TIPS FOR RIDING OUT THE STORM
PREPARE YOUR PROPERTY & POLICY
FOR SEVERE WEATHER

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BE PREPARED FOR THE SEASON

As the spring storm season begins, business owners should be assessing the condition of their buildings and grounds. The cold, snow and ice may have done damage; and seasonal high winds or other dangerous weather conditions could make a bad situation worse.

Although, commercial property insurance policies provide protection against many kinds of damage, business owners should know the details of their policies. In addition to adequate insurance coverages, MMA offers other resources to help employers be prepared in the case of a severe weather event.

BE PROACTIVE: STAY ON TOP OF MAINTENANCE ISSUES

Be mindful that insurance is not a substitute for timely and appropriate repairs to your property. Commercial property policies are not meant to be a maintenance policy. Rather, they are intended to protect business owners in the event of natural disasters such as severe storms.

Prior to seasons changing, it’s highly recommended that property owners inspect their buildings and grounds for trouble spots, and do the maintenance required, in order to prevent more serious problems from happening during a strong storm. A spring walk-through with a property manager or expert, such as a roofing contractor, is a great way to prepare for the upcoming season.

During a season inspections is a good time to check gutters and downspouts to ensure they are working properly. Clogged drainage systems can cause water damage to the interior of buildings. Roof drains can pool causing roof damage. Also, high winds can cause structural damage to roofs. Water damage or structural damage can be costly and can result in operation shut down.

KNOW YOUR POLICY

Make it a best practice to review your policy a couple times per year—the changing season is a great time to do that. Your broker can help you understand the endorsements and exclusions on your policy.

For example, coverages for sewage backup inside and outside a facility are typically two different types of coverages. Drains that backup outside a building may not be covered, even though the subsequent flooding can do damage. Property owners should ensure they have an adequate back-up policy should the basement drains back up during a storm event.

Likewise, some policies don’t cover utility disruption if the problem is not on the insured property. It is recommended that you have a plan for back-up generators. Having a relationship with a company to provide a generator in the event of an extended power outage could be critical.
Understanding the deductible can be an important piece of the equation as well. Some policy holders have a one event deductible. Others might have a per building deductible. If a business owner has a large fleet of vehicles, there will likely be a comprehensive deductible applied to each vehicle. It is important to understand the impact of a deductible in the event of a hail loss, for example, where multiple buildings and vehicles are impacted.

Also, insurance property policies may have a waiting period for business interruption coverage. Plan accordingly in the event your business has storm damage or power supply interruption within that waiting period. In addition, interruption-of-business policies often don’t cover cases where something external interrupts business, such as the only road to your factory washing out a mile away. Typically, an interruption-of-business policy only goes into effect if the damage is on your property.

Knowing your policy is especially critical for mid- and small-sized business, which might not have a risk management team. Carefully going through those policies now, with the help of your broker, could save significant problems from coming to light at a time when your resources are already stressed.

CHOOSE A REMEDIATION CONTRACTOR AHEAD OF TIME

Another important step you can take right now is to find a good remediation contractor—a contractor that specializes in repair from storms or other environmental disasters such as flooding.

Shopping for a contractor during a crisis event is difficult. A predetermined, trusted contractor can save you time and money. Choose a contractor that uses Xactimate estimating software. This software is used industry wide and can help keep claims on track because adjusters and contractors are speaking the same language. Often the large restoration companies are familiar with local property adjusters which can make the adjustment process smoother.

If you experience a damaging weather event, you’ll be working closely with this contractor to restore your business. In fact, it is recommended that you invite your contractor to the initial walk-through with the claims adjuster. This helps everyone have eyes on the same damage and discuss an implementation plan in partnership. In the meantime, they can help you with your regular walk-throughs and spot potential problems or issues.

For some businesses, complying with Environmental Protection Agency (EPA) regulations after storm damage will be required. It’s recommended that a business has relationships with companies that can help with any required clean-up efforts in the environment as well. This is especially important for businesses located near a water source.

BALANCE YOUR RISKS
The truth is, it is difficult to plan for every event, and businesses will have to balance their risks when deciding policy details including costs and coverages. The important thing is to have a well-thought out strategy. Discuss various scenarios with your agent. Note where your biggest risks or concerns are, and think about how to address them.

Not every business has the resources to put together detailed plans in the event of a disrupting weather event. Even without the resources, being proactive and getting prepared will get you that much closer to protecting your business against loss. Proactive planning could mean the difference between a catastrophic loss, versus a setback that can be recovered from.

It’s very difficult, if not impossible to predict how much severe storm damage will cost a business. But a good combination of coverage, preparation, and resources can help a company survive the blow and get back to business.