

Promises Made, Promises Kept

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# STRENGTH THROUGH THE STORM

**Thoughts on U.S. natural disasters of 2017  
and the Demotech rated carriers  
that protected our communities.**

*By Demotech, Inc. and Security First Insurance Company*



# Promises Made, Promises Kept

2017 will go down in the record books as one filled with record-setting disasters. Estimates of the insured losses and loss adjustment expense related to the natural disasters of 2017 approximate \$145 billion, a new record for insured losses from disasters in a calendar year. Four of the storms of 2017 were so destructive that the United Nations World Meteorological Organization indicated that the names of Harvey, Irma, Maria and Nate were retired.

While the life and property losses associated with these disasters were so devastating, the resilience of millions of claimants, supported by the carriers that protect their property, businesses and possessions, needs to be memorialized. Throughout 2017, heroes were public officials, neighbors, friends, relatives, and strangers helping someone in need. Strength Through the Storm captures some of these stories.

At the corporate level, the P&C insurance industry has been assessed more \$600,000,000 over the period 2015 – 2017 to fund guaranty funds to cover the losses and loss adjustment expenses of carriers that have failed in the past. Demotech is pleased to report that each of the more than 400 insurers that we reviewed, rated and followed in 2017 survived the natural disasters of 2017. This includes several carriers writing residential property insurance business in Florida, Texas, Puerto Rico and California. Strength Through the Storm.

The 2018 storm season has begun, and each of us at Demotech hopes and prays that the natural disasters of 2018 will pale when compared to 2017.

Joseph L. Petrelli, President, Demotech, Inc.  
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**Created by Demotech, Inc. and  
Security First Insurance Company**

# Contents

## Features

- 7 Community Resilience**  
Increasing Public Understanding of Risk and Vulnerability to Natural Hazards Through Education Outreach
- 12 Insured Disaster Losses Hit Record \$144 Billion in 2017**
- 16 Evolving Under Fire**  
An Ever-Expanding Disaster Risk is Transforming the California Fire Service
- 22 Florida Catastrophic Storm Risk Management Center**
- 32 Meeting Irma Head On**  
How the Florida Keys Met the Challenge of Hurricane Irma
- 38 Ensuring the Human Factor in the Homeowners' Insurance Industry**
- 48 Hurricane Irma Damaged my Kitchen, or Did it?**
- 52 An APPetite for Innovation**
- 70 New Capital Supporting Carriers Through Turbulent Times**
- 76 Affordable Flood Zone Protections Critical for Low-Income Families**
- 80 OhioHealth Meets the Challenge**
- 84 Enough is Enough: It's Time for a Change**
- 92 Homeowners Express Concerns About 2017 Natural Disasters, and Suprisingly Aren't Taking Steps to Ensure Their Protection**
- 98 Interview with Puerto Rico Commissioner of Insurance Javier Rivera Rios**
- 106 Who Responds for the Responders?**  
The USO Steps Up to Help Service Members Called to Respond to Hurricane Harvey

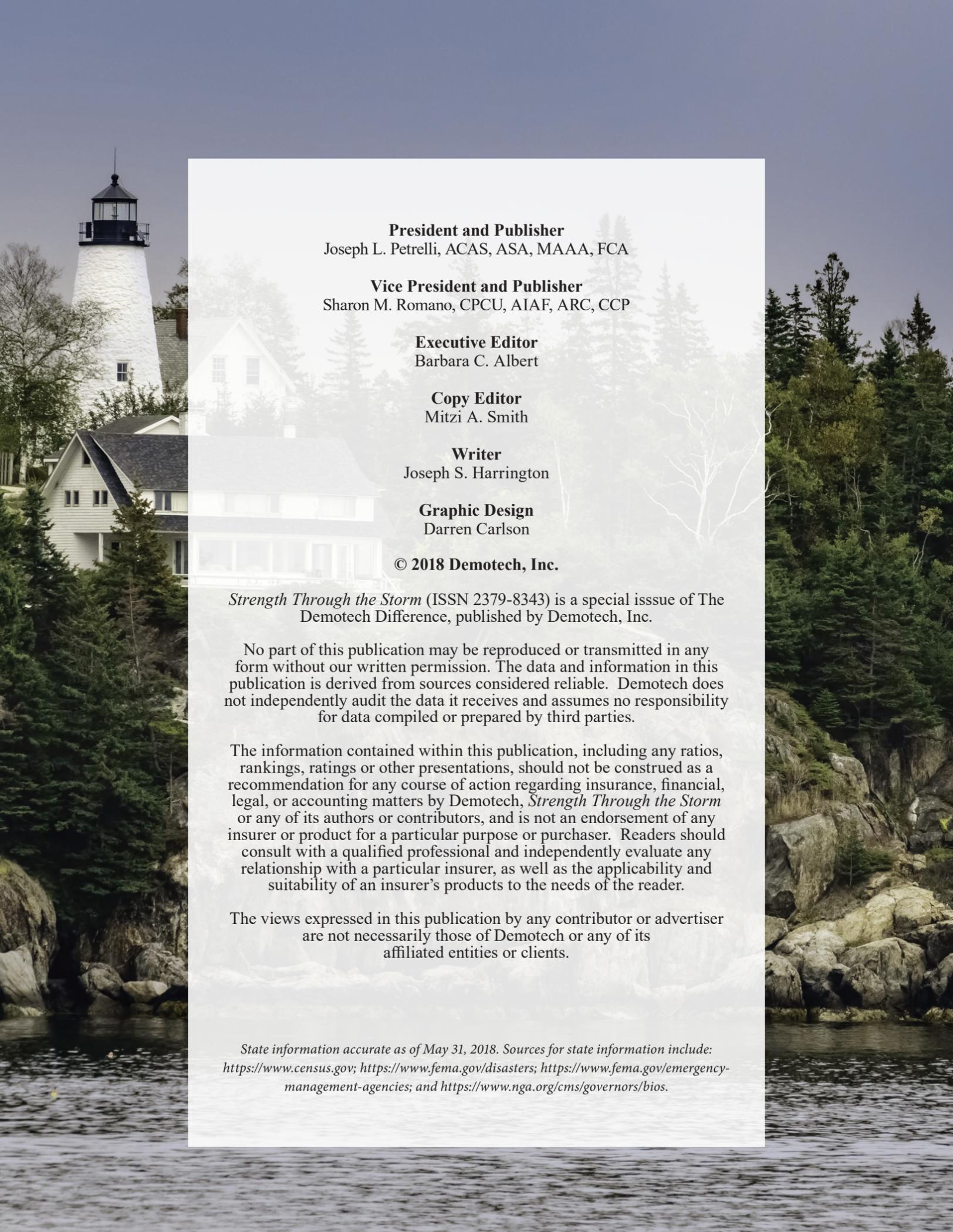
# Contents

## Heroes with Heart

- 26 Stories of Strength Before, During, and After Hurricane Irma
- 44 Jumping in to Help Others
- 56 Have Chain Saw, Will Move Trees
- 66 Olympus Insurance Company Employees Go Beyond the Call of Duty
- 112 Bass Pro Shops Aided Texas Rescue Efforts  
Cajun Navy Helps Rescue Stranded Residents
- 120 Neighbor Helping Neighbor in Texas

## State and Commonwealth Pages

- |                         |                   |
|-------------------------|-------------------|
| 10 Alabama              | 65 Montana        |
| 11 Alaska               | 68 Nebraska       |
| 14 Arizona              | 69 Nevada         |
| 15 Arkansas             | 74 New Hampshire  |
| 19 California           | 75 New Jersey     |
| 20 Colorado             | 78 New Mexico     |
| 21 Connecticut          | 79 New York       |
| 24 Delaware             | 82 North Carolina |
| 25 District of Columbia | 83 North Dakota   |
| 29 Florida              | 87 Ohio           |
| 30 Georgia              | 88 Oklahoma       |
| 31 Hawaii               | 90 Oregon         |
| 36 Idaho                | 91 Pennsylvania   |
| 37 Illinois             | 95 Puerto Rico    |
| 41 Indiana              | 96 Rhode Island   |
| 42 Iowa                 | 97 South Carolina |
| 43 Kansas               | 103 South Dakota  |
| 46 Kentucky             | 104 Tennessee     |
| 47 Louisiana            | 105 Texas         |
| 51 Maine                | 110 Utah          |
| 55 Maryland             | 111 Vermont       |
| 57 Massachusetts        | 114 Virginia      |
| 58 Michigan             | 115 Washington    |
| 60 Minnesota            | 118 West Virginia |
| 61 Mississippi          | 119 Wisconsin     |
| 64 Missouri             | 122 Wyoming       |



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# Community Resilience:

## Increasing Public Understanding of Risk and Vulnerability to Natural Hazards through Education Outreach

By Erik Salna

**I**t was Friday evening, September 8th, 2017, and I was sitting in my home in South Florida watching the media coverage of Hurricane Irma. I had finished all our personal preparations, the accordion shutters were up, had a portable generator and fuel ready to go, and had food and water supplies to last for seven days. Many local gas stations had already run out of fuel, and basic hurricane supplies, including batteries and flashlights, were sold out at many stores. My mother-in-law evacuated with my wife and sister early that morning to their brother's

thought to myself, in just 24 hours, it might all look very, very different, devastatingly different.

In fact, our research team that runs the Florida Public Hurricane Loss Model has computed that a “worst case” hurricane track would be a hurricane that travels from south to north through the center of Miami-Dade, Broward and Palm Beach Counties, affecting the Miami, Fort Lauderdale and West Palm Beach metropolitan areas. Florida has strong building codes, but there is a lot of older

**For those who have experienced a hurricane, the period of preparing before the storm is surreal. Since I work at Florida International University (FIU), where we do hurricane research, I know what a storm can do, and have seen what they have done in other communities.**

house in South Carolina. We are full-time caregivers of Mom, who is 92 years old, who needs 24-hour assistance and is oxygen dependent. Even though we live in a well-built, mitigated home, Mom had to evacuate because of a potential Category 4 or 5 Hurricane Irma making landfall and the aftermath could have been catastrophic, with weeks or months without power. They were part of the largest evacuation the United States had ever seen, over 6.5 million residents.

For those who have experienced a hurricane, the period of preparing before the storm is surreal. Since I work at Florida International University (FIU), where we do hurricane research, I know what a storm can do, and have seen what they have done in other communities. But this time, it was not someplace else, it was us, it was our turn. It was a bad movie, and you wish you could just turn the channel. I had earlier walked around the inside and outside of my home to take updated video and pictures. If Irma damaged my home, I would need them for insurance purposes. But to walk around your home, and look up and down your street, to visually remember what it all looked like before the storm, is sickening. I

building stock in South Florida, built decades before the stronger codes. That track would cause damages costing well over \$100B! As I was sitting in my home that Friday evening, that track was possible, it was still “on the table.” Irma’s leading feeder bands then began to spiral in and spawned multiple small tornadoes, each of them racing across the area, and I was hoping each one would miss our street, which they did. I then did a phone interview with CNN, talking about the impending disaster, while they showed video of our Wall of Wind research facility. Did I say the Irma experience was surreal?

Well, as it turned out, Irma did not take that “worst track.” My home was not damaged, and FIU played a huge role in providing support to Florida residents, students and evacuees in response to Hurricanes Irma and Maria. Several weeks later, I went to a meeting in Marathon, in the Florida Keys. Personally, as I drove down into the Keys, I was encouraged. I was encouraged by seeing a lot of buildings still standing, even near Cudjoe Key where Irma made landfall. Newer construction, built to the newer, stronger building codes did well. Yes, there was damage in the Keys, both from wind and storm surge, but

the Irma story includes examples in best building practices. Strong building codes work!

In the aftermath of Hurricanes Harvey, Irma and Maria in 2017, the general public (and the media) inevitably ask some version of “How could this happen?” The short answer is that natural hazards like hurricanes, floods, wildfires and earthquakes occur every year, always have, and always will. The more pointed response is that natural “hazards” become natural “disasters” when they occur in areas with dense populations living in built environments not constructed to withstand the forces of nature.

After high-damage destructive events, initial media coverage excels at capturing images of destroyed or flooded buildings, debris-filled streets, dramatic rescues, and the suddenly homeless, but it often fails to do more than scratch the surface of the “how” question, which leads directly to the more fundamental “why” question. Without deeper answers to these questions, the public cannot possibly be expected to understand — much less support — measures to confront the “risk drivers” that lead to major losses.

The Extreme Events Institute (EEI) at Florida International University in Miami, Florida, is at the forefront of reducing the impact of natural hazards through research and the advancement of technology that strengthens response, improves recovery, and mitigates our exposure to risk. While disaster relief and response to natural hazards remain humanitarian imperatives, EEI also strategically focuses on reducing society’s vulnerabilities and understanding and managing our exposure to extreme events including hurricanes, storm surge and earthquakes.

FIU’s Extreme Events Institute is programmatically built around a Risk Equation that explains how a natural “hazard” becomes a “disaster” when it interacts with the built environment and human habitat, and the factors that determine the extent of loss and damage.

$$\text{EmR/DR/CatR} = H + Ex \times V$$

(In this equation the risk of an emergency (EmR), a disaster (DR), or a catastrophe (CatR) is a function of a community’s hazard or hazards (H) plus its human, economic, infrastructure, and environmental asset exposures (Ex) — but then crucially, the susceptibilities to harm or vulnerabilities (V) of those exposures.)

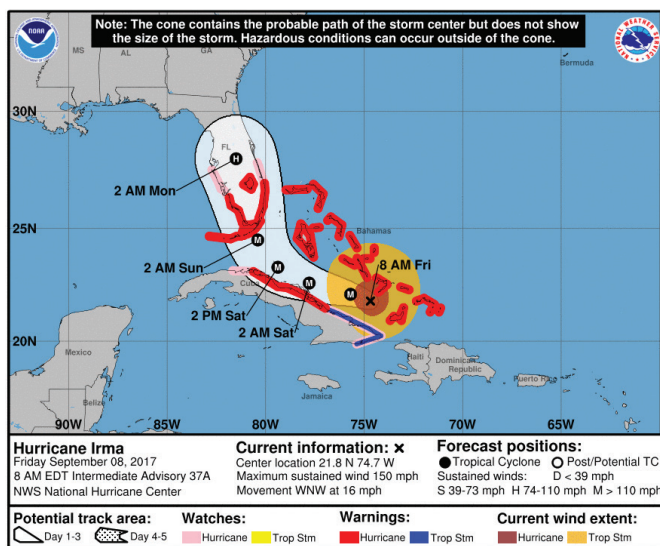
The National Oceanic Atmospheric Administration (NOAA) reports that U.S. population and economic development increases over the last several decades have led to increased damage potential from natural hazard events. This trend is further complicated by the fact that many population centers and considerable infrastructure are now located in exposed coastal and river floodplains, where land use and building standards struggle to safely accommodate growth.

Hurricanes Harvey, Irma and Maria highlighted this reality, and future hurricane impacts look to become both more damaging and costly as population and wealth continue to concentrate along our coasts — with sea level rise exacerbating vulnerabilities. From our perspective in South Florida, the key is developing (or increasing) public support for often difficult mitigation policies and programs. It is no longer so much a scientific/technical knowledge challenge as a public education and outreach challenge.

