

COMMERCIAL PROPERTY MANAGEMENT™

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disaster restoration

READY FOR THE WORST CASE?

When disaster strikes, property preparation is critical to business recovery.

BY MARK LEWIS

Whether it comes in the form of flood, fire, hurricane or earthquake, a natural or man-made disaster can take a devastating toll on a company's bottom line and future viability. The bigger the disaster, the longer the potential downtime, particularly if a firm has not prepared for the worst. In these days of intense corporate competition and need-it-today expectations, some businesses never fully recover after a catastrophe because their customers simply cannot wait for them to get back up to speed. Consumers, however loyal, will most likely opt for the convenient, operating retailer or service provider.

After Hurricane Katrina, we learned that there are not nearly enough credible restoration firms around to mitigate a disaster of such an expansive scope. Particularly along vulnerable coastal areas, facility managers and owners should align themselves with a disaster restoration contractor in advance of hurricane season to be assured their needs will be made an absolute priority in the event of an emergency.

WHAT DOES A DISASTER RESTORATION COMPANY DO?

Full-service disaster restoration providers offer a multitude of services that take property owners from early planning stages to completion, or full restoration. The best contractors emphasize preparation, immediate response, communication, accountability, expert evaluation, and a commitment to code and environmental compliances. A contractor's representatives should tour facilities to ensure they know and understand an organization's building size, building materials and power requirements, so they can stand ready to restore it again as quickly as possible. For commercial properties, having a custom-tailored plan in place before a disaster occurs eliminates troublesome unknowns and sleepless nights.

InStar Services Group follows all major storm systems from an in-house storm center. Once we see a potentially damaging weather event is likely, we start gearing up our forces. For example, if a named storm were pegged to hit Mobile Bay, Alabama, on August 1,



After Hurricane Katrina, crews spent 9 months restoring this apartment property in Gulfport, Mississippi.



we would start tracking the path of the system about 10 days in advance to gauge its strength and potential impact. Our Large Loss Team would dispatch drying equipment, campers, cranes, generators and other resources to Atlanta, New Orleans, and Jackson, Mississippi, to take a standby position on July 26 or July 27. Meanwhile, we would remain in contact with clients that are in the path of the potential storm to reassure them restoration equipment is being cued up a short distance away and will be mobilized as soon as the storm

has passed. Our teams would arrive on August 2 to establish a mobile command center at the site and immediately begin pumping out any standing water and cleaning up debris, as well as installing a temporary roof if necessary.

After a major storm, restoration companies deploy large water extractors, drying equipment and generators. Saturated drywall, carpeting and other wet debris contaminated with polluted ground water—also called “black water”—would be removed immediately. Depending on the client’s merchandise, equipment and other valuables, some of the damaged, unsalvageable contents would be removed and discarded. Items such as wet clothing and mattresses would be disposed of. If the property is a warehouse of non-permeable goods, such items can typically be salvaged. Experienced technical engineers can usually recover most major machinery. Typical drying time of 5 to 7 days on a building will allow for final repairs to begin.

During that drying phase, the restoration contractor will work with the assigned adjuster. Preferably, the adjuster’s damage estimate will serve to put the client in a pre-loss condition; that is, cover all losses incurred by the storm back to pre-storm levels. The restoration firm will produce digital photos it has taken of all carpeting, paneling and other materials removed in the clean-up phase for the adjuster to use as evidence of the severity of the damage.

When the adjuster arrives, a restoration representative will do a walk-through with him and the client to assess the damage. The adjuster will write an estimate and the restoration firm will produce its own estimate, along with supporting data and photos. Many firms, including InStar, will help arrive at a damage consensus with the insurer, with minimum distress to the client. Once the restoration contractor is hired, it is their responsibility to ensure the adjuster has full knowledge of all losses and return the insured to pre-loss condition.

If clients want to upgrade buildings with better, more up-to-date materials while the facility is being repaired and restored, this is good time to do it. This strategy serves to avoid any remodeling disruption and added expenses in the future. If a property owner decides to make such upgrades, a restoration firm that is also a general contractor may submit the additional estimate along with the adjuster estimate.

WHAT IS A PROPERTY MANAGER’S ROLE?

The most important actions that facility owners or managers can take in preparation for possible losses are those steps taken before a disaster happens. First and foremost, companies should ensure they have sufficient insurance coverage for wind-, water- and earthquake-related damages. While most businesses have some degree of protection for these, one of the biggest shortfalls is adequate business-interruption insurance. This insurance covers revenues a business would have produced had its property not been damaged, and it can also pick up some or all of the operating expenses incurred from being forced to operate out of temporary quarters. Typically, this type of coverage is not sold as a policy itself, but can be added to property

insurance or purchased in a package policy. Owners and operators should also ensure the restoration firms they are considering are acceptable to their present insurers.

After a disaster strikes, property managers can assist their restoration contractors before they even arrive by photographing damage, assuming that it is safe to do so. This includes capturing initial flood-water levels, roof damage, structural damage, and downed power lines and trees.

If at all possible, building managers should develop a plan to move inventory and equipment to a higher level in the facility in anticipation of flooding. Be particularly sure that all computer equipment is out of harm’s way and sensitive, vital information is backed up. If a major storm appears imminent, it is critical to have a recent account of the building’s inventory to provide to the insurer. An excellent example is recent photos taken of the insured property.

A cursory roof inspection is also a good idea. Any unsecured objects or debris can easily tear a huge hole in a roof or wall. It is also pertinent to unclog exterior and interior drains to facilitate runoff and prevent additional flooding. Locate the building’s water, gas and electric shut-offs, and be sure emergency instructions and emergency contact numbers are made available to employees. Many companies conduct annual disaster drills to make sure that their safety and recovery plans are adequate and have been communicated company-wide.

Property owners and managers should verify their restoration provider is positioned to respond immediately. For instance, InStar has 22 response centers located throughout the country and numerous mobile “large-loss divisions” that can open almost immediately following an emergency.

It is crucial the dry-out/clean-up operations begin immediately to prevent any additional damage. Some restoration providers offer programs designed to ensure that member businesses will be prioritized should disaster strike. This program is of particular importance when it comes to devastating storms that impact hundreds of businesses, properties and homeowners. In these situations, it is impossible to respond immediately to all damaged property. Businesses enrolled in these programs, such as InStar’s Priority Response Emergency Program (P.R.E.P.), can rest assured that they will receive priority service over all other losses should a catastrophic event hit an area in which their business operates.

Owners and facility managers of commercial properties that prepare for disaster situations, research and invest in adequate insurance coverage, and utilize the services of a leading disaster restoration firm will be back to full strength as quickly as possible and, ultimately, will retain customer loyalty and satisfaction.

— *Mark Lewis serves as the vice president of InStar Services Group, a nationwide provider of disaster restoration, reconstruction and technical services with 22 offices throughout the country.*