



Dear Trusted Clients, Colleagues and Friends,

Given the unusual situation we are in due to the ongoing pandemic, it's even more important now to remember what we have learned from past storms. Why? Because the road to recovery will take longer, and we are going to be met with even more challenges.

As if 2020 was not already a rollercoaster, we had our first Hurricane make landfall in the US, Hurricane Hanna. Hanna quickly upgraded to a Cat 1, right before making landfall in Corpus Christi, Texas. Preparation for this storm has been unlike anything we have experienced before due to the pandemic. Specifically, there has been a lot of discussion about South Texas' preparation for the storm and its investment in personal protective gear. Unfortunately, cities are reporting financial struggles and supply chain issues with buying and distributing the gear in order to protect the residents and emergency responders. It is certainly a quick lesson and an important area to focus on should another storm hit the US.

For example, newly formed Hurricane Isaias, now a CAT 1 hurricane, is bearing down on the Bahamas and South Florida. The storm's track has moved further East and models are predicting a track along the East Coast of Florida and possibly north, up the Atlantic as far as the New England area, by early next week. This hurricane has one of the largest wind fields ever recorded with 75mph+ winds extending over 415 miles in diameter around the eye of the storm. There are already two systems developing off the west coast of Africa as you read this. Stay ready!

Similarly, in 2017, we had a series of back-to-back storms, Maria, Harvey and then a huge storm, Hurricane Irma. In 2018, Hurricane Michael, a Cat 5, devastated the Florida pan handle. There were some valuable takeaways from these storms that are still relevant in 2020:

1) Wind-Driven Rain, Wind Created Opening, and Hurricanes. What's the difference?

Trending towards the top of anti-consumer claims handling is the assertion that the prolific interior water damage from a Hurricane is not covered. This new phrase has negative implications and may result in wrongful denials and/or delays in claims. The truth is, had it not been for the Hurricane, there would not have been wind and there would not have been water in the building. If the building envelope, like a window or door assembly, had not failed during the storm, the water would not have entered the property, it's that simple. Unfortunately, in multi-story properties its difficult and costly to inspect the integrity of the window and door frames, waterproofing, stucco, and other cladding to identify the storm damage. However, the results of these inspections could easily account for significant increases in the scope and value of your loss.

2) Flood Insurance Paradox

Probably one of the most confusing conversations to have with an insurance professional is what is or isn't covered by flood. Is it Pre- or Post-firm? When were the elevators installed? How high was the flood line? Were the mitigation rates on par with the industry? Are your bills itemized enough to get paid? Did you submit a Proof of Loss? How do I dispute what was paid? Is your elevation certificate correct? The list is long and continues to grow as do the number of policy changes we see from storm season to season. It is a best business practice to make sure that your flood elevation certificate is correct and to know the age of your building and the elevators. Also, familiarize yourself with the standard commercial NFIP policy, which is available on the internet and downloadable in a PDF format. If you are still confused and need assistance, contact GlobalPro to assist you with supplementing your claim.

3) Mechanical Failures Are Not Always Storm Related

In nearly every storm, high winds and/or flying debris will cause a loss of power. As the power fluctuates on and off, and lightning strikes are more frequent, mechanical systems may fail days, if not weeks, after a storm passes. It is extremely important to document the date the failure or surge occurred, which led to the accident or failure of your system. If the system did not fail or the accident did not occur on the date of the storm, then more than likely, these damages are not storm related. Therefore, the hurricane or windstorm deductible does not apply and most often, your equipment breakdown or boiler machinery policy will cover the damages. Pay close attention to vendor contracts and agreements to ensure that the date and cause of the loss are accurately recorded.

This simple advice will save you time and money, especially since things will take longer and perhaps insurance companies may be less willing to pay, given the current economic environment. Who knows? We will see. The reality is, insurance contracts are not easy to navigate and most often they were written in a way to help the insurance companies defend themselves against a lawsuit.

GlobalPro has remained a leader in the insurance industry due in large part to your trust, our readiness and our commitment to protecting our clients' interests. For nearly a decade, we have always encouraged our clients and colleagues to practice preparedness. Thankfully, most of you have followed our recommendations and have stayed vigilant through these tough times. For those that may have been caught off guard or confused by insurance coverage for current or foreseeable losses, we remain available to you around the clock, 365 days a year.

From the everyone at GlobalPro, stay safe and ready.



Daniel B. Odess
President