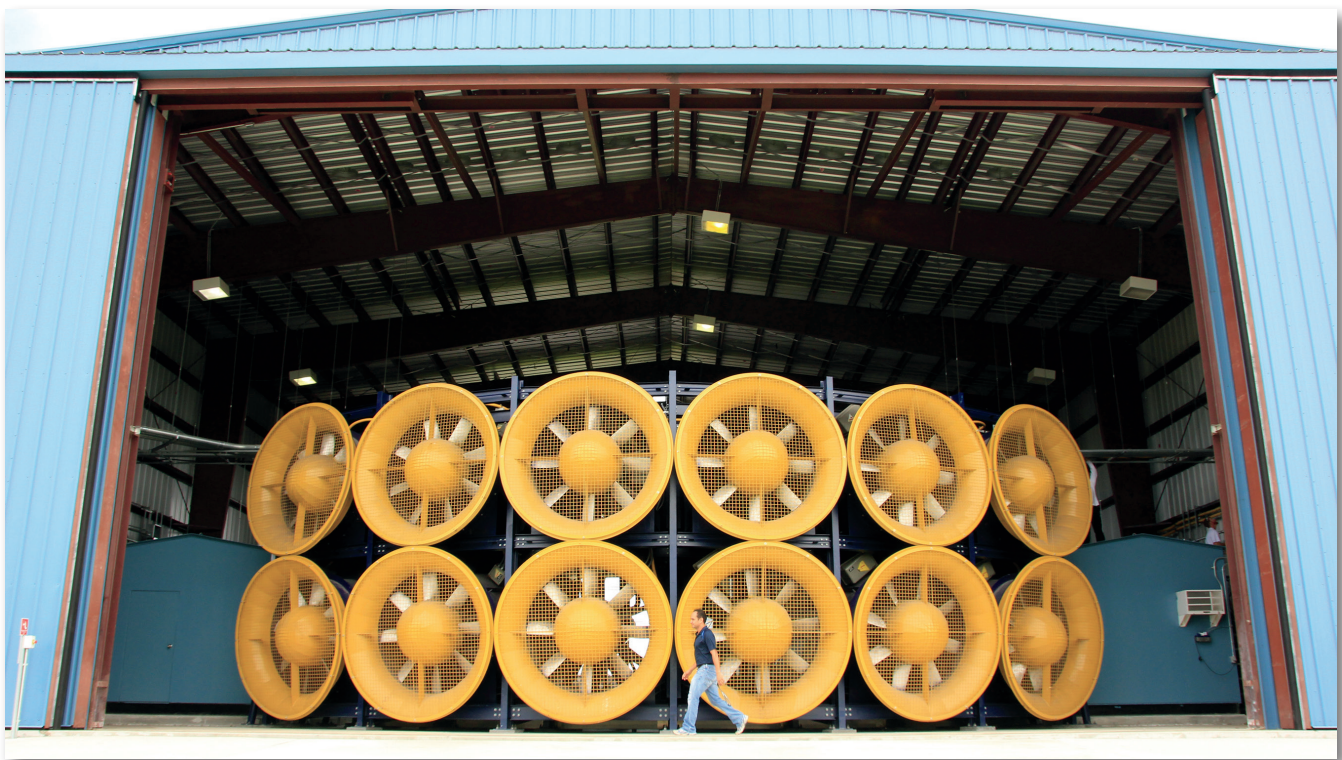
To meet this public education challenge, the FIU Extreme Events Institute has proposed an outreach-friendly immersive museum exhibit designed to educate the public about natural hazard events, the level of exposure or vulnerability they face, and what they can do to reduce their risk.

Using the latest in virtual reality (VR) technology and special effects, the exhibit will be designed for a state-of-the-art 7D theater using multi-sensory effects, including moving seats, to create an unforgettable, educational, and exciting experience. The exhibit will showcase the Risk Equation through a virtual reality video designed for a 7D simulation capsule theater. And, being largely digital, the exhibit can simultaneously tour science centers worldwide with the potential to impact millions of people each year.

The exhibit will put the Risk Equation to work to help the participating public understand the risk dynamics that transform natural hazards into natural disasters and what can and should be done about them. Intended to foster a deeper appreciation of a community’s risk drivers (past and present), the exhibit is intended to increase the likelihood that the public will support — and quite possibly demand — the measures needed to reduce community risk. Ultimately,



NOAA Irma Forecast Cone, used to anticipate hurricane danger and damage.



Florida International University's Wall of Wind, a powerful hurricane simulator, can test-to-failure full size structures to improve hurricane engineering and to enhance safety in communities.

if we raise public understanding, we may raise their support for Disaster Risk Reduction, and voice that support to their local government officials and policy-makers.

The exhibit's goal is to provide the public (and media) with answers to why disaster losses are often so shockingly huge, and increase understanding of how and why similar natural hazard events can have very different human and economic impacts. The exhibit will raise public consciousness and drive home the point that communities need not be passive in accepting the risks posed by natural hazards and natural hazard events. If you are interested in being involved with this exciting immersive exhibit, please let us know.

#### **About FIU's Extreme Events Institute**

The Extreme Events Institute currently comprises the International Hurricane Research Center, which has been recognized as an Exemplary NOAA Weather-Ready Nation Ambassador, and the Disaster Resilience in the Americas Program (DRCAP). Other research programs include the Private Sector Alliance for Disaster Resilient Societies, Florida Public Hurricane Loss Model, Coastal and Estuarine Storm Tide (CEST) Model and the Wall of Wind, the largest and most powerful university research facility of its kind, capable of simulating a Category 5 hurricane. In 2015 the National Science Foundation (NSF)

designated the Wall of Wind as one of the nation's eight major "Experimental Facilities" under the Natural Hazards Engineering Research Infrastructure (NHERI) program. For more details, please visit: <http://eei.fiu.edu/>.

#### **About Florida International University (FIU)**

Florida International University (FIU), located in Miami, Florida, has an "R1: Doctoral Universities — Highest Research Activity" classification by the Carnegie Institute and is a Carnegie Community Engaged university. FIU is a majority-minority institution with a very diverse (predominantly Hispanic) student body. Part of the 12-member State University System of Florida, FIU ranks as the 4th largest public university by enrollment in the nation, with nearly 54,000 students.



Erik Salna is a Meteorologist and currently is Associate Director of Visualization, Communication, Public Education, and Engagement for the Extreme Events Institute and the International Hurricane Research Center at Florida International University in Miami. Research includes natural hazards, storm surge, economic loss modeling and wind engineering, including the Wall of Wind.

# Alabama

Population: **4,874,747** (2017 est.)  
Households: **1,851,061** (2016 est.)  
Governor: **Kay Ivey**

Department Of Insurance Commissioner: **Jim L. Ridling**  
Emergency Management Executive Director: **Brian Hastings**  
House Insurance Committee Chair: **Kerry Rich**  
Senate Insurance Committee Chair: **Mark Slade Blackwell**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>106</b>
Composition: Property & Casualty (including captives and pools)	82
Life & Health	3
Title Underwriters	21
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>106</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.


# Alaska

Population: **739,795** (2017 est.)  
Households: **250,235** (2016 est.)  
Governor: **Bill Walker**

Department Of Insurance Director: **Lori Wing-Heier**  
Emergency Management Executive Director: **Mike Sutton**  
House Insurance Committee Chair: **Kurt Olson**  
Senate Insurance Committee Chair: **Mia Costello**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>55</b>
Composition: Property & Casualty (including captives and pools)	45
Life & Health	1
Title Underwriters	9
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>55</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Insured Disaster Losses Hit Record \$144 billion in 2017: Swiss Re

The insurance and reinsurance industry was on the hook for a record \$144 billion of disaster losses in 2017, which was largely driven by natural catastrophe events and the three major U.S. hurricanes, Harvey, Irma and Maria (HIM), which alone drove \$92 billion of industry losses, according to Swiss Re.

Global insurance and reinsurance player Swiss Re's sigma research team recorded 301 catastrophe loss events in 2017, down slightly from 329 in 2016, with over 11,000 people around the globe either losing their lives or being reported missing as a result.

Economic losses from disasters and natural catastrophes in 2017 reached the second highest level of record, at \$337 billion, while the insurance and

and reinsurance market losses during 2017, up 190% on the prior year and way above the \$50 billion ten-year average figure.

The figures make the disaster and catastrophe risk protection gap particularly stark this year, with a \$193 billion gap between economic and insured losses, which drives home the significant issue that the world is not well-enough protected against major disaster and catastrophe risks.

Hurricanes Harvey, Irma and Maria, which created their largest losses across the Caribbean and United States, alone totaled \$217 billion in economic damages.

But with only \$92 billion of the hurricane losses covered by insurance and reinsurance, the protection gap of \$125

**After 12 years of no major hurricane making U.S. landfall, 2017 is likely to go down as one of the most expensive North Atlantic hurricane seasons in history, in terms of both economic and insured losses.**

reinsurance industry took a significant share at \$144 billion, the highest annual industry loss ever recorded, according to the Swiss Re Institute.

Both economic losses and insured losses came in well above the last ten-years average, which sat at \$190 billion for economic and \$58 billion for insured.

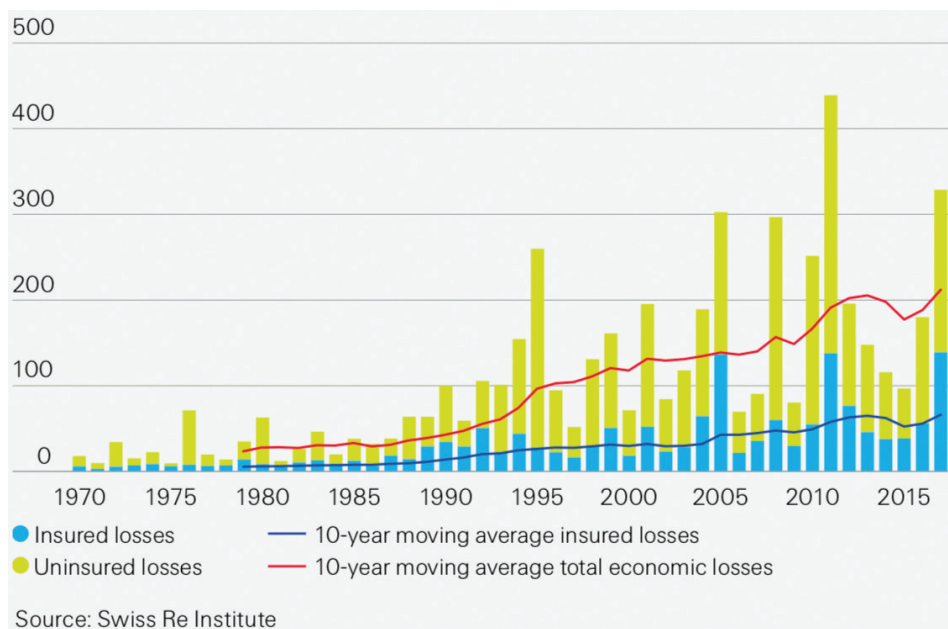
However, man-made disaster losses in 2017 were a little below average, as the insurance and reinsurance industry loss from these totaled \$6 billion, which is a billion below the ten-year average.

So that means natural catastrophes and severe weather events generated a stunning \$138 billion of insurance

billion is again evidence of the job that needs doing to provide risk transfer more broadly to protect against such big economic hits.

The insured losses from the hurricanes amounted to 0.5% of U.S. GDP and the storms broke down as, Harvey \$30 billion, Irma \$30 billion and Maria \$32 billion of insurance market losses.

"After 12 years of no major hurricane making U.S. landfall, 2017 is likely to go down as one of the most expensive North Atlantic hurricane seasons in history, in terms of both economic and insured losses," commented Martin Bertogg, Head of Catastrophe Perils at Swiss Re.



Insured vs uninsured losses, 1970 – 2017, in USD billion at 2017 prices  
From Swiss Re's sigma report

Swiss Re notes that the North Atlantic may still be in an active phase of hurricane activity, which means there could be a higher probability of hurricane formation and major hurricanes making landfall.

“A key take away from HIM is that insurers need to consider multiple hurricanes occurring in a given year, as much as the severity of individual events, in their modelling of hurricane risk. This is important from a risk management perspective as it will help insurers — and ultimately society — be better prepared for similar magnitude events in the future,” Bertogg said.

Interestingly, despite the three major hurricane impacts, Swiss Re still puts 2005 as a more impactful year for insurers and reinsurers, with losses from that season when Katrina, Wilma and Rita struck estimated to be worth over \$110 billion at 2017 values.

Wildfires were the other peril that drove a significant chunk of the insurance and reinsurance industry disaster losses in 2017, with a record level of losses suffered from this peril.

Combined insured losses from all wildfires worldwide reached \$14 billion, the highest ever in a single year. The Californian wildfire outbreaks in October and December 2017 led to record losses of \$13 billion.

Of the California wildfire events, the Tubbs fire that struck Sonoma and Napa counties caused \$7.7 billion of insured

losses, which makes it the most expensive wildfire ever in terms of insured losses, Swiss Re said.

Once again, in 2017 flooding caused significant impacts to lives and livelihoods around the world, but minimal insured losses due to the size of the protection gap.

In China heavy rainfall resulted in major Yangtze River flooding across 11 provinces, inundating more than 400,000 homes. Economic losses were estimated to be \$6 billion, so becoming the costliest disaster event in 2017 in Asia, but given the very low insurance penetration the impact to re/insurers was small.

The data reflects the enormous job and opportunity for the insurance and reinsurance industry, to cover more of the economic losses and leave less uninsured.

But the protection gap seems to be widening, as evidenced by the chart further up this article, which reflects the rapid increase in exposure levels and the fact that right now re/insurers have much more to do to work on narrowing the gap.

For comparison, Aon Benfield estimated insurance industry losses from 2017 catastrophes and severe weather events at \$134 billion, while Munich Re estimated them at a record \$135 billion.

*Reprinted with permission from [www.artemis.bm](http://www.artemis.bm)  
April 10, 2018*

# Arizona

Population: **7,016,270** (2017 est.)  
Households: **2,448,919** (2016 est.)  
Governor: **Doug Ducey**

Department Of Insurance Interim Director: **Keith Schraad**  
Emergency Management Director: **Wendy Smith-Reeve**  
House Insurance Committee Chair: **David Livingston**  
Senate Insurance Committee Chair: **David C. Farnsworth**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
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<b>Mudslides</b>												
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<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>			<b>96</b>
Composition:	Property & Casualty (including captives and pools)		<b>71</b>
	Life & Health		<b>2</b>
	Title Underwriters		<b>23</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>			<b>96</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.


# Arkansas

Population: **3,004,279** (2017 est.)  
Households: **1,141,480** (2016 est.)  
Governor: **Asa Hutchinson**

Department Of Insurance Commissioner: **Allen Kerr**  
Emergency Management Executive Director: **A. J. Gary**  
House Insurance Committee Chair: **Charlie Collins**  
Senate Insurance Committee Chair: **Jason Rapert**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
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<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>89</b>
Composition: Property & Casualty (including captives and pools)	<b>65</b>
Life & Health	<b>3</b>
Title Underwriters	<b>21</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>89</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Evolving Under Fire

## An Ever-Expanding Disaster Risk is Transforming the California Fire Service

By Lou Paulson

In the pre-dawn hours on October 9th, a strike team of five Berkeley Fire Department units rolled into Santa Rosa — 50 miles north of their home base. They'd been summoned through California's mutual aid response system to what they thought was a large wildland fire. As they

For the California fire service, cataclysmic events are starting to seem like just another day at the office. Over a stretch of seven months from July 2017 to January 2018, a cascade of catastrophes have tested the capabilities, training, stamina and courage of the state's first responders:

**Punishing drought and tree mortality — both linked to climate change — and relentless development in what were once wildland areas have turned California into a statewide disaster area.**

arrived in their assigned staging area — a Kmart parking lot in northwest Santa Rosa — they knew it was much bigger: The Kmart was completely up in flames. "Are you serious?" wondered one incredulous Engine 6 firefighter.

Just across U.S. 101 — the coastal artery that splits Santa Rosa — Rebecca Menzel wasn't stopping to wonder. She was too busy hustling her daughter and an elderly neighbor into a car, frantically escaping their home in a suburban neighborhood. Her husband Dimitri Menzel, a Novato firefighter, was on the road, rushing back from Southern California. He had suggested that she might be safer staying put, but Rebecca had eyes on the fire and got out. "I was never happier that my wife didn't listen to me," Dimitri later joked.

The firestorm that unfolded in the blistering week that followed came to be known as the North Bay Fires. It was, by many accounts, one for the ages: 43 deaths (most ever in a single fire incident in California history), more than 8,000 structures lost, total losses estimated in the billions. More than three dozen firefighters lost their own homes in the event — many of them while they were themselves on the fire lines.

**July:** A series of windblown wildland fires charred an area the size of New York City, sending tens of thousands fleeing from their homes. At the height of the fires, upwards of 10,000 firefighters were mobilized, with nearly three-quarters coming from hundreds of local agency departments.

