

Review limits and sub-limits

Underwriting may include regional exclusions

Contingent Business Interruption (CBI) Challenges

Supply Chain Risk – Disruptions at suppliers/customers are often excluded unless peril is covered.

Flood-Related Exclusions – CBI denied if flood damage is excluded at the supplier location

Narrow Triggers – Many CBI require direct physical damage from a covered peril

Emerging Trends Influencing Insurance & Preparedness

Climate Change

Rising Premiums & Market Instability – Insurers exiting volatile markets (CA, FL, LA)

Expansion of Coverage Gaps – Climate-driven perils like floods/wildfires are increasingly excluded

Mitigation Incentives – Discounts and better coverage for businesses with robust preparedness

Technological Advancements (Insurtech)

Advanced Risk Modeling & Analytics – AI, ML, and big data improve risk prediction and preparedness decisions

Parametric Insurance – Automatic payouts triggered by predefined events (e.g., wind speed, rainfall, temperature, and heat index)

Advantages of Adopting a Holistic Insurance Strategy

- Supports financial security
- Contributes to optimal resource utilization
- Enhances preparedness
- Streamlines FEMA recordkeeping
- Builds greater resilience and recovery efforts
- Establishes guidance for policymaking



What is Business Continuity?



It Is a
Proactive
Process



Outline
Strategies to
Maintain
Essential
Functions



Requires
Collaboration



Requires
Critical
Thinking



Requires
Support on
All Levels

Importance of Business Continuity Planning

- Minimizes downtime and financial losses during crises
- Helps to mitigate reputational harm
- Enhances stakeholder confidence
- Enhances compliance with requirements



Key Terminology

Business Impact
Analysis (BIA)

Maximum
Tolerable
Downtime (MTD)

Disaster
Recovery

Recovery
Time (RTO)

Recovery Point
Objective (RPO)

Recovery
Strategies

Levels of Criticality
Frequency,
Seasonality, Impact

Dependencies
Internal and
External

Regulatory Requirements

Building a plan requires an understanding of any applicable regulatory requirements.



Legal Considerations



ACCOUNTING



AUDITING



REPORTING



FINES AND LEGAL
REPERCUSSIONS
FROM NON-
COMPLIANCE

5 Phases of Business Continuity Management

Project Management

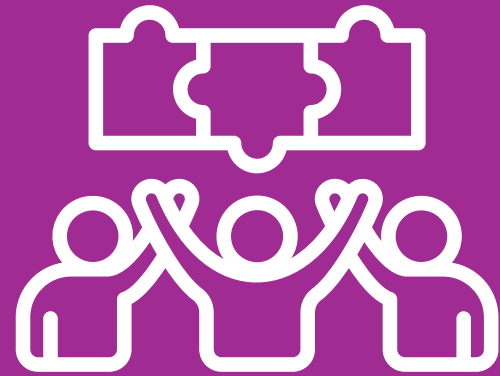
Risk Analysis

Plan Development

Implementation

Testing

Roles and Responsibilities



Define roles and responsibilities.



Clearly assign tasks to team members

Communication



Effective communication is a must with external and internal stakeholders.

External Examples

- County EOC
- Media
- Police
- Regulatory Agencies

Writing Clear Procedures

Clear

Concise

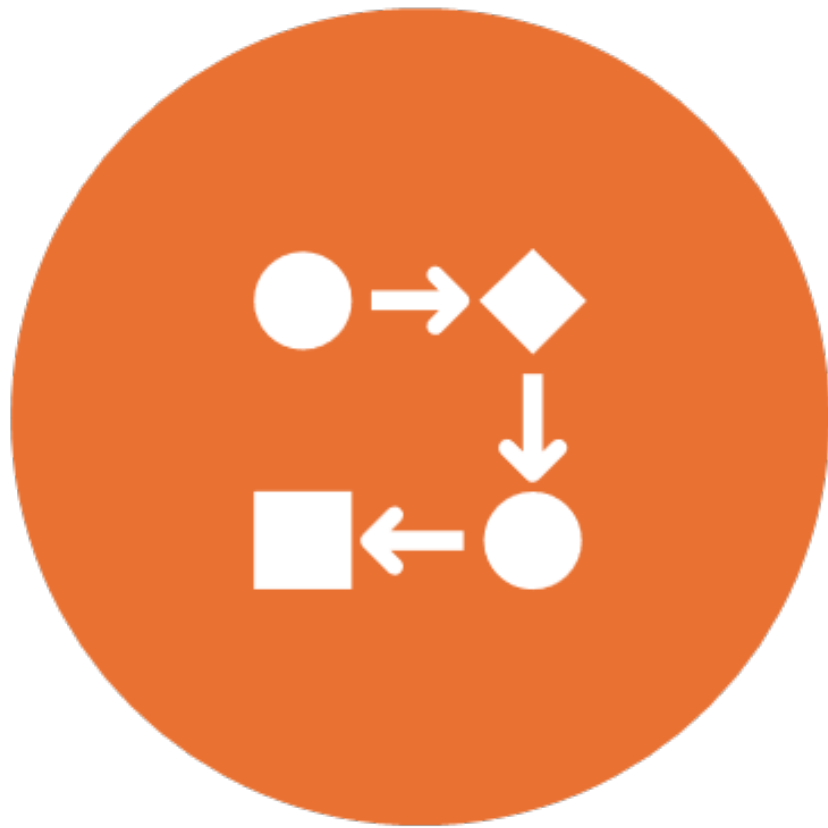
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Include Various Scenarios

