

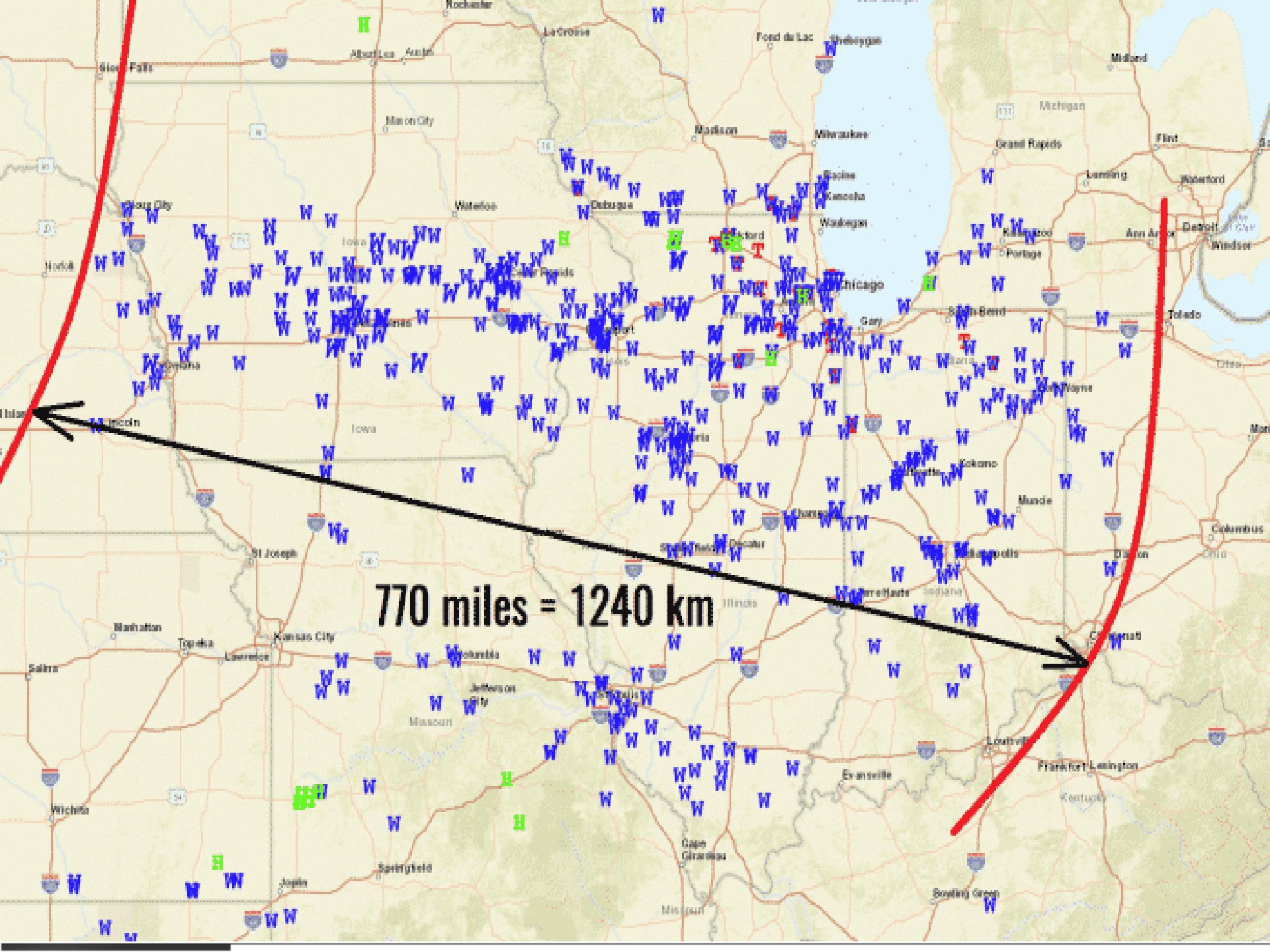
Impacts of the Derecho Storm and the Importance of Catastrophe and Disaster Planning

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Derecho

- Definition:
 - a line of intense, widespread, and fast-moving windstorms and sometimes thunderstorms that moves across a great distance and is characterized by damaging winds
 - Simply put, a hurricane on land



