

PREPARING FOR THE STORMY SEASON



The wind and hail months come around every year. It's the time of year insurance companies, property and business owners dread. Historically, one half of all wind and hail losses in the U.S. outside the coastal areas occur between April 1st and June 30th. Oklahoma, Arkansas, Kansas, and Nebraska are on multiple year destructive weather streaks. In addition to disciplined regular prayer, here are two things business owners should do in preparation for the wind and hail season.



First, reassess your property insurance coverages. Do you have Loss of Business Income insurance with Extra Expense, as well as Extended Loss of Business Income insurance? The latter is particularly important for any community owner in the wind or forest fire states. Are your buildings and contents insured to their true replacement cost?

Many people grossly underestimate this value. Do you own a utility system, utility poles, fences, signs, or maintenance buildings? If so, add them to your covered property schedule. Losing one or two small items to a fire or wind gust isn't so devastating. But losing all of them at once is typically a "bankruptcy" event.



After a large storm, it's not uncommon for debris to clog local drains and ditches, and result in major local flooding. Over 1/3 of flood losses occur in areas labeled as outside the 100-year flood plain. When talking to our customers, we regularly hear them say, "It'll never flood here."





Second, prepare your own Disaster Recovery Plan. My company has done this. If we have an emergency, it will be the most valuable asset I own at the time.

Here are some of the key elements which should be included in your plan:

1. Employee contact numbers and a meet-up plan. Have a shared list for all employee phone numbers. Remember, in the event of a widespread disaster, land lines will most likely be down, cell towers overloaded, and gas will be scarce. Texting may be the best way to communicate.
2. Assign each employee a buddy they can reach – preferably someone who lives close to them. This way if you can reach one of them, they can hopefully reach the other. Have a pre-determined time and place to meet post disaster, presuming all communications are down;
3. Know how to forward calls, faxes, and email communications to an alternative location. You'll need to know your phone and data carrier's contact information and the process for doing so. All tasks should be assigned to a particular person;
4. Have a "Key Contacts" list prepared that includes your insurance companies and agents) phone numbers, as well as your policy numbers. You also want to include your utility companies (water, sewer, electricity, phone, internet, cable...) and your account numbers for each. Being first in line for repair services due to a quick contact is much

better than being 103,434th in line. Fire and Police Department contact information should be included. Key business suppliers need to be added. Finally, include the contact information of contractors that can help you start with repairs immediately. Your computer and phone system servicers should be at the top of the list.

5. Plan for a temporary work location. A location some 50 plus miles away is best in the event of a widespread disaster such as a hurricane.

We adopted this plan after our office was hit by Hurricane Ike. Experience is a great teacher, but I promise that learning these things from this article is a lot better way to do so!

Statistics from the National Association of Small Businesses reveal that without proper insurance and disaster planning, four out of five small businesses hit by a disaster don't survive. If your business is worth protecting, now is the time to prepare for future disasters. Set aside a half a day and prepare for the disaster that might hit you.

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