Succession Planning



Recovery Strategies



STEP-BY-STEP APPROACH



UTILIZE A PRIORITY SYSTEM

Continuous Training and Awareness



Provide ongoing training and awareness.



Conduct regular drills.



Facilitate multiple tabletop exercises.

EOC and Emergency Response

- Central Command and Control Systems
- Leaders of a jurisdiction or organization coordinate information
- Physical, virtual, or hybrid
- National Incident Management System (NIMS)
- Incident Command System (ICS) is a component of NIMS



Additional Points to Consider

- Form teams - IT Crisis Response, IT Communications
- Do not forget about change management! Assign a scribe for the incident.
- Backups – Disaster Recovery Playbooks
- Exercise, can IT meet RTOs?
- After Action Report - Incident Tracking



What to Look for in a Recovery Partner (Pre -Loss)

1. NATIONAL COMPANY

National Company - Primary/Secondary

2. SERVICES

RESTORATION

- Water Damage Restoration
- Fire Damage Restoration
- Structure Cleaning
- Content Cleaning, Manipulation & Inventory

CONSTRUCTION

- Reconstruction
- Emergency Board-Up & Temporary Shoring

ROOFING

- Temporary Roofing
- Roof Replacement
- Roof System Repairs

ENVIRONMENTAL

- Asbestos Abatement
- Mold Remediation
- Biohazard and Forensic Response

FACILITY SUPPORT SERVICES

- Emergency Power and Water
- HVAC Duct Cleaning
- Temporary Facilities
- Emergency Food Services

What to Look for in a Recovery Partner (Pre -Loss)

3. PRE-LOSS PROGRAM

- Understand Contract Mechanism
 - Pre-negotiated rates
 - FEMA Guidelines
- Statement of Values
- Pre-Loss Planning Deliverable
 - Gather information on SOV properties
 - Identify high-risk, priority needs and loss history
 - Identify catastrophic/large event needs
 - Weather reporting
 - Program rollout

4. DOCUMENTATION PROCESS

- Written scope of work
- Rough Order Magnitude (ROM)
- Project status reports
- Certificate of Completion

BENEFITS

- Minimize business interruption and size of claim
- Priority response during community-wide disasters
- 24/7 event monitoring that may impact your facilities
- Pre-negotiated pricing
- Agreed-upon response time
- Damage assessments and Scope of Work within 48-72 hours
- Tabletop exercises

What to Look for in a Recovery Partner (Post -Loss)



LOSS OCCURS

- Notify broker
- Engage Disaster Recovery Partner
- Take measures to prevent further damage



PHASE I: MITIGATION

- Begin mitigation and stabilization
- Shape site safety plan and secure the work areas
- Develop a Rough Order of Magnitude and Scope of Work
- ROM and Scope are approved by the client



PHASE II: RECONSTRUCTION

- All secondary damage has been contained
- Reconstruction estimate prepared and submitted to client for approval

What to Look for in a Recovery Partner (Post -Loss)

FINAL WALKTHROUGH

- Site walk with key stakeholders for any punch list items
- Certificate of Completion executed

PROJECT CLOSE OUT

- Review loss with account manager

KEYS TO SUCCESS

- Safety and security
- Engaging a qualified and vetted disaster recovery partner
- Open communication
- Accurate documentation and photographs for insurance

