



Hurricane season began on June 1st —are you prepared? As a resident on the Gulf Coast, you know the basic storm rundown—board your windows, pick up a radio and some batteries, make sure your car is full of gasoline, buy large amounts of drinking water and unplug all of your electrical equipment—to name just a few preparation activities. However, beyond your personal plans, and right before your company's contingency strategy kicks in to gear, lies a practical area of storm preparation that every business owner should know. Grab a pen and some paper and get ready to construct your annual hurricane insurance checklist for before and after the storm.

BEFORE A HURRICANE

There are several simple inspections you can perform to secure the safety of your building's structure and to document your property before the storm.

Your Building

- Assess the physical characteristics of your building or office. Look at the doorways, roof, windows, etc. What

Surviving Storms:

From an Insurance Perspective

A Practical Hurricane Preparedness Guide

are the vulnerable areas and how can they be made more secure to withstand a severe storm?

- What facets of your building are most susceptible to wind, rain, rising water or other damage?
- Establish what items can help minimize damage in those vulnerable areas (sandbags, fire retardants, blocks of concrete removing equipment, etc?).
- Do you have equipment or other files that should be elevated off the floor, or hauled to another location?
- Take photos and document your building pre-storm for a before and after look of how it withstood the hurricane.

Your Business

- Make sure hardcopies of insurance policies, lease agreements, payroll records, etc., are secured in an off-site location.
- Since flood damage is not covered by property insurance and there is a 30 day grace period for all new policies, be sure to contact your insurance agent to make sure your flood, wind and other coverages are up-to-date.

AFTER A HURRICANE

Caution is the key when going back into your business after a hurricane. As many learned during Ike, there are several do's and don'ts that will help your business survive after the storm.

Your Building

- Have appropriate building ID and identification on hand to show proof of occupancy, or you may not be allowed in.
- Carefully check the preparations you made and document all damage to your building and property.

Your Business

- Contact your insurance agent as quickly as possible. Let them know about your losses, if any.
- Make only the necessary repairs to prevent further damage. Typically, repairs that are not authorized by your insurance agent will not be reimbursed.

Depending on your specific business, ask your agent about Business Interruption and Increased Cost of Construction coverages. Business Interruption coverage protects companies from financial losses when they must close due to a covered cause of loss. This insurance is specifically designed to compensate for a company's lost income during temporary closing. Increased Cost of Construction covers extra reconstruction costs of a damaged building that must be rebuilt or remodeled to include current city code provisions.

Based on your unique business, your insurance agent can help advise you with the best coverage options for your company based on its location, size, building structure and more. Don't wait until it's too late to get coverage. Many business owners are still unaware that if there is a storm already in the Gulf, coverage cannot be offered. So, be proactive and take care of your livelihood well in advance.



ABOUT THE AUTHOR:

Ron Masters is the president and CEO of MaximGroup, a financial services company in the greater Houston area. As president, Ron manages the operations of all facets of the company's expanded business, overseeing more than 50 employees in three locations and providing commercial insurance, risk management, employee benefits, and other financial services to more than 8,000 clients. A licensed risk manager and Certified Insurance Counselor, Masters serves on the boards of BAHEP, the Myron F. Steves Advisory Council, and the Bay Area Houston Transportation Partnership.