**September:** September began with the largest fire in the history of the city of Los Angeles — the 7,500 acre LaTuna Fire. More than 1,000 firefighters from nearly four-dozen local agencies answered the call to the blaze, which forced evacuation of sections of Burbank, Glendale and unincorporated Los Angeles County.

**October:** The North Bay Fires — 250 separate fires, burning nearly a quarter million acres across six Northern California counties. A "perfect storm of wind, weather, fuel and terrain." More than 10,000 firefighters deployed from hundreds of agencies. Estimated total cost: \$10 billion. The deadliest of the fires — the Tubbs Fire — not only killed 24 people, but destroyed 11 percent of the total housing stock in the city of Santa Rosa.

**December:** An unseasonably late and intense desert wind event through the state's Central Coast sparks the Thomas

An earlier version of this story appeared in The California Professional Firefighter newsletter.

Fire, the largest wildfire in California history. Nearly 300,000 acres burned through Ventura and Santa Barbara counties. More than 8,500 firefighters were deployed to battle the blaze. One of them — state firefighter Cory Iverson — lost his life.

**January:** Intense, drenching rains (at one point as much as half an inch in 5 minutes) pounded the fire scarred hills in Santa Barbara county, triggering catastrophic mudslides that poured into the hillside community of Montecito. Seventy-five foot high walls of mud swept through neighborhoods as residents scrambled to get out. Twenty-one people lost their lives. Hundreds more were rescued by firefighter strike teams.

These and other incidents are only the latest signposts pointing to a rapidly building sea change in the extent of the burden borne by the California fire service and the men and women at its heart. Our profession is being transformed before our eyes, and we are in a new era with new duties, new threats and a greater responsibility to those we serve.

The Santa Rosa event was a stark reminder that catastrophic fire is every Californian's problem, not just those in the wildlands. Three out of four incorporated cities in California have at least some territory in the wildland-urban interface (WUI) listed as "High" or "Very High" wildfire risk. In Santa Rosa, 15 percent of land within the city limits faced high or very high risk. In San Diego alone, that number is 43 percent.

Punishing drought and tree mortality — both linked to climate change — and relentless development in what

were once wildland areas have turned California into a statewide disaster area. The concept of a "fire season" is a quaint anachronism — major fires are now year-round.

Even as the fire risk expands, fewer fire resources are available to meet the threat. According to California's Office of Emergency Services (Cal-OES), fewer than half of the local and state mutual aid engines requested in the early hours of the North Bay Fires were deployed. Ten years ago, Cal-OES had upwards of 1,150 local mutual aid engines available for response. This year, about half that many are available.

"It's a challenge now every day to move the resources where they need to be and getting them to people in the time that people need them," said Kim Zagaris, Cal-OES fire and rescue chief.

While local resources ebb, the reliance on local agencies to support the mutual aid system is increasing. With CAL FIRE — the state's wildland firefighting department — having its resources similarly stretched, local agencies wind up shouldering a larger and larger percentage of response in the wildland-urban interface. At the height of the Thomas Fire, three out of every four firefighters on the lines were from local agencies, either staffing their own department's rig or as part of an OES strike team.

"Whether it's fire or flood or whatever natural disaster happens, you've got to have local agencies willing to give up resources," said Zagaris. "But with departments still downsized because of the recession, the resources aren't there to deploy or backfill those deployments to protect local citizens."



Mud and rock destroys neighborhoods near Olive Mill Lane in Montecito, California.

Photo: Carroll Wills

The issues raised by this transformation of the California fire service go to the health and well-being of every Californian and their first responders. Our organization — California Professional Firefighters — represents 30,000 front line firefighters. Together with fire management and state policy makers, we are doing our part to force attention to these issues:

**Resources:** California's re-authorization of its landmark cap-and-trade climate law has allowed the state to begin investing in its mutual aid fire response. The state's disaster response network is a national model, but the scope of the threat, and the lack of local resources have simply overwhelmed it. "The evidence has shown that pre-positioning local resources ahead of fires and disasters can save lives and property," said Mark Hartwig, president of the California Fire Chiefs Association.

**Fires that once were allowed to burn out must now be aggressively fought to save homes.**

**Land-Use Policy:** California's policy of aggressive fire suppression is largely driven by the ever-widening footprint of development into the wildland-urban interface. Fires that once were allowed to burn out must now be aggressively fought to save homes. Local zoning policies and developments — and fire agency budgets — must be adjusted to meet the changed circumstances.

**Prevention:** That same cap-and-trade law has set aside hundreds of millions for prevention, including the removal of tens of millions of dead trees that are turning hillsides and mountains into kindling. More importantly,



Fire destroyed a Santa Rosa, California fire station.

it is essential that homeowners in these newly developed areas take responsibility for their own protection. Take a trip through fire-ravaged areas in California and you can see for yourself which homeowners made their property fire-ready, and which ones didn't.

**Firefighter Health and Wellness:** The loss of firefighter Cory Iverson in the Thomas Fire was another sad reminder of the risks our firefighters face. Beyond the physical injuries are the emotional ones. Firefighter behavioral health expert Frank Lieto says agencies and local unions will be dealing with the effects of the North Bay fires "until the last person on that incident retires."

As firefighters, it's our job to answer the call when disaster strikes, and our members will always answer that call. But the men and women of our profession carry more responsibility and more risk than at any time in our memory. Now, more than ever, the safety of every Californian depends on a well-equipped, well-trained committed fire service.



Lou Paulson is President of California Professional Firefighters, a post he has held since 2004. Mr. Paulson spent 30 years as a frontline firefighter in Contra Costa County, California, retiring as a fire captain in 2011. He co-chaired California's Blue Ribbon Fire Commission and co-chairs the state's firefighter apprenticeship program.

California Professional Firefighters is the state's largest firefighter organization representing 30,000 front line firefighters and paramedics in 180 affiliated local unions. CPF is the state council for the International Association of Fire Fighters, and is co-sponsor of the California Firefighter Joint Apprenticeship Committee.








# California

Population: **39,536,653** (2017 est.)  
Households: **12,807,387** (2016 est.)  
Governor: **Edmund G. Brown**

Department Of Insurance Commissioner: **Dave Jones**  
Emergency Management Executive Director: **Mark Ghilarducci**  
Assembly Insurance Committee Chair: **Tom Daly**  
Senate Insurance Committee Chair: **Steven M. Glazer**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>82</b>
Composition: Property & Casualty (including captives and pools)	<b>65</b>
Life & Health	<b>1</b>
Title Underwriters	<b>16</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>82</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Colorado

Population: **5,607,154** (2017 est.)  
Households: **2,051,616** (2016 est.)  
Governor: **John Hickenlooper**

Department Of Insurance Interim Commissioner: **Michael Conway**  
Emergency Management Executive Director: **Kevin R. Klein**  
House Insurance Committee Chair: **Tracey Kraft-Tharp**  
Senate Insurance Committee Chair: **Jack Tate**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>86</b>
Composition: Property & Casualty (including captives and pools)	<b>64</b>
Life & Health	<b>2</b>
Title Underwriters	<b>20</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>86</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Connecticut

Population: **3,588,184** (2017 est.)  
Households: **1,354,713** (2016 est.)  
Governor: **Dannel Malloy**

Department Of Insurance Commissioner: **Katharine L. Wade**  
Emergency Management Executive Director: **William J. Hackett**  
House Insurance Committee Chair: **Sean Scanlon**  
Senate Insurance Committee Chair: **Timothy D. Larson and Kevin C. Kelly**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>			<b>70</b>
Composition:	Property & Casualty (including captives and pools)		<b>51</b>
	Life & Health		<b>2</b>
	Title Underwriters		<b>17</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>			<b>70</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Florida Catastrophic Storm Risk Management Center

In a state considered the world's peak risk zone for wind catastrophes, with personal residential exposure to major storms estimated at more than \$2.1 trillion and potential for hurricane losses in large population areas exceeding \$200 billion, a strong case can be made for the creation of an academic research center. This was the basis for the Florida Legislature creating the Florida Catastrophic Storm Risk Management Center. The Center is housed within the Department of Risk Management/

Insurance, Real Estate and Legal Studies in the College of Business at Florida State University.

“Dr. Nicholson’s years of industry experience in insurance rating and regulation, including his time at the CAT Fund, make him uniquely qualified to carry out the goals of the center, and we’re excited he has joined our faculty,” said Cassandra Cole, chair of the Department of Risk Management/Insurance, Real Estate and Legal Studies.

**... the Storm Center promotes and disseminates research on issues related to catastrophic storm loss, and its activities focus on supporting Florida’s ability to prepare for, respond to and recover from such storms.**

Insurance, Real Estate, and Legal Studies in the College of Business at Florida State University.

“It makes sense for Florida to have a premier research center at Florida State University in the state’s capital city, which is the focal point of legislation and administrative actions that have a bearing on the state,” said Jack Nicholson, who joined the College of Business in August 2017 as the director of the Florida Catastrophic Storm Risk Management Center, the Storm Center.

Created by the Florida Legislature in 2007, the Storm Center promotes and disseminates research on issues related to catastrophic storm loss, and its activities focus on supporting Florida’s ability to prepare for, respond to and recover from such storms.

Nicholson, who retired in 2016 after 21 years as Chief Operating Officer at the Florida Hurricane Catastrophe Fund (CAT Fund), was a strong proponent of the Storm Center’s establishment and served on the center’s advisory council for more than a decade. He has co-authored papers and reports with past center directors and participated in

Nicholson, who earned his Ph.D. in risk management and insurance from the University of Georgia and his Master of Business Administration (MBA) from the University of North Dakota, said he will develop a strategic plan, refine the vision for the Storm Center and prioritize five specific activities. These include promoting the center as a focal point and repository of storm-related information and resources; researching and promoting catastrophic storm-related topics and issues; disseminating and communicating information and research findings; involvement in educational conferences, workshops, teaching opportunities and social media; and increasing fundraising activities to ensure the long-term survival of the center and the accomplishment of its mission.

The Storm Center has had generous support from the efforts of the college’s Dr. William T. Hold/The National Alliance Program in Risk Management and Insurance as well as net proceeds generated by the annual Insurance Conference on Financial Reporting, which is co-hosted by the accounting firm of Thomas Howell Ferguson P.A. and sponsored by six insurance industry firms and organizations.



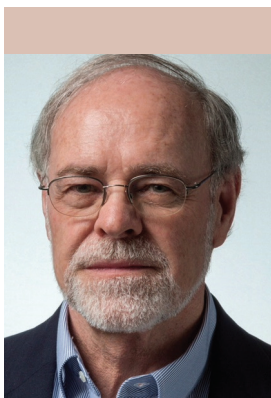
Mia2you/shutterstock.com

Although Nicholson expects his leadership, managerial, administrative and research skills to have an impact on the Storm Center, he says his approach will be to build upon the work of its past directors Dr. Lorilee Medders and Pat Maroney. He also anticipates relying on the center's advisory council for input and advice and for focusing the Storm Center on meaningful, relevant and timely topics.

Nicholson says he looks forward to speaking to risk management and insurance classes about the Storm Center on a wide range of topics, such as catastrophic storm modeling, the insurance and reinsurance markets, and legislative and regulatory issues. In the past, he has spoken regularly to FSU risk management classes and to FSU's Law School classes.

Nicholson says he will continue the Storm Center's involvement with three key insurance industry meetings: the Insurance Conference on Financial Reporting, the Florida Chamber of Commerce Insurance Summit; and the Florida Hurricane Catastrophe Fund Participating Insurer Workshop. Additionally, Nicholson has plans for an Insurance Discussion Forum to be scheduled in Tallahassee.

*The Florida Catastrophic Storm Risk Management Center was created by the Florida Legislature in 2007. Housed within the Department of Risk Management/Insurance, Real Estate & Legal Studies in the FSU College of Business, the Center supports the state's ability to prepare for, respond to, and recover from catastrophic storms.*



Dr. Jack Nicholson is the Director of the Florida Catastrophic Storm Risk Management Center. He has the position of Research Faculty I in the Department of Risk Management/Insurance, Real Estate and Legal Studies at Florida State University. Prior to this, Dr. Nicholson has been a consultant

and lobbyist in Tallahassee, Florida specializing in insurance, reinsurance, risk management, and government insurance and regulatory issues. He is the principal of Catastrophe Risk Consulting, LLC which he created in February 2017 and continues to be engaged in consulting activities.

*This article has been modified, but was initially published by the Florida State University College of Business in its "Inside FSUBiz" in September, 2017, and was written by Barbara Ash.*

# Delaware

Population: **961,939** (2017 est.)  
Households: **348,051** (2016 est.)  
Governor: **John Carney**

Department Of Insurance Commissioner: **Trinidad Navarro**  
Emergency Management Executive Director: **A. J. Schall**  
House Insurance Committee Chair: **Bryon H. Short**  
Senate Insurance Committee Chair: **Brian J. Bushweller**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>			<b>89</b>
Composition:	Property & Casualty (including captives and pools)		<b>68</b>
	Life & Health		<b>2</b>
	Title Underwriters		<b>19</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>			<b>89</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# District Of Columbia

Population: **693,972** (2017 est.)  
Households: **276,546** (2016 est.)  
Mayor: **Muriel Bowser**

Department Of Insurance Commissioner: **Stephen C. Taylor**  
Emergency Management Executive Director: **Chris Rodriguez**  
Insurance Committee Chair: **Kenyan R. McDuffie**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>			<b>83</b>
Composition:	Property & Casualty (including captives and pools)		<b>62</b>
	Life & Health		<b>1</b>
	Title Underwriters		<b>20</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>			<b>83</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.



Caregivers at Signature HealthCARE of Port Charlotte worked together to ensure residents were safely cared for throughout the duration of the storm.

## Stories of Strength Before, During, and After Hurricane Irma

By Kristen Knapp

On September 5, Hurricane Irma posed a major threat to the entire state of Florida, being labeled an “extremely dangerous” Category 5 storm with maximum winds of 185 mph. Even more worrisome was the shifting track of the storm’s point of impact. What began as a threat to Florida’s east coast soon shifted to an expected west coast landfall, making emergency planning for everyone, including skilled nursing centers which care for Florida’s most vulnerable elders, extremely difficult. In the days leading up to the storm, Florida Health Care Association and its members, representing over 550 of Florida’s 683 facilities, began implementing their emergency plans. Preparing their staff and residents, stocking added supplies and making the important decisions to evacuate or shelter in place were all part of the process. By the time Hurricane Irma made landfall and throughout the deadly storm, thousands of dedicated long term caregivers were working around the clock to ensure residents remained well cared for and safe.

Knowing they were directly in the path of Hurricane Irma, the staff and residents of Covenant Village

Care Center in Plantation, Florida, came together to ensure the safety of all. Their staff immediately went into preparation mode, ensuring food, water and fuel for generators was available. Command centers were set up between the Florida campus, which offers both skilled nursing and assisted living to area seniors, and the center’s central office in Chicago. Communication was provided frequently to residents, staff and families so they would know what efforts were being made and where to call with questions.

Wanting to help, residents started a prayer chain, helped unload supplies and ensured doors were secure. Staff and residents passed box lunches to the people living and staying at the center. They also made frequent wellness checks, going door to door to ensure people were safe and calm during the peak of impact.

“Many of the center’s frontline staff worked tirelessly during the storm, keeping a smile on their face and showing compassion to ensure residents felt secure,” said Lisa Kalla, Regional Director of Operations for Covenant Retirement Communities. “They put others

before themselves, knowing their homes, families and possessions were being impacted by the storm as well.”

Consulate Health Care, which represents 82 of Florida’s 683 nursing centers, put its patients at the center of every decision. In the days leading up to Irma, care centers were putting their emergency preparedness plans into place. This included staging transportation vehicles around the state, stockpiling supplies and stabilizing other necessary resources days in advance of the storm. As the path of Irma began to shift and new evacuations were ordered, Consulate team members loaded mattresses, linens and other supplies into large trucks to drive them to local centers ahead of the residents and staff. Others helped board up windows and harden centers as the storm continued moving closer to Florida.

and as human beings, but the way our family came together in the face of adversity [throughout the storm] puts it all in perspective,” said Chris Bryson, CEO of Consulate Health Care. “Our staff, caregivers and regional leaders did everything possible to keep our residents safe and as comfortable as possible. To simply say ‘thank you’ is not enough.”