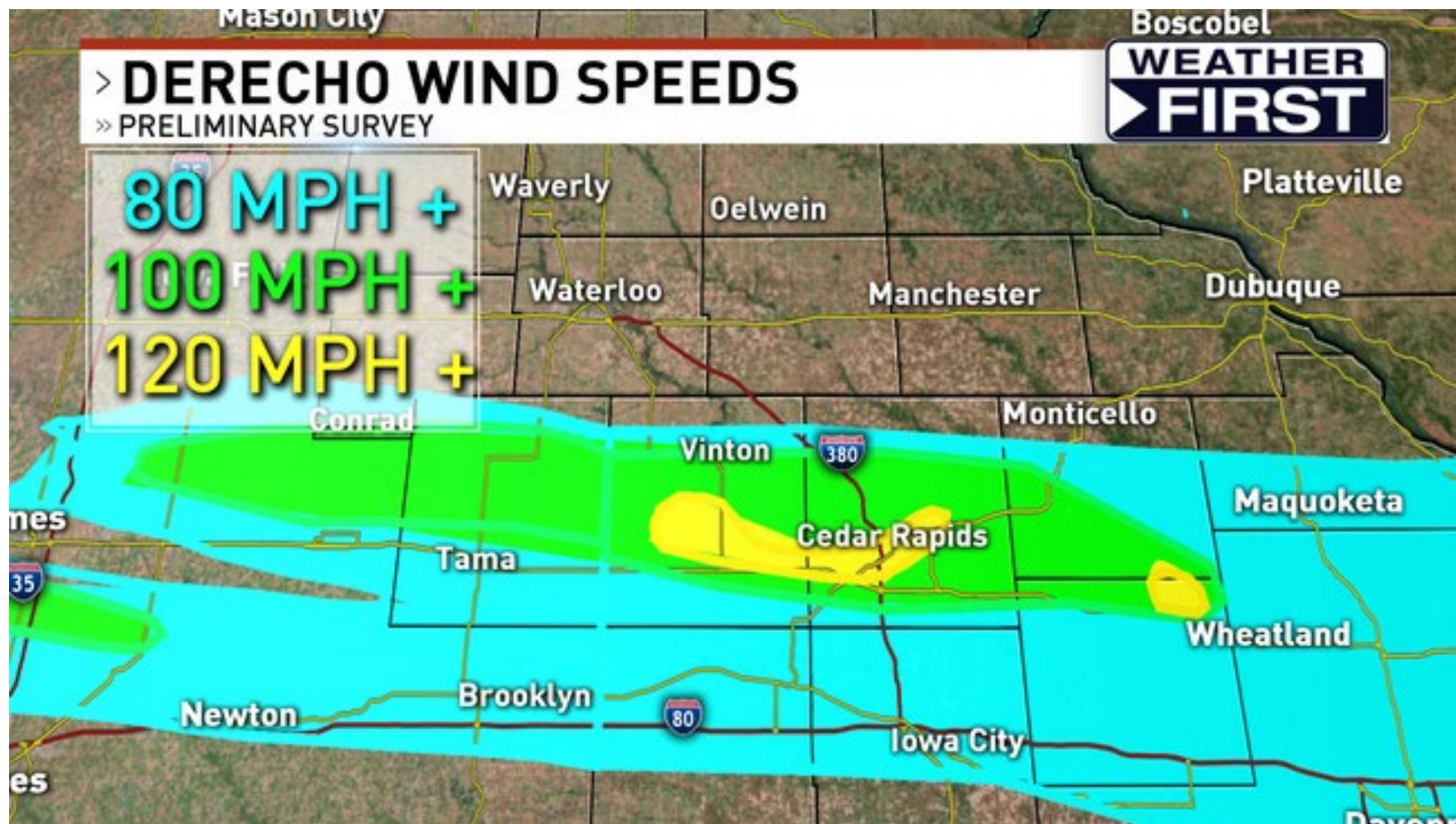
770 miles = 1240 km

> DERECHO WIND SPEEDS

>> PRELIMINARY SURVEY




80 MPH +
100 MPH +
120 MPH +



SPC Storm Reports for 08/10/20

Map updated at 1408Z on 08/20/20



TORNADO REPORTS.. (21)
WIND REPORTS/HI..... (909/53)
HAIL REPORTS/LG..... (31/4)
TOTAL REPORTS..... (961)

National Weather Service
Storm Prediction Center Norman, Oklahoma

- High Wind Report (65KT +)
- ▲ Large Hail Report (2" dia. +)

PRELIMINARY DATA ONLY



Marion, Iowa 7-10-2019



Christopher V. Sherman
cvsherman.com

Marion, Iowa 8-21-2020
After the 8-10-2020 derecho



Christopher V. Sherman
cvsherman.com









DERACHO BECOMING MORE COMMON?

