

## NORTHEAST HURRICANE SEASON 2006

Since such storms are a rarity in the Northeast, we may be less prepared than those in the southern states.

We, in the insurance industry would like to educate our mutual clients to prepare for potential disasters.

Understanding the economic impact after a severe storm is important. In regards to replacement cost, and the demand surge. In the aftermath of major hurricanes in Florida and Louisiana, one major insurer reported that actual replacement costs increased by upward of 70% over anticipated replacement costs. Demand surge occurs when building material and labor costs rapidly escalate as demand far outstrips supply.

We are in a period of significant insurer apprehension by the unprecedented number of serial mega-storms.

1. Check coverage to see if adequate and the limitations, including acquiring possible flood insurance.
2. Any life events that would warrant changing beneficiaries or coverage
3. Contact information for all insurers and how to seek assistance in the event of emergency, filing a claim, policy numbers, etc.
4. Clients should make an inventory of personal property, including photos and videos for documentation.
5. Store vital information with medical records, wills, passports and financial documents in waterproof containers or at off-premises secure locations.
6. Have a disaster plan in effect. Prepare evacuation plan. Arrange where family members or business colleagues would meet if an emergency occurred.
7. Identify a distant communication hub if local communications were disrupted or family members become dispersed. Remember, normal phone service, including cell, are often non-existent following a natural disaster.
8. Double check condition of their primary residence, boats and cars to be certain every precaution to prevent damage has been taken.
9. Check cellars, drains, roofs, windows and doors for damage that might lead to flooding.
10. Suggest storing batteries, flashlights, wireless radio, and a few days supply of fresh water and canned goods.

As agents, we need to reassure clients that insurance is merely one of several risk management techniques that can help them cope with the uncertainty and anxieties associated with the furies that nature can inflict.

Information taken from The Standard edition of May 5, 2006.