At Signature HealthCARE of Port Charlotte, positivity helped the residents and staff continue throughout the storm. Karla, who accompanied evacuated residents and staff to a sister facility, delivered calm leadership and rolled up her sleeves to care for residents day and night. Once the decision to evacuate was made at Gulfport Rehabilitation Center in South Pasadena, many team members put off preparing their own

**Our staff, caregivers and regional leaders did everything possible to keep our residents safe and as comfortable as possible. To simply say ‘thank you’ is not enough.**

The team at Consulate Health Care of Port Charlotte worked together to transport 115 residents to two different centers. A few weeks after the hurricane, one resident presented the staff with a Humanitarian Service Award for their hard work and dedication during the storm. At Consulate Health Care of Orange Park, residents were taken in from a sister center, Grand Oaks Health and Rehab, and both teams worked together to ensure the evacuating residents were situated and comfortable. Kind words were heard throughout the center as the staff worked to calm fears and anxiety. “Even through the crisis, new friends and happy memories were made thanks to positive leadership, kindness and teamwork,” said one team member.

While some centers evacuated, others sheltered in place, such as Fletcher Health and Rehabilitation Center in Tampa. Employees brought family members and pets to stay with them onsite so they could continue caring for the residents. The center set up daycare arrangements onsite, even playing games to help everyone stay calm through the experience.

“The compassion and dedication that I witnessed [during and after the storm] reminds me of why I do what I do. It is easy to lose sight of what really matters sometimes as we navigate the daily challenges we face as an industry

homes so they could mobilize for the residents. Staff remained steadily in place with residents, who were evacuated for up to six days. These selfless caregivers put their residents above their own homes to ensure they were properly cared for until they were safely returned to the facility.

After spending five days hardening its center to shelter-in-place, West Bay Center in Oldsmar was told they needed to evacuate to a higher flood zone. As a 120-bed center, this evacuation would require residents and staff to be divided between two centers. After transporting residents with the help of the Pinellas School District and loading provisions and mattresses with support from the center’s lawn crew, residents and staff were finally settled in their new location until the threat of the storm passed. The mattresses lined the hallway, crowded the activity room and bulged from the bedrooms. Many residents were anxious about the new surrounding or perpetually confused about what was happening.

While Irma continued to build strength so did West Bay’s team. “We became the whole that is greater than the parts,” said administrator Maya Perez. Perez continued, “I saw team members soothe residents with the calm of their voice. I saw my mom, who is from



The compassion and kindness from the staff of West Bay of Oldsmar helped ease residents' anxiety during the storm.

New York, singing Broadway tunes to distract another resident. There was an enveloping feeling of care and goodness that prevailed throughout the weekend.”

These stories represent just a fraction of the compassion and care that was delivered by Florida’s nursing centers. “Florida’s nursing home sector is populated by hundreds of excellent centers staffed by thousands of dedicated, caring professionals,” said Emmett Reed, executive director of Florida Health Care Association (FHCA). “These centers are dedicated to doing everything possible to help provide a high quality of life for our residents, particularly during the most challenging times.”

Throughout the duration of Hurricane Irma, FHCA members performed over 60 successful evacuations, while more than 500 other centers successfully sheltered their residents in place. Upwards of 400 nursing centers lost power during the storm and safely cared for over 68,000 residents.

“We heard countless stories like these — the nurses, staff members, volunteers, and families who pulled

together during Hurricane Irma — putting the needs of residents above their own. The men and women of the long term care profession do heroic work every day, providing the best possible quality of life for many of our state’s most fragile individuals,” said Reed.



Kristen Knapp, APR, is Director of Communications for Florida Health Care Association. She can be reached at [kknapp@fhca.org](mailto:kknapp@fhca.org).

Florida Health Care Association (FHCA) has a strong history of leadership and advocacy that dates back to 1954. FHCA is a federation representing over 80 percent of the state’s 683 nursing centers with membership that includes more than 1,000 individuals and nearly 600 centers that provide skilled nursing, post-acute and sub-acute care, short-term rehabilitation, assisted living and other services to the frail elderly and individuals with disabilities in Florida. FHCA also has more than 400 associate members/companies that provide valuable products and services to long term care providers.

# Florida

Population: **20,984,400** (2017 est.)  
Households: **7,393,262** (2016 est.)  
Governor: **Rick Scott**



Department Of Insurance Commissioner: **David Altmaier**  
Emergency Management Executive Director: **Wesley Maul**  
House Insurance Committee Chair: **Danny Burgess Jr.**  
Senate Insurance Committee Chair: **Anitere Flores**

## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fire												
Flooding												
Hurricane												
Landslides												
Mudslides												
Severe Storm												
Severe Winter Storm												
Snowstorm												
Straight-line Winds												
Tornadoes												
Tropical Storm												
Wildfires												

Demotech rated entities writing or licensed to write in the state:	146
Composition:	
Property & Casualty (including captives and pools)	123
Life & Health	1
Title Underwriters	22
Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:	146

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.





# Georgia

Population: **10,429,379** (2017 est.)  
Households: **3,611,706** (2016 est.)  
Governor: **Nathan Deal**

Department Of Insurance Commissioner: **Ralph T. Hudgens**  
Emergency Management Executive Director: **Homer Bryson**  
House Insurance Committee Chair: **Richard H. Smith**  
Senate Insurance Committee Chair: **Burt Jones**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Wildfires</b>												

**Demotech rated entities writing or licensed to write in the state: 112**

Composition:	Property & Casualty (including captives and pools)	<b>89</b>
	Life & Health	<b>2</b>
	Title Underwriters	<b>21</b>

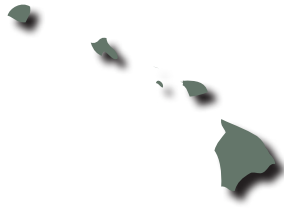
**Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017: 112**

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Hawaii

Population: **1,427,538** (2017 est.)  
Households: **452,030** (2016 est.)  
Governor: **David Ige**

Department Of Insurance Commissioner: **Gordon I. Ito**  
Emergency Management Executive Director:  
**Major General Arthur J. Logan**  
House Insurance Committee Chair: **Roy M. Takumi**  
Senate Insurance Committee Chair: **Rosalyn H. Baker**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>64</b>
Composition: Property & Casualty (including captives and pools)	<b>50</b>
Life & Health	<b>1</b>
Title Underwriters	<b>13</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>64</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Meeting Irma Head On

## How the Florida Keys Met the Challenge of Hurricane Irma

By Barbara Albert

With 33 years' experience in Emergency Response, Martin Senterfitt became the Monroe County Emergency Management Director in the Florida Keys only 16 months before Hurricane Irma made landfall in Florida. All his years of experience and training were called into play as he oversaw the emergency responses to the devastation caused by 130 mph winds that destroyed more than 1100 homes, doing \$500 million in damage.

"As the storm approach the Keys, we were watching it and I remember doing an interview with a local television station, describing it as a worst case scenario to face

must be managed carefully. After the storm, the same highway has to be opened as soon as possible to allow aid and resources to get in to the county. Senterfitt said that one complication to storm response is the fact that not everyone in the area affected evacuates.

"In this storm, we estimated that more than 80 percent of the residents evacuated the area," Senterfitt said. "That left nearly 20 percent, or about 16,000 people, behind in the county, which then exacerbates the problem. Not only do you have to recover from the damage of the storm, but you have to meet the needs of those 16,000 who are still in the county.

**The greatest challenge for us is, of course, that we're islands. When you're facing a six to ten foot storm surge, you have to evacuate everyone out of the county.**

us because of the size, the magnitude, and the path," Senterfitt said. "It ended up being quite devastating to us, even though before it hit us, it dropped slightly lower and rubbed against Cuba, cutting the force of the storm almost in half. If it would have gone up 20 mph, there would have been much more damage and destruction. The challenge was that after it hit us, it looked like it would go up into the state of Florida, which would prevent any traditional Florida mutual aid from coming to assist us.

"The greatest challenge for us is, of course, that we're islands. When you're facing a six to ten foot storm surge, you have to evacuate everyone out of the county. We knew we were going to have to think outside the box. Since we knew that the roads would be impassible, we worked with the state to make sure we could get aid in by aircraft from other areas."

U.S. Route 1 runs through Monroe County, is the one means of access in and out of the Keys, so evacuation

"I had the opportunity to speak to some of those who stayed behind. One gentleman described it — he said when you're in a house the hurricane passes over, the house is literally moving beneath you. He described it as 36 hours of absolute terror, thinking you're going to die in the next minute or two, but going on for hours. Every disaster story starts with 'I never thought it would happen to me!' People just can't fathom that this may be the storm that hits them, but once they've been through it, they never say it was a good idea to stay."

Senterfitt said that the aftermath is tough. Water destroyed many homes and did significant damage to others. Because it is the Florida Keys, any water that has encroached on the interior of a home turns into mold and mildew in a few days, which increases the damage. Gas stations become inoperable, there's no power, water or sewer services, and no trucks getting in from the mainland, which is up to 120 miles away. "It all creates the perfect conditions for human suffering,"

said Senterfitt. “What we’re trying to do in Emergency Management is limit the time frame of that suffering as much as possible, trying to get the infrastructure back up and running so we can provide for the needs of the people. The water had washed over U.S. 1 and the road was blocked in multiple places from debris, sand, and washout, but the first thing we had to do was get the airports back open so the military could get supplies in to us.

“The next part was the push into the neighborhoods, and I say push because debris blocks the roads so you’re literally pushing into those areas to start doing search and rescue for people who stayed behind and might be in trouble.”

Restoring the infrastructure poses a monumental challenge, met by daily utilizing a system called the National Incident Management System to set objectives most critical each day in a methodical and thoughtful process. From this incident command system, when needs were recognized, mutual aid was called in from all over

**Most of us were working 16 to 18 hours a day. In the darkest hours of the night, we’d find a place to sleep a few hours and do it all over again the next day.**

the country, helping staff the center and work on restoring water, sewer, electric, hospitals or any other critical need.

“We were in an environment with no grocery stores, fuel trucks, or hospitals, so everyone who comes in to the county adds additional strain to the few commodities we had,” Senterfitt said. “It does us no good to bring in 1000 volunteers to help if we have no way to support those volunteers with food, water, fuel, and sleeping space. We have to use ‘tactical patience’ through this — only bringing in the resources as you need them to keep from overwhelming the system. It can cause a little friction to do things that way, but it’s the only way.

“Most of us were working 16 to 18 hours a day. In the darkest hours of the night, we’d find a place to sleep a few hours and do it all over again the next day. The pace is tremendous. It becomes very exhausting and draining. For most of my staff, we were able to take a day off about ten days after the storm hit. Out of the six key people in my emergency management team, four didn’t have



M.M.art/shutterstock.com

a house to return to after the storm. Their days off were going to their severely damaged homes, trying to salvage belongings with the hope they could rebuild later. It was incredible to see them focus on other people’s problems. We had a challenge with our employees, to encourage them to acknowledge their own needs and to watch their emotional well-being and support them.”

Stronger storms have hit the Keys, including one in 1935 that killed thousands of people, but Senterfitt said that Irma was in the top two most devastating storms in the last 100 years for the Florida Keys. Even though new in his position, Senterfitt found that his earlier experience in emergency management in another Florida community helped him be ready, having to readjust to the specific needs of the Keys. The overall state of emergency management in Florida is such that assistance is quick and overwhelming in response to a disaster.

“One of the things that draws me to emergency management, is the line the best of times in the worst of times,” Senterfitt said. “During a disaster, people come together and start helping each other and focus on helping their neighbor. It gives you such great faith in humanity. When it’s time to put our differences aside and focus on real problems, it’s uplifting to know that people do care and will go out of their way to help.

“You build relationships and friendships. A hurricane pulls a community together like no other thing. I made a statement about becoming brothers and sisters of the storm. It’s like those people who went through war together in a foxhole. You’ll remember each other the rest

of your lives. You see your life from the hurricane forward, in all that you experienced at that time.”

The Florida Keys are very healthy now, considering the impact of a category 4 hurricane, said Senterfitt. He listed issues still needing attention — the likes of workforce housing, financial recovery, and strengthening the infrastructure. He said tourism is back and running strong, which will help both now and in the long run.

Many residents who were displaced from their homes are renting or living in travel trailers while their homes are being repaired. Senterfitt knows there are some residents who left the Keys, which he feels is heart-breaking when people give up their dreams. That is one problem still being assessed by the team, who is searching for creative solutions.

“And our goal is to not only rebuild the Keys, but to rebuild it in a smart and thoughtful way,” Senterfitt said. “Knowing that these islands are only three to five feet above sea level, as we put new housing stock in, we need to make sure it’s elevated and strong enough to withstand storms.

“It’s changing the building codes and working with the insurance industry and all the partners we have, to remind people why we do what we do. We are trying to build more resilient communities and mitigate the problems that come. The homes that are built to the latest building code have an extraordinary success rate coming through the storm.”

Preparation education is a large part of what Senterfitt’s organization aims for, using data to convince residents of the long-term benefits of expenditures of storm shutters, for example. He said it’s difficult to convince people that the short term cost of resistance measures will pay off in prevention, but believes that data, such as what is compiled by insurance companies, is of utmost importance.

“We often reach out to the insurance industry to help us paint the picture of how bad a hurricane can be and why we need to strengthen the building codes,” Senterfitt said.

“That’s the critical part of it. No one initially wants to see the codes increase and the cost of building increase, but when you look at the impact of not having strong building codes, that impacts the rates of insurance. People start understanding that building strong communities is good all around.

“I think our insurance partners can really be a huge help to us in identifying and educating their customers. I was surprised by the number of people who really had no good awareness of what their coverages were. I think many may have been under-covered in some areas and over-covered in others. If people understand that by reducing the risk and mitigating the dangers upfront, it can have a positive impact on lowering insurance rates. Partnerships between the public, the insurance industry, emergency management, and creators of building codes can pull all this together and help people understand it’s in everyone’s best interest to build safer communities.”

One scenario in which data would prove useful is that of the number of cars destroyed by the hurricane. Senterfitt said that many thousands of cars were destroyed. He believes if he could paint an accurate picture of the problem, then solutions might be possible to reduce that loss. Communication and true partnership with insurance companies would help all sides — using the data to encourage solutions which would reduce the claims paid, and give emergency management less to wrangle post-storm. Senterfitt stated that on a federal level, for every dollar spent in mitigation, six dollars are saved on the side of response and recovery. He believes that building a similar bridge with insurance companies could save money on all sides.

Looking to the future, Senterfitt feels ready for what comes.

“Because this is the first time as an emergency director that I’ve been in a county that’s taken a direct hit of a category 4, and because I, myself, had major damage to my house and had to work through the whole process of recovery, I feel I’m going to be a much better management director after seeing all sides and aspects.”

