Restoring Hope through Crisis Preparation, Response, and Resiliency

Wednesday, October 19th | 10:15 AM
Town of Malden’s Story on September 7, 2020

A year after fire destroyed Malden, a grieving town slowly rebuilds | The Seattle Times
The work you do is invaluable

• Before an incident - Prevention and risk management

• During - Crisis management and business continuity

• After - Claims adjudication
Disaster Readiness: Training, Safety and Preparedness Resources

FEMA Training:
- Introduction to FEMA Incident Command System (ICS) and National Incident Management System (NIMS) Trainings
- Identifying Staff for FEMA Training
- Accessing FEMA Coursework

Worker Safety:
- Personal Protective Equipment
- Employer Required Training/Controls
- Emergency Response Readiness
Disaster Readiness: Training, Safety and Preparedness Resources

Preparedness Resources:
- Emergency/Continuity of Operation Plans
- Disaster Readiness Resources
  - CIS Disaster Recovery Kit
  - Resource Library
  - Resource Handbook for Disaster Survivors by Sean M. Scott
- Claims Team Readiness
- Ready.gov, Be 2-Weeks Ready
- Community Emergency Response Teams (CERT)
- Team Rubicon
Effective Claim Crisis Management

Making Crisis Resolution an Area of Organizational Strength

Mike Wagner, Claims Manager
CIRSA’s Story: 
The Early Years

- Large property losses had been few and far between, and we needed to learn some lessons the hard way
  - In our first 15 or so years, we’d managed to deal with large catastrophic losses through “beginner’s luck.”
  - Claim Representatives were generalists and not specialized in first party property claims
  - Claim Rep territories
  - Property coverage
  - Construction
  - Claim process
  - Communication issues
  - We didn’t have effective relationships with excess carriers, independent appraiser or vendors
    - We ended up in the middle of multi-sided coverage litigation from a 2000 roof collapse – member was mad at us, we were mad at excess carrier, excess carrier was mad at us, everyone sued everyone else
    - Although we eventually won, we spent a LOT of money to recover what we/our member were owed
  - We didn’t understand our members’ pain-points
    - Catastrophic first-party property losses cause huge stress, especially for smaller staffs
    - They were easy targets for public adjusters
  - We’d begun some self-reflection after the 2000 loss, but then a citizen with a bulldozer leveled most of a member town in 2004...
Consequences of our inexperience:

With this huge loss, we realized that we needed to beef up our property coverage-related services, or we were at serious risk of:

- Destroying relationships with members
- Tarnishing reputation with non-involved members and others
- Coverage disagreements with excess carriers and ensuing litigation
- Damaging relationships with vendors
Competence and Communication (it’s all about people)

• The person handling the loss has to be knowledgeable
  • How can you explain something you don’t fully understand yourself

• The person handling the loss needs to be a good communicator
  • Credibility and transparency are paramount

• The person handling the loss needs to be a good listener
  • Your member’s priorities might be different than what you think

• The person handling the loss needs to be (and to be viewed as) an active part of the member’s team
How the Bulldozer Drove Change at CIRSA:

• Property Claim Specialist
  • Communication (coverage and claims process)
    • Advocate for member during coverage disputes
    • Communication early and often with excess carriers, to reduce questions/disputes
  • Relationship building with excess claim representatives and vendors
    • Why is this important?

• We identified our members’ biggest pain point and came up with a solution
  • Outside claim consultant to help quantify the loss and assist with rebuilding effort, eliminating the perceived need for a public adjuster

• We became proactive in identifying potential losses (pre-claim submittal)

• Pre-loss measures to reduce future loss
  • Asphalt roofing rebate and pre-fire inspection
  • New member property inspections by Property Claims Specialist

• Claims became active in identifying changes to coverage
  • Is the coverage being offered making losses more difficult
So how is CIRSA doing now?

- Resolving large property losses is now an area of strength
  - $80M in catastrophe losses paid since 2007
  - No members have left the pool because of perceptions about claim service
  - No complaints
- Good relationship with excess carriers, no need for coverage litigation
- Good relationship with vendors
Beyond risk management

• Consider cross collaboration with other pools or services
  • Mental health
  • Worker safety during and after an event – your own Pool staff as well as member staff