- 2019 Derecho July 19th and 20th
- From Minnesota through Wisconsin
- Power outages for up to 4 weeks in some spots
- Over 100mph winds
- 2 dead





Storm Response Procedures

- Have a plan in place
- Know responsibilities set for team
- Have relationships established with outside adjusting firms
 - Negotiate terms and pricing
 - Set expectations of claims service
- Template and Letters

Day 1 Expectation

- Contact all adjusters
- Set expectations with policyholders
 - Response time
- Prioritize claims based upon damage
 - Have resources prepared for additional living
- Fastrack claims
 - Severity of loss

Preparing to Work with Outside Adjusters

Have these ready:

- Forms and Endorsements
- Claims Handling Guidelines
- FAQ Documents
 - Staff
 - Agents
 - Policyholders

LOCATION OF INSURED PREMISES:

	ACRES	1/4 SEC	TIER	RANGE	TOWNSHIP NAME	COUNTY	ST	ZIP
01		NE	24	094	027	LUVERNE	055	IA 50560
02	160	SW	36	094	027	LUVERNE	055	IA 50560
03			24	095	027	PRAIRIE	055	IA 50511

2407 180TH ST

DEDUCTIBLE AMOUNT: \$1000 ALL PERIL

INSURED ITEMS:

LOC	ITEM	DESCRIPTION	DIMENSIONS			YR	ROOF	SUM	PREMIUM		
NO.	NO.		W	L	H	BLT	KIND	YR	INSURED		
001	001	COV A - CP SELECT	030	044	000	0000	ASPH	00	172,700		
		COVERAGE C - PERSONAL PROPERTY							120,890		
		COVERAGE D - LOSS OF USE							34,540		
		REPLACEMENT COST - COVERAGE C									
		**14-00300: NO FURTHER COVERAGE FOR DWELLING SHINGLES OR ANY RESULTING INTERIOR WATER DAMAGE UNTIL SHINGLES HAVE BEEN REPLACED. NO FURTHER COVERAGE FOR NORTH, EAST AND WEST SIDING UNTIL REPLACED.									
003	005	COV A-BE/RENTAL RESIDENCE	024	024	000	0000	ASPH	95			
001	002	GARAGE	022	024	000	0000	ASPH	75			
		INCLUDES EXTENDED COVERAGE & REPLACEMENT COST									
		**14-00300: NO FURTHER COVERAGE FOR ROOF SHINGLES UNTIL REPLACED.									
002	006	GARAGE	016	020	010	1974	ASPH	75	4,000		
001	007	GARAGE	016	020	010	1975	ASPH	75	4,000		
001	008	BROCK STEEL BIN	9000	BU	027	000	021	1978	METAL	78	18,000
001	009	BROCK STEEL BIN	7500	BU	024	000	022	1978	METAL	78	15,000
001	010	BUTLER STEEL BIN	7300	BU	024	000	020	1973	METAL	73	14,600
001	011	BUTLER STEEL BIN	3000	BU	018	000	018	1973	METAL	73	1,500
001	012	BUTLER STEEL BIN	3000	BU	018	000	018	1973	METAL	73	1,500
001	013	BROCK GRAIN BIN	7500	BU	024	000	020	0000	METAL	00	15,000
002	014	BEHLEN DRYING BIN	8500	BU	027	000	021	1977	METAL	77	17,000
002	015	STEEL BIN	3000	BU	018	000	018	0000	METAL	00	1,500
003	016	MFS STEEL BIN	8000	BU	027	000	020	0000	METAL	00	16,000
001	017	MORTON MACHINE SHED	054	054	000	0000	METAL	00	25,000		
		**14-00300: NO FURTHER COVERAGE FOR METAL ROOF AND NORTH SIDE METAL SIDING UNTIL REPLACED.									
001	018	MORTON MACHINE SHED	042	090	014	1979	METAL	79			
		**14-00300: NO FURTHER COVERAGE FOR ROOF METAL AND NORTH SIDE METAL SIDING UNTIL REPLACED.									

NO COV B

ACV HOUSE

REPLACEMENT COST FOR OUTBLDG

ENDORSEMENTS ON THE STRUCTURE

CONTINUED

Preparing to Work with Outside Adjusters Continued

- Depreciation
 - Maximum depreciation
 - Cosmetic vs functionality
 - Endorsements used and where they find them
- Settling Authority
 - Settle and close the claim
 - Pay ACV only
- Bring in an engineer or consultant- who makes that decision?

Setting Reserves

- Prepare accurate reserves
 - Receive additional cashflow from reinsure
 - Helps with closing the books
 - Limits pulling too much from investments

Issues That May Come Up

- Policyholders not answering the phone
- If multiple claims for the same policyholder have occurred, a different adjuster may be assigned to each
- Policyholders may need additional guidance with the claim
- Policyholders may take advantage of the situation and want everything fixed
- CAT Adjusters may sound funny

CROP DAMAGE ALONE

- 43% of the states crops were damaged
- 14 million acres of crops
- 8 million acres of corn
- 5.5 million acres of soy bean



10 MILLION ACRES OF FARMLAND DESTROYED

STORM TEAM 5

KCCI
NEWS 8



Question?