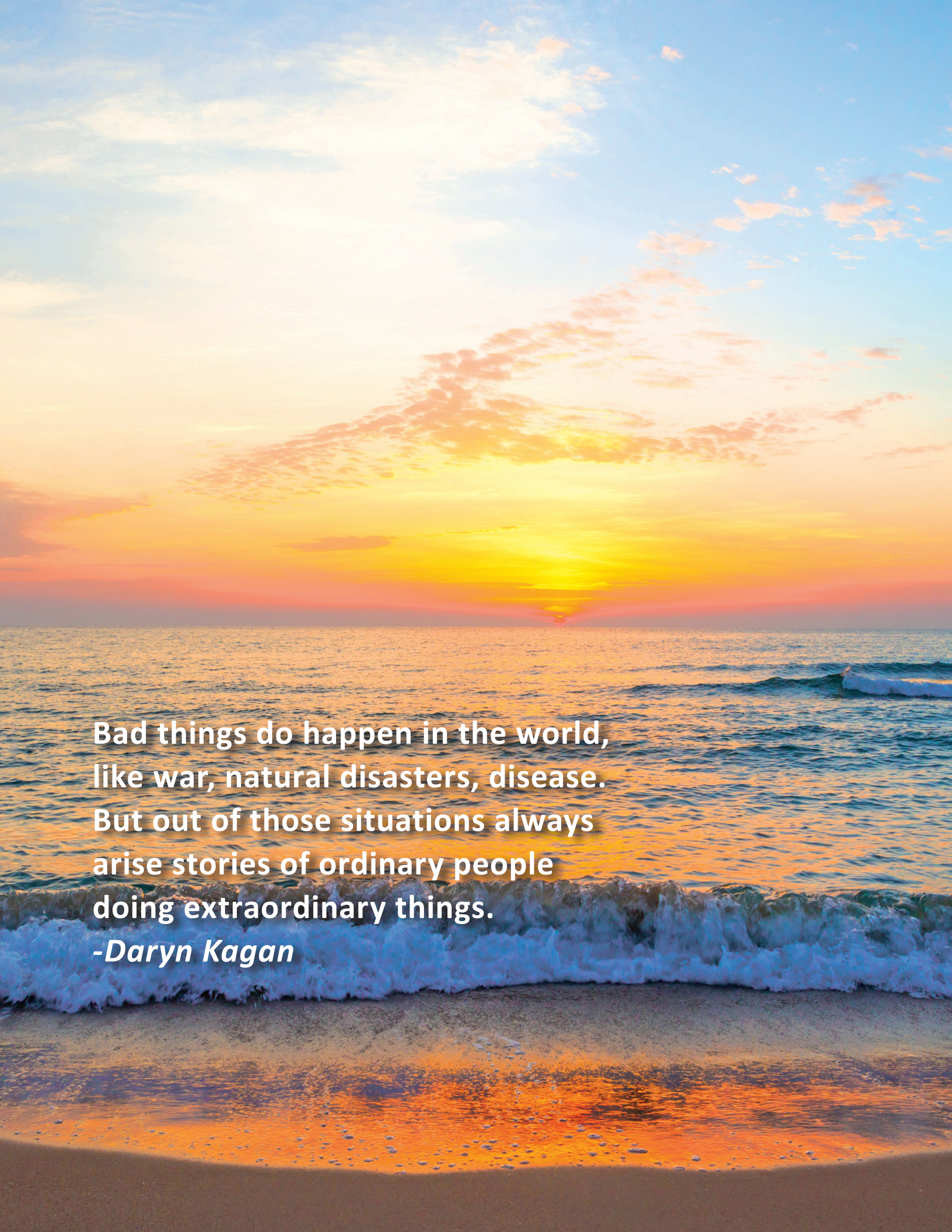


Martin Senterfitt has over thirty four years in the Fire/Rescue and Emergency Management fields, having served as the EM Director and also the Fire Chief of Jacksonville and upon retirement in 2016, moving to the Florida Keys as the Director of Emergency Management.

Since arriving in the Keys just two years ago, Marty has dealt with the Zika

Virus, a six month activation to destroy the New World Screwworm outbreak, and most recently, a direct hit from Hurricane Irma.

Martin has a Masters Degree from the University of North Florida in Public Administration.

A full-page background image of a sunset over the ocean. The sun is a bright yellow orb on the horizon, casting a long, colorful glow across the sky and water. The sky transitions from a pale blue at the top to a deep orange near the horizon. The ocean is dark blue with white-capped waves breaking in the foreground. The sand at the bottom is wet and reflects the orange light of the sunset.

Bad things do happen in the world,  
like war, natural disasters, disease.  
But out of those situations always  
arise stories of ordinary people  
doing extraordinary things.

*-Daryn Kagan*

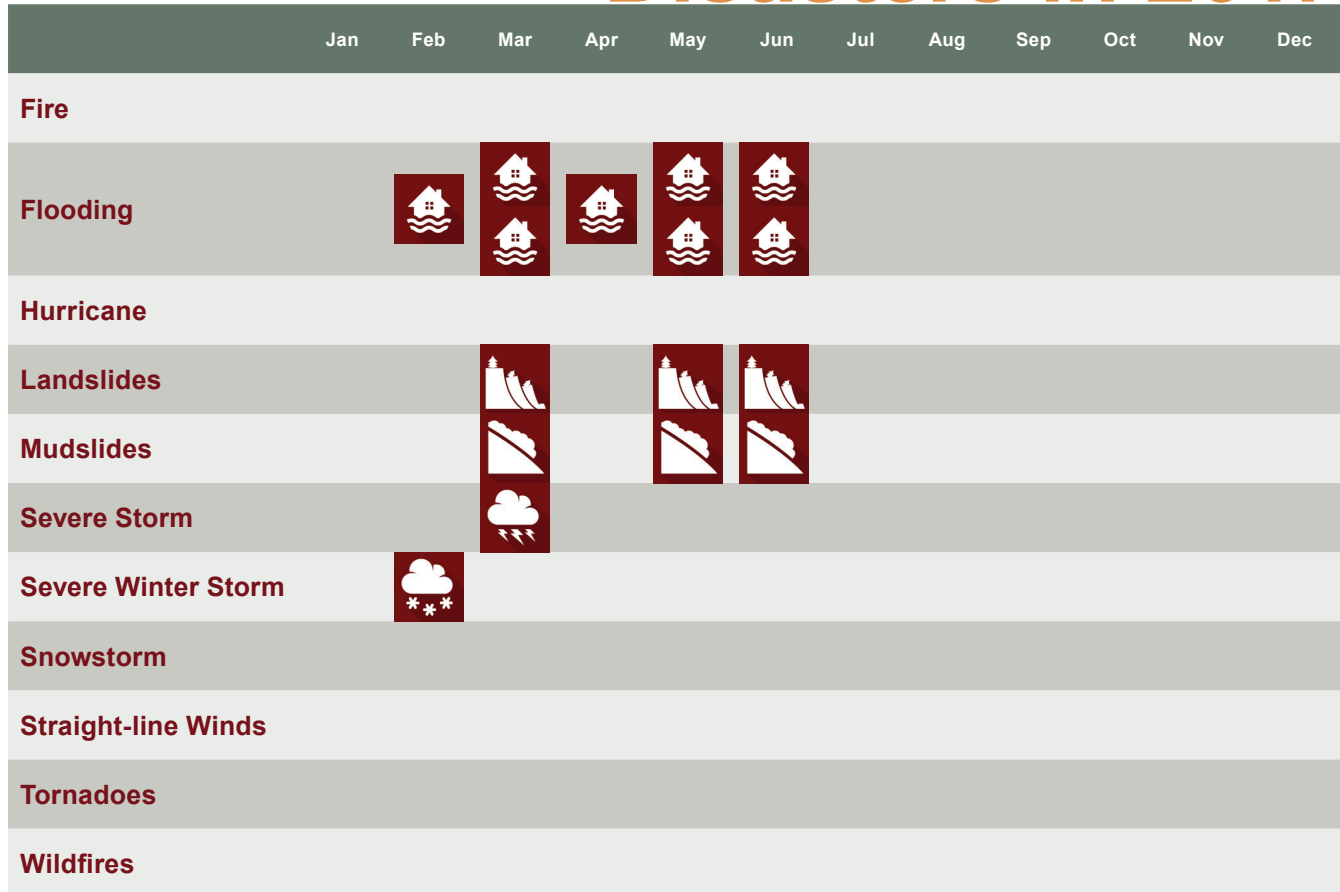
# Idaho

Population: **1,716,943** (2017 est.)  
Households: **596,107** (2016 est.)  
Governor: **C. L. "Butch" Otter**

Department Of Insurance Director: **Dean L. Cameron**  
Emergency Management Executive Director: **William B. Richy**  
House Insurance Committee Chair: **Vito Barbieri**  
Senate Insurance Committee Chair: **Jim L. Patrick**



## Disasters in 2017



Demotech rated entities writing or licensed to write in the state:

**77**

Composition:	Property & Casualty (including captives and pools)	<b>62</b>
	Life & Health	<b>1</b>
	Title Underwriters	<b>14</b>

Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017: **77**

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Illinois

Population: **12,802,023** (2017 est.)  
Households: **4,802,124** (2016 est.)  
Governor: **Bruce Rauner**

Department Of Insurance Director: **Jennifer Hammer**  
Emergency Management Acting Director: **William P. Robertson**  
House Insurance Committee Chair: **Camille Y. Lilly**  
Senate Insurance Committee Chair: **John G. Mulroe**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>			<b>116</b>
Composition:	Property & Casualty (including captives and pools)		<b>95</b>
	Life & Health		<b>2</b>
	Title Underwriters		<b>19</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>			<b>116</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Ensuring the Human Factor in the Homeowners' Insurance Industry

By W. Lockwood Burt

As Hurricane Irma approached the United States it was so large that, for the first time in history, the Governor of Florida declared a state of emergency in all 67 counties. At the same time, Governor Rick Scott ordered 6.3 million Floridians, about one third of the state's population, to evacuate the coast and seek shelter inland or in neighboring states.

In response to the Governor's orders, Security First Insurance evacuated its Ormond Beach and Holly Hill offices and sent a team of employees to Atlanta, Georgia

Floridians. Despite what was thrown at us, we kept our promises and we ensured the human factor was not lost in the response to this overwhelming need.

## Here's how we did it...

First, we have a comprehensive written plan to handle the truly incredible amount of work generated by 40,000 claims from a single event. We supplemented our team of 300 professionals by adding: 576 Field Adjustors (drawn from a pool of talent from across the country); 260 First Notice

**I witnessed our state's response to the overwhelming and immediate need after Irma and I've never been prouder of my industry, my team of employees, or my fellow Floridians.**

to establish remote operations and to ensure business continuity for our customers and agent.

The biggest uncertainty we all faced was where Hurricane Irma would make landfall and how strong the winds would be as the storm crossed our state. The computer models of the storm's anticipated track and intensity fluctuated wildly. To stay informed, close to 55,000 people downloaded our free "Storm Tracker" app, Security First Mobile within a ten-day period. Prior to landfall the app was used nearly 500,000 times.

On Saturday, September 9th, Irma struck the Keys. The storm then traveled north over the entire state leaving over 900,000 claims and \$8 billion in insured losses. 40,000 of those claims were from Florida homeowners insured by our family of employees at Security First.

I witnessed our state's response to the overwhelming and immediate need after Irma and I've never been prouder of the industry, my team of employees, and my fellow

of Loss Center staff; 215 Desk Examiners; 50 claims clerical personnel and 50 Claims Customer Care Unit employees.

The creation of a Claims Customer Care Unit was an idea that was sparked after what we experienced with our customers in the aftermath of Hurricane Matthew. After that storm we handled 13,000 claims and learned an important lesson; our customers could benefit from access to a new type of professional. Until then we had desk examiners who are very good at reviewing reports from field adjusters and closing claims as rapidly as possible; however, it became clear after Matthew that this function needed to be supplemented by true customer care professionals. To that end, we created a Claims Customer Care Unit to help guide our customers through the unfamiliar claims process. The team also provides status updates on claims once they are filed. The net effect is that we are better able to keep our valued family of customers informed, happy, and focused on returning their lives to what it was before the storm. The creation of this new claim unit fundamentally changed the dynamics of our

customer experience, and it yielded dividends in overall customer satisfaction after Irma. Proof positive that every storm presents an opportunity.

After Irma, we were able to very quickly and efficiently hire 1,200 additional people to handle the volume we were experiencing. Our ability to move quickly is fueled in large part by investments we've been making in technology for the past decade. This new team of 1,200 professionals were brought in, brought up to speed, and helping our customers in need in a very short period of time thanks to technology we have working for us behind the scenes. We've streamlined the process of claims input, processing, and pay out, whether it be to our customers directly, or to a vetted group of professional and reliable contractors in our network.

Our dedicated team of fulltime employees was also supplemented with many of the things we take for granted, but lose during the wake of a storm. The Security First office became a daycare center for employees' children (as local resources were shut down). We were able to provide hot meals to our employees when many of them were living without electricity, and we had supplies of water brought in when most of our community was on a boil water restriction.

All of this was to allow us to stay focused and manage a truly staggering volume of activity handled by our team as well as the rest of our fellow homeowners' insurance providers across the state. Keep in mind we're talking small to midsize homeowners' insurance companies. Not the national, brand name players in the industry who are ubiquitous on TV and have major stadium naming rights. No, small and in most cases family-run companies managed to handle unprecedented volume, and keep their respective customers not only on a path back to "normal" but we kept them happy, safe and sound.

#### **Record-breaking need and what our team accomplished almost immediately after Irma swept through...**

On an average non-event month our team alone receives 60,000 calls that cover claims as well as general questions. After Irma made landfall we received 161,000 calls in September alone. We set a record for total number of calls in a single day 24 hours after Irma hit. We logged 14,000 calls that day. In October, the calls and reports of damaged property declined, but we still responded to 70,000 calls. Quite a feat and yet there was more in store for us to tackle.

In an average year, our team will help 16,000 customers with claims. In the first week of Irma, we had 21,000;



**In the aftermath of the storms, conference rooms became makeshift day care facilities for our teams as they worked long hours.**

the second week generated 7,000. To date we've helped to restore nearly 40,000 families to the lives they led before the storm.

From an annual perspective, here's the dramatic difference Irma made to our business alone. In an average year, 4 percent of our customers will file a claim. Almost immediately following Irma 12 percent of our customers filed a claim. The impact truly was nearly instantaneous thanks to the convenience of mobile devices. After Irma we had double the claims submitted using Security First Mobile than we had after Matthew. In total 25 percent of our customers filed digitally after Irma. It's also interesting to note that one month after Irma 78 percent of our customers with claims were accessing our online customer portal for updates.

#### **What we learned...**

It was not easy. It certainly was not flawless; however, we learned many valuable lessons in 2017.

The one that resonates the most is that we understand that in a technology-driven consumer marketplace our customers' expectations for updates and information have been recalibrated thanks to innovators and disruptors such as Amazon and Uber. Real-time information is the new norm. We recognize the stress our customers are under when their homes are damaged and they're feeling that there's no relief in sight. As an industry it is incumbent upon us all to better manage our customers' expectations, and to provide complete transparency throughout the process. For our team, the solution once again resides in technology. Our customers are spread far and wide if they evacuate, and their reaction time for filing in the past had been predicated by their ability to return to their homes

and assess the damage. In the very near future this won't be the case.

We also learned that a significant number of our customers don't want the end of their engagement with our team to be simply cutting a check to compensate them for their damage. That essentially makes them take on the roll of a general contractor.

### What we're doing about it...

Many of our customers want our help in managing the repair process. With the use of apps and a portal working seamlessly behind the scenes, we can allow them to leverage the vetted, motivated, and easy-to-reach resources we have at our disposal. The technology we have refined is a true game changer. We'll have advances in place for this year's hurricane season that will truly change our customers' experience when filing a claim and having repairs made to their homes. From an intelligent bot managing a useful and efficient helpline, to a Customer Care Unit armed with apps on their mobile devices, our team will be able to leverage technology to perform virtual, real time reviews of damage. Our new platforms will allow customers and agents to upload video that will then be submitted along with a claim and logged into a portal which allows efficient project management from day one until the final touches that returns a family's home to what it was before the storm. All the while, everyone, from our customers, agents, claims adjustors, to approved contractors will be shaving days, hours, and headaches from the entire process.



**Company conference rooms also became dining facilities to provide much-needed services for the team. It was a small token of appreciation for the commitment and compassion they put into their overtime efforts.**

Furthermore, our new, 136,000-square-foot headquarters building slated for completion in 2019 will also be a key tactic in our crisis contingency plan. It is being built to sustain winds of up to 165 MPH. It will feature generators to supply uninterrupted power as well as ports to allow clean, potable water to be pumped in from trucks. It will also have an industrial kitchen and refrigerators that can store and prep enough food to feed up to 600 people for two weeks.

