

BE INFORMED!

How can hazard mitigation help prevent losses?

Hazard mitigation can substantially reduce the damage caused by disaster. Property insurer, FM Global, compared the loss history of two types of policyholders. The ones that implemented loss prevention recommendations, and the ones who did not. FM found that policyholders who fully implemented loss prevention recommendations had on average 75% to 85% lower dollar losses than those policyholders that did not implement such measures. *[FM Global data provided to InterCEP[i]].*

HELPFUL HINTS:

- **Prior to hurricane season, survey the entire property and inspect all buildings to identify vulnerabilities.** Begin at the roof level and inspect the flashing along the perimeter. Repair loose or damaged flashing and ensure sufficient mechanical fasteners are used. Inspect the roof covering for evidence of ponding, blistering, alligatoring, delamination, surface erosion, or cracks that could result in tears or leaks. Verify that all access panels and doors to mechanical equipment and roof hatches have been properly secured. Confirm that all antennas, satellite dishes, and other appliances installed on the roof have been secured to withstand hurricane force winds.
- **Inspect all exterior walls for openings that could be penetrated by wind and evaluate methods to protect them when a storm watch is issued.** Consider installing glazing rated to withstand debris impact or hurricane shutters on exterior glass that is especially vulnerable. Check all exterior doors especially loose fitting, large overhead doors. Make exterior doors weather tight and equip them with secure latches.
- **Inspect exterior storage tanks, equipment, signs, and vehicle storage and verify they are properly anchored to withstand expected wind forces.** Identify what can be moved inside a building or removed from the site, if a storm watch is issued. Focus on critical building areas, equipment, and utilities including data centers and process systems. Evaluate means to protect against damage from water entry in the event of structural damage or flooding.

[i] <http://www.nyu.edu/intercep/events/20061009-256.html>, Wall Street Journal.

b (FUNNY!) [a little insurance humor]

The chairman of a large charity noted that the wealthy CEO of a major managed care company had never given him a donation. He called on the CEO in an attempt to persuade him to mend his ways. "Our research shows that you made a profit of over \$600,000 last year, and yet you have not given a dime to the community charities! What do you have to say for yourself?"

The CEO replied, "Did your research also show that my mother is dying after a long illness and has medical bills that are several times her annual income? Do you know about my brother, the disabled veteran, who is blind and in a wheelchair? Do you know about my sister whose husband died in a traffic accident, leaving her penniless with three children?"

Sheepishly, the charity solicitor admitted that he had no knowledge of any of this.

"Well, since I don't give any money to them," the CEO continued, "why should I give any to you?"

My friend called his car insurance company to tell them to change his address from Texas to Vermont. The clerk who took the call asked where Vermont was.

As he tried to explain, she interrupted and said, "Look, I'm not stupid or anything, but what state is it in?"

The insurance agent was questioning the cowboy who had applied for a policy. "Ever have an accident?" he inquired.

"Nope," was the answer.

"Not even one?" asked the agent incredulously.

"Nope," the cowboy insisted. "Rattler bit me once though."

"You don't call that an accident?" exclaimed the amazed agent.

"Nope, the danged varmint done it a-purpose."



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