



RESTORATION

10 things you MUST know to prepare your company for the next major disaster

Delaying preparation could cost your company millions and may even cost you your job!

1.

Know Your Insurance Policy

Most people, even large property owners, don't often have the time to conduct a detailed review of their property insurance policies. They may have purchased the policy years ago and then just renewed it year after year. It is important that property owners review their property insurance policy on an annual basis with their agent as well as their restoration team concerning the potential hazards that may impact its facilities based on each property's location, age, condition, etc. An annual policy review may also lead a property owner to consider upgrades, such as new roofs, windows, sliders, etc., as well as possible policy changes including lowering deductibles or purchasing additional coverage for claim preparation expenses, business interruption or lost rents.



2. Have An Emergency Response Plan

Every property owner should have an emergency response plan to secure personnel, equipment and data in the event of a disaster. This plan can be developed internally from readily available public resources or can be developed by a private consultancy firm retained to develop a plan unique for the property owner and its properties. This report will focus mainly on physical buildings, but your Emergency Response Plan should be comprehensive and also include a detailed communication plan (phone and Internet redundancy) as it is vitally important after a large-scale disaster event where regular power and communications systems may be down for a period of time. At a minimum, the plan should include provisions for:

▶ Access to Power

This usually requires a pre-loss financial commitment for temporary generator or HVAC rentals or the actual purchase of backup generators or HVAC equipment.

▶ A Plan for Temporary Roof Repairs

This is usually readily available after an event, but having a restoration team in place with the knowledge of the existing roofing systems on your property and having the materials readily available to make the needed repairs is extremely beneficial and can often mitigate substantial internal and external damages.

▶ A Plan for Mitigation

This is typically handled by your restoration team. An experienced restoration team should have all the necessary equipment and personnel to handle the extraction of water and/or the demolition and dry out of ceiling, wall, and flooring systems.



3. Retain A Restoration Contractor

Prior to a loss, it is usually FREE to engage a restoration contractor. Very often, they may also be able to provide other construction or maintenance assistance for your properties as well. Every property owner should develop a relationship with a reputable local contractor because when you need them the most, you want to have experience with their team and their work product. It's a big mistake to wait for a loss to occur before you search for a restoration contractor.

4. Develop A Pre-Loss Mitigation Plan

Based on the type of facilities and their locations, it may also be important to have a pre-loss mitigation plan in place for boarding up windows at vulnerable facilities, sand bagging flood prone areas, removing sensitive or valuable equipment, hardening your essential facilities, purchasing emergency supplies, etc. Your restoration contractor should be able to review your facilities and work with your facilities team to develop a comprehensive Pre-Loss Mitigation Plan for all your facilities.

5. Activate Your Emergency Response Plan

If there is warning before a large-scale disaster, such as a Hurricane Watch, you should immediately activate your Emergency Response Plan. Make sure you have a thorough plan for the safety of yourself, employees and invitees – if it's a life-threatening situation, please listen to the authorities and evacuate if requested or required. Make sure to notify your restoration contractor several days in advance so they are ready and prepared to respond with pre-loss mitigation before the event, as well as prepared to respond immediately after the event or loss with the mitigation plan.

6. Mitigate Your Damages

As part of your Emergency Response Plan, make sure that you have a plan in place to mitigate further damages to the facilities, as well as protect your employees and invitees that may need to gain access for inspections, etc. These mitigation efforts usually include emergency tarping or emergency roof repairs, water extraction, removal of wet drywall and carpeting to prevent mold growth, boarding up openings from windows, sliders, and skylights, putting up any temporary fencing, and removing any debris around the facilities. If you have a restoration contractor engaged before an event, this should be part of your Emergency Response Plan and contained in the mitigation work that is part of your post-loss plan.



7. Document Physical Property Damages

This evidence is essential to provide to your insurance adjuster or other third parties that may be called upon to reimburse you for some or all of the damages. The damages should be documented with photographs and videos and this evidence needs to be uploaded to a secure location for future access. The restoration contractor will usually also document the damages with photos and videos. You cannot take enough videos and photographs! This evidence is essential to provide to your insurance adjuster or other third parties that may be called upon to reimburse some or all of the damages.

8. Document Non-Physical Property Losses

In most losses, it is important to have plan to track all non-physical losses beginning with the inception of the loss. These losses may include costs incurred and paid for by the client prior to the restoration contractor's involvement or these may be additional costs, such as business interruption costs, lost rents or rent concessions offered to retain tenants. These "soft costs" need to be documented, tracked and organized for insurance reimbursement purposes as part of your insurance claim. Having a specialized CPA as part of your team is essential. A specialized CPA would be able to review your documents and prepare the documents with respect to the soft cost losses for you or your public adjuster or attorney.




9. Retain Experts

Depending on the type of loss, the severity of the loss and the damages sustained, you may also need a public adjuster, legal counsel (if not already on your team) and other experts to assist you with your insurance loss. Your restoration contractor can perform the restoration work, but you may need a knowledgeable public adjuster and/or counsel if there are coverage issues or a large variance on the scope or pricing of damages. It is better to have a solid team in place and not need them, than not have a team in place and be forced to assemble a team after a large-scale event. Ideally, you want a team of professionals that have worked together before and have a substantial amount of experience in handling large losses.

10. Closeout Property Loss

Unlike regular construction projects, a large loss covered by insurance can take even longer than normal to complete as many of the items need to be documented and discussed with the insurance adjuster before beginning the reconstruction work. Also, you need to make sure that the insurance funds are properly allocated internally and that all restoration contractors, subcontractors and materials providers have been fully paid and provide final lien releases, so that so you have no open issues on the project after completion. Finally, all contractor and material warranties also need to be collected at the conclusion of the project as well.



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