We consider ourselves a data-driven technology company that is on a mission to transform the insurance experience. As a family-run, privately held company we're able to be nimble and react and ultimately implement and leverage technology we feel can positively affect the entire insurance experience at every level. The 2018 storm season will bring many of these advances directly into the hands of our entire network of customers, agents, claims adjustors, and contractors. We're looking forward to continuing to lead the way with innovative solutions all while we continue to keep our commitments to our fellow Floridians, storm after storm, year after year.

Sponsor Article



W. Lockwood Burt was in the Florida Senate in 1992 when Hurricane Andrew made landfall. In the aftermath Floridians lost more than \$26 billion in insured property. The storm also crippled the insurance industry leaving residents of the state frustrated, and in some cases with no resources to rebuild their homes and lives. For the next ten

years, in addition to working to make Floridians safer and more secure by becoming a leader on criminal justice issues in the Florida Senate, Locke used his knowledge and experience to change the law, giving Floridians more choices for their homeowners' insurance policies. After leaving public office, Locke created Security First Insurance.

# Indiana

Population: **6,666,818** (2017 est.)  
Households: **2,513,828** (2016 est.)  
Governor: **Eric Holcomb**

Department Of Insurance Commissioner: **Stephen W. Robertson**  
Emergency Management Executive Director: **Bryan J. Langley**  
House Insurance Committee Chair: **Martin Carbaugh**  
Senate Insurance Committee Chair: **Travis Holdman**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>			<b>114</b>
Composition:	Property & Casualty (including captives and pools)		<b>85</b>
	Life & Health		<b>3</b>
	Title Underwriters		<b>26</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>			<b>114</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Iowa

Population: **3,145,711** (2017 est.)  
Households: **1,242,641** (2016 est.)  
Governor: **Kim Reynolds**

Department Of Insurance Commissioner: **Doug Ommen**  
Emergency Management Acting Director: **Joyce Flinn**  
House Insurance Committee Chair: **Peter Cownie**  
Senate Insurance Committee Chair: **Jake Chapman**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>85</b>
Composition: Property & Casualty (including captives and pools)	<b>73</b>
Life & Health	<b>1</b>
Title Underwriters	<b>11</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>85</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

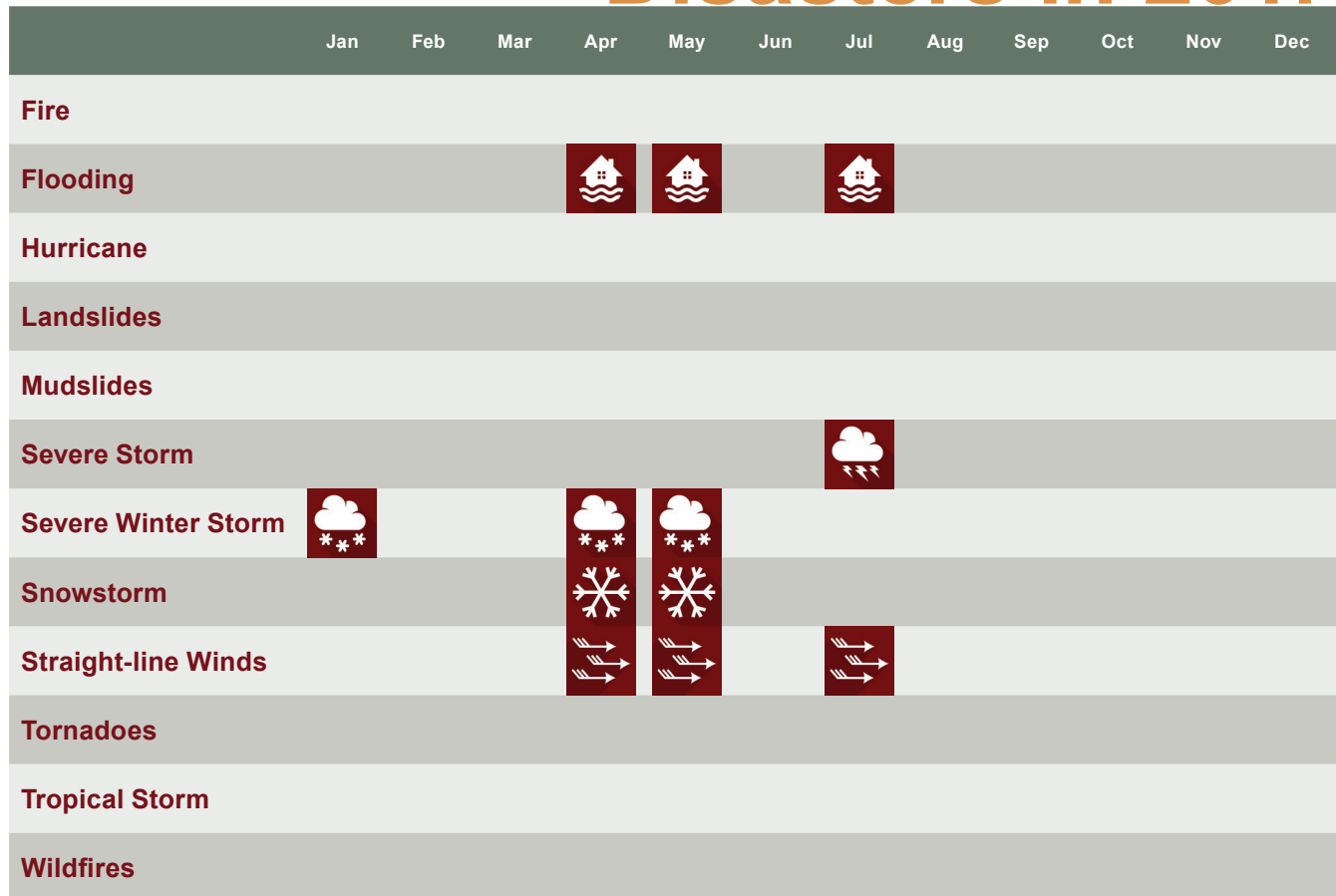
# Kansas

Population: **2,913,123** (2017 est.)  
Households: **1,115,858** (2016 est.)  
Governor: **Jeff Colyer**

Department Of Insurance Commissioner: **Ken Selzer**  
Emergency Management Executive Director:  
**Major General Lee Tafari**  
House Insurance Committee Chair: **Jane Vickrey**  
Senate Insurance Committee Chair: **Jeff Longbine**



## Disasters in 2017



Demotech rated entities writing or licensed to write in the state:

**91**

Composition:	Property & Casualty (including captives and pools)	<b>71</b>
	Life & Health	<b>2</b>
	Title Underwriters	<b>18</b>

Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017: **91**

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Heroes With Heart



From left, Jeff Ruland, Ruland's sister Jennifer and Ken VanVelsor, with the Bureau of Fire and Arson Investigations, in the Florida Keys after Hurricane Irma.

## Jumping in to Help Others By Joseph Harrington

When a hurricane approaches, most people in its path have two choices: stay home and wait it out or flee for safety. Jeff Ruland often chooses a third option — he often leaves home for storm-stricken areas to assist in their recovery.

He did that in 2016 to aid communities on Florida's Gulf Coast in the wake of Hurricane Hermine and did so again in 2017. He went more than ten days deployed first near Jacksonville, then sent to the other end of the state to assist residents of the Florida Keys.

Speaking of the latter effort, Jeff says he and his colleagues “delivered emergency supplies — food and water — to residents that had remained behind or returned [to the Keys], and we cleared property so a tent city could be set up.”

Staying in Marathon Key, the team assisted with clearing debris from roadways, boat ramps, and government buildings so emergency services (including search and rescue boats) could operate and other public services could be restored.

Jeff also participated in search and patrol missions to detect any distressed residents and control looting in the remote Keys, including No Name Key, Big Pine Key, and Cudjoe Key.

**Jeff says he and his colleagues “delivered emergency supplies — food and water — to residents that had remained behind or returned [to the Keys], and we cleared property so a tent city could be set up.”**

Jeff's work in disaster relief is rooted in his years of service in law enforcement. After working several years as a plumber, pipefitter, and welder following high school, Jeff became a deputy in the sheriff's department of Levy County, Florida, situated on the Gulf Coast southwest of Gainesville.

He spent nine years with the department, five as a canine handler, before taking on one of the greatest challenges anyone could — 12 months working in “close protection security” and “flight security” for a private security contracting firm operating in Afghanistan.

From February 2004 through March 2005, Jeff essentially served as a bodyguard for prominent U.S. public officials and private sector personnel deployed to the war-torn nation to eradicate cultivation of heroin poppies and train Afghan police forces.

During his time there, Jeff participated in several dozen missions, and was wounded in a car bombing that killed 13 people including one of his good friends and an individual Jeff had been assigned to protect.

Back in the U.S. after his time in Afghanistan, Jeff earned an associate degree with honors in criminal justice and police science from Tallahassee Community College, and went on to continue his education in the

same field with St. Leo University, a Florida college renowned for providing continuing education to military personnel and veterans.

With his background and training, Jeff went to work for the state of Florida in 2010 as an investigator and certified operator of computer voice stress analysis (lie detection) equipment for the state’s Office of Inspector General, then as a fire, arson, and explosion investigator for the Florida Bureau of Arson and Fire Investigations.

He retired from law enforcement in 2017, and assumed a new position in January 2018 as an investigator in the special investigations unit of Security First Insurance, based in Ormond Beach, Florida.

Not surprisingly, Jeff has already volunteered to be part of Security First’s disaster response teams that head for areas affected by catastrophes. When conditions get tough, you won’t find Jeff sitting back.



Jeff Ruland during a tour of duty in Afghanistan

# Kentucky

Population: **4,454,189** (2017 est.)  
Households: **1,718,217** (2016 est.)  
Governor: **Matt Bevin**

Department Of Insurance Commissioner: **Nancy G. Atkins**  
Emergency Management Executive Director: **Michael Dossett**  
House Insurance Committee Chair: **Bart Rowland**  
Senate Insurance Committee Chair: **Tom Buford**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>101</b>
Composition: Property & Casualty (including captives and pools)	<b>77</b>
Life & Health	<b>3</b>
Title Underwriters	<b>21</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>101</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Louisiana

Population: **4,684,333** (2017 est.)  
Households: **1,731,398** (2016 est.)  
Governor: **John Bel Edwards**

Department Of Insurance Commissioner: **James J. Donelon**  
Emergency Management Executive Director: **James Waskom**  
House Insurance Committee Chair: **Kirk Talbot**  
Senate Insurance Committee Chair: **John R. Smith**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fire												
Flooding												
Hurricane												
Landslides												
Mudslides												
Severe Storm												
Severe Winter Storm												
Snowstorm												
Straight-line Winds												
Tornadoes												
Tropical Storm												
Wildfires												

Demotech rated entities writing or licensed to write in the state:	108
Composition:	
Property & Casualty (including captives and pools)	85
Life & Health	2
Title Underwriters	21
Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:	108

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Hurricane Irma Damaged My Kitchen or Did It?

By Allan J. Rotlewicz, Darryl L. Gavin, and Cristina P. Cambo

Anyone who has experienced a hurricane bears witness to its destructive forces. Bands of wind and rainwater can last for days and cause significant damage to a home. In the course of the storm, homeowners can experience rainwater damage to the interior of their homes through various points of entry. A water leak that finds a path to the kitchen ceiling can result in an expensive claim for kitchen cabinet and countertop

h. Rain, snow, sleet, sand or dust to the interior of a building unless a covered peril first damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

For coverage to apply under this provision, a covered peril must first damage the home causing an opening in the roof or wall. Covered perils such as windstorm, hail,

**Although the water damage inside the home may be clear, coverage may nevertheless be precluded under a homeowners policy.**

replacement, painting of the kitchen walls and adjoining rooms and even tile floor replacement. Although the water damage inside the home may be clear, coverage may nevertheless be precluded under a homeowners policy.

Under many homeowners policies, coverage for loss to the interior of the home turns on whether a covered peril first damaged the home, causing an opening in the roof or walls, allowing rainwater to enter and damage the interior. Homeowners policies commonly include a provision similar to the following:

## **SECTION I – Perils Insured Against Coverage A - Dwelling and Coverage B - Other Structures**

We insure against risk of direct loss to property described in Coverages A and B only if that loss is a physical loss to property.

\*\*\*

We do not insure, however, for loss:

\*\*\*

Caused by:

\*\*\*

lightning and tree fall may well cause such an opening, triggering coverage for damage caused by water entering through the opening and to the interior of the home. On the other hand, rainwater that enters a home due to an opening caused by wear and tear or defective construction will not trigger coverage as these causes are not covered perils under the policy. Similarly, interior damage caused by rainwater that bypasses building materials such as shingles, windows or doors that have not sustained damage due to a covered peril will not be covered.

As with most policy provisions, unique facts and legal arguments can be presented. In *Lobell v. Graphic Arts Mutual Insurance Company*, 83 A.D. 3d. 911, 921 N.Y.S. 2d 306 (2d Dep't 2011), the insureds were renovating their home and placed tarps over openings in their roof to protect the interior from a rainstorm. A claim for damage to items inside the home was submitted and denied by Graphic Arts Mutual. Affirming judgment for the insurance company, the court decided the tarps did not constitute a "roof" as used in the windstorm or hail provision. It necessarily followed that the loss was not covered because the storm did not first cause an opening in the "roof." Similarly, in *Paulson v. Farmers Insurance*



Surfin\_Rox/shutterstock.com

Company, 382 P.3d 1058 (2016), rainwater leaked through storm-damaged roof underlayment during a roof replacement. At the time of the storm event, the roof shingles had not yet been installed. The court found the term “roof” does not encompass a roofing system in the state of partial completion. In *Phillips v. National Security Fire & Casualty Company*, 59 So. 3d 711 (Ala. Civ. App. 2010), the insured conceded the water damage was not caused by a peril insured against, but claimed entitlement to coverage because the interior water damage ensued from faulty workmanship in connection with a prior roof replacement. The court rejected this argument, finding the ensuing loss provision could not reasonably be interpreted to create coverage beyond the perils initially insured against.

In litigation over a denied rainwater intrusion claim, a question may arise as to which party has the burden to prove a covered peril first damaged the home, causing an opening in the roof or wall. The court in *Florida Windstorm Underwriting v. Gajwani*, 934 So. 2d 501 (Fla. 3d DCA 2005) provided a clear answer: the insured. Construing a policy provision similar to the one cited above, the court acknowledged established case law that an insured bears the burden to prove an exception to an exclusion. In that case, the only evidence presented was that rainwater

had been driven into the home through window and sliding glass door openings, and seeped through second floor patio tiles and stucco cracks. On those facts, and considering the homeowners’ concession that they had no evidence of rainwater entry through openings in the roof or walls caused by the storm, the court ordered judgment in favor of the insurance company.

The burden of proof was also addressed by the Eleventh Circuit in the case of *Divine Motel Group, LLC v. Rockhill Insurance Group*, 655 Fed.Appx. 779, 782 (11th Cir. 2016) (if an exception to an exclusion exists, the burden shifts to the insured to prove the exception applies). There, the Eleventh Circuit found that the rain damage exclusion specifically provides that damage to the “interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain... whether driven by rain or not...” *Id.*, at \*7. Applying Florida law, the court held it was the insured’s burden to establish the alleged damage occurred after “[t]he building or structure first sustained damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters.” *Id.*

However, the exact nature of the burden can depend upon the language of the exception. For example, in *Pine Island*

Shopping Plaza at Sunrise, LLC v. Westchester Surplus Lines Ins. Co., 2016 WL 8729962 (S.D. Fla. 2016), the insurance company argued that the rain damage exclusion is common in the industry as a way to limit rain damage

**In litigation over a denied rainwater intrusion claim, a question may arise as to which party has the burden to prove a covered peril first damaged the home, causing an opening in the roof or wall.**

coverage to water intrusion through an opening in the roof or walls previously created by a covered cause of loss. Distinguishing the language of the exception at issue from similar provisions, the Pine Island court noted the

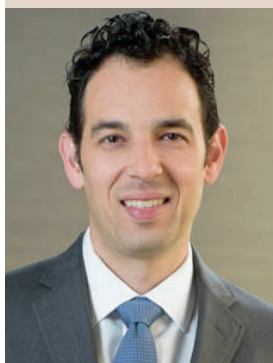
exception does not specify that the covered cause of loss must create an opening in the roof or walls — it merely specifies that the building or structure must sustain damage “to its roof or walls.” Id.

Although the rain damage exclusion may be clear on its face, it can present factual and legal challenges as discussed above. Because coverage for interior rain damage depends upon the nature of the leakage, careful inspection of the roof and walls is required of the claims adjuster. The homeowner should be questioned regarding the source of leakage and all areas of interest should be documented photographically for future reference and for use at trial if necessary. Some claims can present “chicken or the egg” questions. For example, which came first, the covered peril or the stucco cracks; the storm or the caulking cracks? In these situations, engagement of an engineer may be necessary to evaluate the cause and origin of the cracks or other damage to the home. Given the controlling case law concerning the burden of proof, carriers may be well positioned to seek summary judgment in litigation by taking steps during the claims process to carefully document the cause and origin of the claimed damage.

Allan J. Rotlewicz (left) is Corporate Counsel of Anchor Insurance Holdings and its subsidiary companies Anchor Property & Casualty Insurance Company and Anchor Specialty Insurance Company. As the leader of Anchor’s legal team, Allan is responsible for providing guidance in all legal matters, ensuring compliance across all states.

Darryl L. Gavin (center) is a shareholder at the Orlando office of Rumberger, Kirk and Caldwell, P.A. He practices in the area of insurance coverage and litigation. He received his B.S. in finance and risk-management insurance and J.D. from Florida State University.

Cristina P. Cambo (right) is an associate at the Orlando office of Rumberger, Kirk and Caldwell, P.A. She practices in the areas of insurance coverage and litigation and professional liability. She received her B.A. from Wake Forest University where she graduated with Honors in 2006, and her J.D. from Stetson University College of Law in 2011.



Anchor Insurance is a reliable homeowners and property insurance company. Insureds rely on Anchor to provide stable, comprehensive and affordable options including homeowners, dwelling fire and BOP through our agency partners. Anchor currently has over \$80 million of total in-force premium in three states and is licensed in 11 others.





# Maine

Population: **1,335,907** (2017 est.)  
Households: **551,109** (2016 est.)  
Governor: **Paul LePage**

Department Of Insurance Superintendent: **Eric A. Cioppa**  
Emergency Management Executive Director: **Suzanne Krauss**  
House Insurance Committee Chair: **Mark W. Lawrence**  
Senate Insurance Committee Chair: **Rodney L. Whittemore**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>			<b>64</b>
Composition:	Property & Casualty (including captives and pools)		<b>46</b>
	Life & Health		<b>2</b>
	Title Underwriters		<b>16</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>			<b>64</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# An APPetite for Innovation

By Werner Kruck

Our team has an appetite for innovation fueled by our commitment to our family of customers, partners and employees. The past storm season presented us with a myriad of learning opportunities. We understand and appreciate that our family of customers has an ever-increasing expectation for responsiveness on our part. This is coupled with an ever-decreasing tolerance

While much of the buzz on technology used in insurance (AKA InsurTech) has been focused on disrupting distribution, the impact that technology is about to have on the homeowners' claims experience is far more significant. Technology is opening the way for all participants in the process to share information in real time, work together for the benefit of a common customer, and significantly

**The good news after Hurricane Irma was that we, along with our specialist competitors in Florida, were able to handle almost one million claims in a reasonable period of time.**

for any delay in attention, information, and activity that gets them back to the lives they led before a storm. We see this moment in time as truly pivotal for our team as well as the industry overall.

Arguably, there have been no paradigm shifts in the homeowners' claims process over the past 40 years to improve the customer experience. While companies have automated the internal processes for data and claims filing, that has not translated to significant changes in overall customer experience. When we evaluate that experience against customer expectations recalibrated by innovators such as Amazon and Uber, the claims process clearly falls woefully short. Our family of customers have little or no patience to translate and understand their coverage options when purchasing insurance. When they have a loss, the two things that they cannot change are their insurance company and their coverage. If they want to restore their property, they have no choice but to work within these two constraints. This historically had created a customer with an oddly high tolerance for pain. That needs to change; and it is changing based on their experiences with other industries.

decrease the time from loss to full recovery. Several years ago our team at Security First recognized this need and began to work in earnest on a plan to make that happen.

At the same time, being a Florida homeowners' specialist, all of the challenges in creating customer claim satisfaction are amplified exponentially during times of crisis, such as a hurricane. The ability to "scale people" to deliver on our promises is a driving force in our crisis preparedness plans. The good news after Hurricane Irma was that we, along with our specialist competitors in Florida, were able to handle almost one million claims in a reasonable period of time, all while remaining financially sound. For our team, it's all about us being able to be there for our family of customers storm after storm, year after year.

## New approaches to an old problem

One challenge for InsurTech is to take a nifty idea that is made possible only by new technology and apply it to solve a real-world problem. Because our industry is all about process, even technology that addresses a real issue cannot be successfully embraced without integrating it into the insurance process. When considering process

integration, we classify these new technologies into two groups — currently effective, and becoming effective very soon.

During Irma, we successfully used several technologies at a higher level than in the past. First notice of loss by use of a computer or mobile device after Irma was 25 percent, double the rate for Hurricane Matthew, only one year earlier. Clearly our customers are expecting us to evolve our services at an unprecedented pace and they are fast to adapt and utilize the new tools we launch.

Working with aerial image supplier EagleView, we were also able to take advantage of machine learning to increase the effectiveness of our field adjusting. After Irma we uploaded new claims addresses to EagleView every day. They flew over the areas hit the most severely and created an archive of images with detail of current damage right down to the street address. This allowed their computer to determine and efficiently verify roof damage. For the homes that did have damage an EagleView roof report was automatically ordered and attached to an Xactimate

**The ability to have access to post-event, aerial images is a potentially huge game-changer for our business.**

estimate. Therefore, when the adjuster arrived at that home they did not have to take the time and risk of climbing on the roof to create an accurate estimate. The ripple effect of this new approach was widespread. We jumped to the head of the line as a “preferred” insurer in the adjuster community, and our family of customers benefited from faster, more accurate estimates. A true win/win for all involved.

### **Becoming effective, to become first to serve our customers**

Currently, we have several important technologies being refined and prepped to be fully operational in time for this year’s hurricane season. The ability to have access to post-event, aerial images is a potentially huge game-changer for our business. We’re currently working with partners to operationalize the capability. Both Matthew and Irma were unusual hurricanes. They both covered a wide geographic scope and did not have an area of concentrated total, or near total, destruction like we saw after Charlie



**An aerial view of damage from the storm.**

Image courtesy of EagleView

or Katrina. This made it operationally difficult and very expensive to fly over affected areas. We’re encouraging several firms to create a plan to handle a more typical storm involving triage software coupled with machine learning to sort properties by the extent of damage so that we can prioritize it. This will be paired with images of many properties before homeowners are even able to get back to see the damage firsthand, thus speeding up the entire claims process. After Matthew and Irma we were also able to use “before” and “after” aerial images to fight potential fraud. As storms blow through each season we’ll get better and better at fighting fraudulent claims.

### **Key strategic partnerships to advance technologies in play**

We’re also excited to announce a new strategic partnership with Claim Central, an Australian claims specialist, whose team is assisting us in the rapid adoption of technologies we had been refining. For the next hurricane season, we’ll send a comprehensive set of communications to our customers before, during and after the storm with information on how to prepare for a hurricane and file a claim. The use of Claim Central’s technology will allow us to offer even greater service by including a link to a valuable new tool that offers video-enabled insurance services. This app will allow homeowners with a smartphone or tablet to document a loss via a “Facetime for claims.” It allows them to automatically upload it to us, instantly creating and filing the claim in our system. That same technology, built into the ClaimLogik platform we are adopting, allows us

to collaborate with our customers and contractors in real time to evaluate the loss and become far more efficient in the repair process for all parties involved. The app includes a measuring feature so we can effectively estimate the damage remotely.

Over the past several years, our team has also developed and successfully launched an app for contractors. Dubbed “JobSight,” it enables us to send jobs to mitigation firms instantly and have them accept them with all the claim information they need at their fingertips. This same approach, developed more fully in the ClaimLogik platform we’re adopting, will enable us to engage contractors quickly to speed mitigation and repairs to our homeowners. In addition to providing all of the critical damage and repair information to the contractor, we can provide the information about the contractor immediately to our customer and agent through our apps, portals, and via emails and text.

### The silver lining

Irma was our most significant test of response to First Notice Of Loss (FNOL). We always look for a silver lining, and our ability to learn from such a massive storm and leverage that to help our customers was textbook silver lining. After Irma, in one day, we received 14,000 phone calls, most of them handled by Safelite, our FNOL partner. The technology that will enable us to scale FNOL for potentially bigger storms is Artificial Intelligence, as in the use of a truly intelligent chatbot. Utilizing recordings of all Matthew and Irma FNOL calls, we are working with CodeObjects and Amazon Transcribe to take the calls from voice to text, and then analyze the data. From this, we’ll determine what questions our customers asked during the FNOL process. This understanding will be used to train the chatbot, which will sit between the caller and our FNOL professionals, to assist in managing and ultimately completing the FNOL call. Additionally, through integration with JobSight, our chatbot will connect our customers with our vetted and motivated team of mitigation contractors — all without human intervention — but in a good way. It will have the capability to talk with a live person when that method is



**The number of claims after a major disaster requires fast, efficient processing for customer satisfaction.**

preferred. We expect to have this implemented for the upcoming hurricane season.

### After the storm, before the next one

Clearly we learned from Matthew and Irma that our customers’ expectations are significantly higher than what we have traditionally delivered as an industry. Our team takes this very seriously. We are committed to truly changing our customers’ experiences one storm at a time, one customer at a time. After all, we consider ourselves a data-driven technology company that helps consumers finance risk of loss to their property. To that end, we have identified new technologies that enable us to scale our human resources to meet these ever-changing and very demanding (albeit reasonable) expectations. Is it all in place as proven technology? No, but there is no doubt that a sea change is underway, and Security First is part of it; and our customers will benefit from it.

Sponsor Article



With 40 years of global perspective and domestic experience Werner has developed a wide-ranging expertise in both product development and underwriting. He has also developed a keen understanding of technology, and how to apply it to the insurance business. Werner is the proud recipient of the following industry accolades:

2015 Leadership Award for Customer Excellence, 2014 Computerworld Premier IT Leader, 2014 Insurance & Technology’s Elite 8.

Security First Insurance Company is a Florida-based homeowners insurance provider, operating since 2005.

# Maryland

Population: **6,052,177** (2017 est.)  
Households: **2,177,492** (2016 est.)  
Governor: **Larry Hogan**

Department Of Insurance Commissioner: **Al Redmer Jr.**  
Emergency Management Executive Director: **Russ Strickland**  
House Insurance Committee Chair: **Dereck E. Davis**  
Senate Insurance Committee Chair: **Thomas M. Middleton**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>			<b>97</b>
Composition:	Property & Casualty (including captives and pools)		<b>74</b>
	Life & Health		<b>2</b>
	Title Underwriters		<b>21</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>			<b>97</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.



## Have Chain Saw, Will Move Trees

By Joseph Harrington

Dexter Chase knows how to handle a chain saw.

He had to master plenty of tools in his 25 years as a private investigator for lawyers, insurers and government agencies, a line of work he pursued after graduating from Florida State University in 1989 with a degree in criminology and criminal justice.

Besides mastering the tools of that trade, Dexter has served as vice president for a company devoted to helping small businesses and professional firms integrate emerging technologies into online strategies. He currently serves as a consultant to a company that developed a patented surgical device.

Since becoming an insurance agent, first with State Farm, now as the owner of a We Insure independent agency franchise in Apopka, Florida, Dexter has found frequent use for another tool — his trusty chain saw.

Whatever his professional interests, in the wake of a major storm, Dexter will not hesitate to take his saw in hand to help his neighbors and community clear the wreckage left behind.

In the late 2000s, while serving as president of his local homeowners' association, Dexter took his chain saw in his truck and drove throughout the community, cutting away trees that blocked roadways and clearing the way for emergency vehicles to pass.

He didn't have to go far to lend a hand following Hurricane Irma in 2017.

As the storm raged, his family heard a thunderous crack in the night and awoke to find that a huge oak tree, perhaps 40 feet high and 15-20 feet in circumference, had fallen on his neighbor's house and garage. It had pinned a truck in the driveway so that no other vehicles could enter or leave.

Fortunately, no one was injured, and the following morning Dexter was out with his chain saw, helping his neighbors cut up the tree, free the truck, and minimize the damage to the house and garage.

His neighbors were new to Florida, Dexter says, and had never witnessed a hurricane. They had also become valued clients of Dexter's agency.

"They were deeply amazed by the power of the storm and the amount of damage that can happen," he says. "When you see tree limbs fallen about, when you see darkness where there used to be lights, when you see stores closed for days on end, it can be devastating."

It's a little less devastating when you have a good neighbor with a working chain saw.



**Dexter Chase**  
We Insure Agency  
Owner

# Massachusetts

Population: **6,859,819** (2017 est.)  
Households: **2,558,889** (2016 est.)  
Governor: **Charlie Baker**

Department Of Insurance Commissioner: **Gary D. Anderson**  
Emergency Management Executive Director: **Kurt Schwartz**  
House Insurance Committee Chair: **Aaron Michlewitz**  
Senate Insurance Committee Chair: **James B. Eldridge**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>			<b>76</b>
Composition:	Property & Casualty (including captives and pools)		<b>58</b>
	Life & Health		<b>1</b>
	Title Underwriters		<b>17</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>			<b>76</b>

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Not included are Emergency Declarations or Fire Management Assistance Declarations.



# Michigan

Population: **9,962,311** (2017 est.)  
Households: **3,860,394** (2016 est.)  
Governor: **Rick Snyder**



Department Of Insurance Director: **Patrick M. McPharlin**  
Emergency Management Deputy Director:  
**Captain Chris A. Kelenske**  
House Insurance Committee Chair: **Lana Theis**  
Senate Insurance Committee Chair: **Joe Hune**

## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>92</b>
Composition: Property & Casualty (including captives and pools)	<b>76</b>
Life & Health	<b>1</b>
Title Underwriters	<b>15</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>92</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

**An·chor** (noun) - a person or thing that can be

*relied on for support and stability.*

## Reasons to rely on Anchor

Anchor Insurance is a reliable homeowners & property insurance company. Insureds rely on Anchor to provide stable, comprehensive and affordable insurance options including homeowners, dwelling fire and BOP through our valued agency partners. Anchor currently has more than \$80 million of total in-force premium in three states and is licensed in 11 others.



For more information, visit [RelyOnAnchor.com](https://RelyOnAnchor.com)

# Minnesota

Population: **5,576,606** (2017 est.)  
Households: **2,135,310** (2016 est.)  
Governor: **Mark Dayton**

Department Of Insurance Commissioner: **Jessica Looman**  
Emergency Management Executive Director: **Joe Kelly**  
House Insurance Committee Chair: **Rep. Joe Hoppe**  
Senate Insurance Committee Chair: **Gary Dahms**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
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<b>Landslides</b>												
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<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>			<b>89</b>
Composition:	Property & Casualty (including captives and pools)		<b>65</b>
	Life & Health		<b>2</b>
	Title Underwriters		<b>22</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>			<b>89</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.










# Mississippi

Population: **2,984,100** (2017 est.)  
Households: **1,098,803** (2016 est.)  
Governor: **Phil Bryant**

Department Of Insurance Commissioner: **Mike Chaney**  
Emergency Management Executive Director: **Lee Smithson**  
House Insurance Committee Chair: **Gary Chism**  
Senate Insurance Committee Chair: **Videt Carmichael**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>97</b>
Composition: Property & Casualty (including captives and pools)	<b>72</b>
Life & Health	<b>3</b>
Title Underwriters	<b>22</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>97</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.




# INNOVATIVE

# ILS

# CAPITAL

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Gemini Re, LLC (“Gemini Re”) is a privately held insurance-linked securities (ILS) asset manager domiciled in Florida.

- **INNOVATION**
- **UNIQUE ACCESS**
- **BREADTH OF EXPERIENCE**








# Missouri

Population: **6,113,532** (2017 est.)  
Households: **2,372,362** (2016 est.)  
Governor: **Michael L. Parson**

Department Of Insurance Director: **Chlora Lindley-Myers**  
Emergency Management Executive Director: **Ernie Rhodes**  
House Insurance Committee Chair: **Kevin Engler**  
Senate Insurance Committee Chair: **Paul Wieland**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>104</b>
Composition: Property & Casualty (including captives and pools)	<b>82</b>
Life & Health	<b>2</b>
Title Underwriters	<b>20</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>104</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Montana

Population: **1,050,493** (2017 est.)  
Households: **412,653** (2016 est.)  
Governor: **Steve Bullock**



Department Of Insurance Commissioner: **Matthew M. Rosendale**  
Emergency Management Executive Director:  
**Major General Matthew T. Quinn**  
House Insurance Committee Chair: **Rep. Mark Noland**  
Senate Insurance Committee Chair: **Sen. Edward Buttrey**

## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>			<b>82</b>
Composition:	Property & Casualty (including captives and pools)		<b>65</b>
	Life & Health		<b>2</b>
	Title Underwriters		<b>15</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>			<b>82</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Heroes With Heart



The house of Olympus field adjuster Kindra George after Hurricane Irma



Kindra George recovering in the hospital after injuries from Hurricane Irma

## Olympus Insurance Company Employees Go Beyond the Call of Duty

By Lora Leverage

Often, it's in the darkest of times in which heroes emerge.

Thousands of families across Florida fled their homes as the wrath of Hurricane Irma was bearing down. They later returned to their distressed homes, rolled up their sleeves and began the arduous task of rebuilding their lives. Families, friends and communities across Florida understood, and lived through this challenge. Olympus Insurance Company's employees are no different. "We have so many passionately committed professionals who quietly, and without recognition, do amazing things every day to help restore the lives of our policyholders" said Jeffrey B. Scott, President and Chief Executive Officer of Olympus. "They are truly Heroes."

In the days leading up to Irma, Olympus employees watched and meticulously planned as increasingly disturbing images of Irma's track came closer to a full-on Florida attack. As friends, neighbors and communities were either evacuating or hunkering down with their families, the Olympus team was busy setting up their command centers, positioning their army of catastrophe adjusters, arranging for their housing and subsistence, and coordinating emergency first response teams to ensure their customers would be taken care

of following what was dubbed the strongest storm on record in the Atlantic. "It was one of the most inspiring shows of dedication I have ever seen. Our employees were fearless and completely selfless. They totally ran into the fire," said Scott.

Olympus received over 8,000 Irma claims. For the next 90 days straight, the Olympus claims team worked twelve hours a day, seven days a week and met the influx with a phenomenal response having handled the majority within only six weeks.

Many of the Olympus team personally experienced the devastation wrought by Irma. Kindra George, an Olympus field adjuster in Jacksonville, came dangerously close to losing her life when a tree crashed through her home, bringing twisted metal with it and shearing off a good portion of her leg. After many weeks and multiple surgeries, while not yet back on roofs, Kindra is walking and has rejoined her team to assist Olympus customers recover from their own catastrophic experiences.

Olympus Field Manager Rick Jones, facing a half foot of water in his house and debris across his property, grabbed his chainsaw to free a trapped neighbor.

Inspired by Rick's heroism, the neighbor grabbed his chainsaw and the two ventured on together helping neighbor after neighbor. Thereafter, Rick spent the next several months tending to Olympus policyholders. "I wanted to help any way I could," Rick said. "Helping others in need is the right thing to do and it's weaved into the fabric of our Olympus cultural."

Olympus' Large Loss Team Manager, Kris Norman and his family, having sustained major damage, were without a home for six months, yet Kris worked tirelessly throughout the state to restore the homes and lives of similarly situated Olympus policyholders. "As uncomfortable as it was to not have a home myself, it brought comfort to me to help others get back into their homes," said Kris.

Olympus Manager Mariela Pennock, having learned of an Olympus-insured family with an infant, no power,

at a gas station but all their pumps were damaged. I was six miles from the house, so I kept going. I finally got to the insureds' house and she was so happy and thanked me profusely. I left and about a mile from her house I ran out of gas! I called the insured to ask where the closest gas station was and she said, "wait there, my husband is on his way!" He showed up with two gallons of gas and when I tried to reimburse him he said, "Absolutely not. You helped us and now we're helping you." Mariela indicated, "I didn't let him see it but I really teared up and said to myself 'this is why I do what I do'."

"It felt really good as we began to hear back from our customers with compliments and emails of gratitude," said Lora Leverage, Olympus Vice President of Claims. "One particularly poignant one was a voicemail from an insured saying 'I had a phone call from you'all wondering if we were ok after the storm. That is such



Christian Mueller/shutterstock.com

a tree through the side of their home and in desperate need of funds for food and emergency repairs, hopped in her car and drove from West Palm Beach to Naples to deliver the family debit cards to meet their needs. As Pennock tells it, "The insured called in tears and I just knew I needed to do whatever it took. I got in my car and on my way there while leaving Alligator Alley, my low fuel light came on. It said I had 60 miles of gas left, I was 12 miles from the insureds' house, so I didn't think there would be a problem. When I got on 75N I stopped

a nice gesture, I've never had that happen in my whole life! Especially from an insurance company. Anyhow, we're fine and we definitely do appreciate you'all calling and checking on us, that's fantastic. You have a great day now.' Yep, that one definitely got me."

Abe Lincoln once said, "Don't worry when you are not recognized but strive to be worthy of recognition." "While appreciation from our customers feels great" said Scott, "I truly believe our team simply wanted to be worthy."

Lora Leverage joined Olympus Insurance Company in 2016 in the role of Litigation and Liability Manager. Soon thereafter she was promoted to Director of Litigation and Liability where she was responsible for the overall strategic direction of litigated and liability claims. In 2017, she was promoted to Vice President of Claims.

Prior to her position with Olympus Insurance Company, Lora was director of disputed and/or

litigated claims and claim services with CIS Group, a national provider of underwriting and claim services to the property and casualty insurance market. She also held a variety of leadership positions including catastrophe claim management throughout the United States and Canada and the direction of complex and/or litigated homeowner and commercial claims with State Farm Fire and Casualty Company.






# Nebraska

Population: **1,920,076** (2017 est.)  
Households: **741,581** (2016 est.)  
Governor: **Pete Ricketts**

Department Of Insurance Director: **Bruce R. Ramge**  
Emergency Management Executive Director:  
**Major General Daryl Bohac**  
Insurance Committee Chair: **Brett Lindstrom**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>91</b>
Composition: Property & Casualty (including captives and pools)	<b>71</b>
Life & Health	<b>2</b>
Title Underwriters	<b>18</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>91</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Nevada

Population: **2,998,039** (2017 est.)  
Households: **1,030,701** (2016 est.)  
Governor: **Brian Sandoval**

Department Of Insurance Commissioner: **Barbara Richardson**  
Emergency Management Executive Director: **Caleb S. Cage**  
House Insurance Committee Chair: **Irene Bustamante Adams**  
Senate Insurance Committee Chair: **Kelvin Atkinson**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>96</b>
Composition: Property & Casualty (including captives and pools)	<b>74</b>
Life & Health	<b>2</b>
Title Underwriters	<b>20</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>96</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# New Capital Supporting Carriers Through Turbulent Times

by Nick Dranchak and Michael Popkin

The insurance industry in the U.S. experienced one of the most costly and destructive natural catastrophe seasons on record in 2017. After five years of below-average insured catastrophe losses, hurricanes Harvey, Irma and Maria (HIM), coupled with wildfires in California and combined with other significant events pushed insured catastrophe losses marginally above USD

JLT Re's Risk-Adjusted Global Property Catastrophe Reinsurance Rate-on-Line (ROL) Index rose by 4.8 percent at January 1, and remained below levels seen in 2016 (Figure 1). As expected, the highest increases were recorded in the U.S. Rates for loss-free programs were flat to up 5 percent, and loss-affected business renewed up 10 percent to 20 percent. Even with these increases,

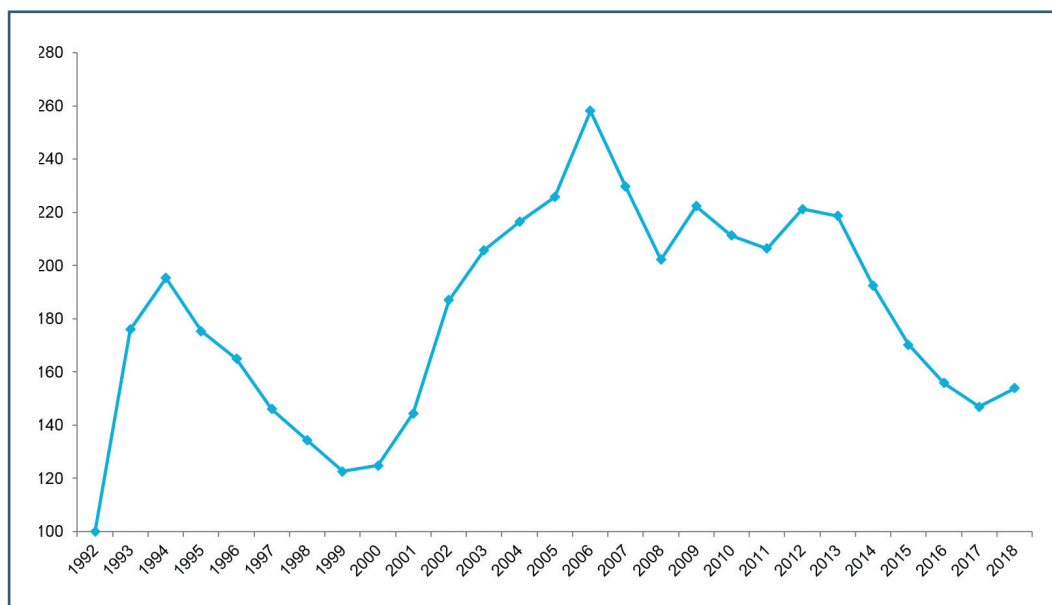
**After five years of below-average insured catastrophe losses ... events pushed insured catastrophe losses marginally above USD 140 billion for the first time ever in real terms.**

140 billion for the first time ever in real terms. These events caused upward pricing pressure on global property-catastrophe rates at January 1, 2018 renewals. However, the sector's strong capitalization as well as new capital inflows in Q4 2017 allowed risk-adjusted price increases at January 1 to be muted and below earlier market expectations.

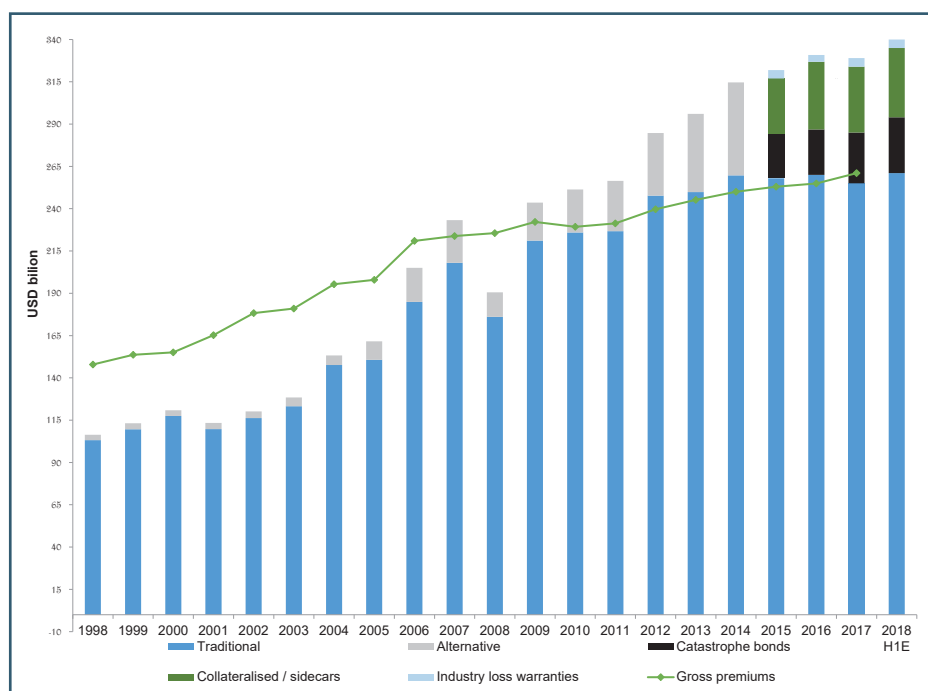
the cost of protection remains competitive, with global property-catastrophe pricing approximately 30 percent below 2013 levels.

While 2017 was the first year since 2008 where dedicated reinsurance capital declined, the supply of capital remains

**Figure 1:** JLT Re's Risk-Adjusted Global Property-Catastrophe Reinsurance ROL Index - 1992 to 2018 (Source: JLT Re)



**Figure 2: Dedicated Reinsurance Sector Capital and Gross Written Premiums – 1998 to FY 2017E (Source: JLT Re)**



robust relative to exposures (Figure 2). The sector's excess position remains high at USD 45 billion, or about 17 percent above gross premiums. Capacity continues to be plentiful even though the supply and demand dynamics initially tightened in business lines with heavy losses. The pressures were offset by post HIM capital deployed through new collateralized vehicles, post-event funds, new catastrophe bond issuances and increased stamp capacity.

Reinsurance recoveries from HIM losses have been fairly orderly and there has not been any major issues related to the payment of claims. Harvey, which was a major flood event, did not see widespread controversy regarding coverage under "wind" or "flood." The speed of fresh capital coming into capital markets has changed the way the overall reinsurance market responds after a storm in terms of pricing, terms and capacity.

**This capital gives smaller carriers the ability to compete in catastrophe-prone business that they may not have been able to write in the past.**

Investors responded in the reinsurance and retrocession markets, resulting in replenishment of a significant portion of lost capacity in time for renewals.

The industry loss warranty (ILW) market experienced significant losses in 2017 leading to persistent questions about whether or not capital markets would re-load with capacity after an event. Following HIM, the jury went out and came back quickly with a clear verdict — YES. Capital markets quickly reloaded and actually added capacity. Most funds raised substantial amounts of money and continue to diversify their deployment of funds.

Due to the losses suffered in 2017, risk adjusted pricing for loss-free U.S. nationwide covers saw increases in the range of 5 percent to 12.5 percent while regional coverage saw more moderate increases between 5 percent and 7.5 percent. Loss affected covers saw larger increase in the range of 20 percent to 30 percent although fewer renewed at January 1 due to more stringent terms.

Even after these large events, the supply of capital is still plentiful. This capital gives smaller carriers the ability to compete in catastrophe-prone business that they may not have been able to write in the past. Reinsurers and

alternative carriers remain hungry for diversification of catastrophe risk outside of Florida. East Coast and Midwest catastrophe risk is seen as a diversifier for alternative capital and helps balance out traditional reinsurer's risk. This competition for diversifying risk is a

receive a disproportionate amount of attention. This is an acknowledgement of the growing role of capital markets in reinsurance risk transfer, whether in reinsurance or retro. Also, they are all trying to get closer to the risk, so many capital markets players are looking at E&S and

**This has resulted in more options for policyholders and has leveled the playing field, allowing smaller companies to be competitive.**

positive for smaller regional companies looking to expand their footprint into other states. The cost of capital to reinsure remains relatively cheap relative to new issuance of equity or debt, and reinsurance offers the additional benefit of protection for the carrier's balance sheet.

As capital markets have expanded the tools available to them, including private placement CAT bonds, they have been able to find their way down to smaller cedants. In addition, reinsurers have provided capital for smaller insurers in the form of quota share reinsurance and in some cases have made investments to support the industry. The overall impact to smaller insurers has been to strengthen the balance sheet when and if catastrophes occur.

We have seen some large scale M&A, which is changing the deckchairs. Even though capital markets account for a relatively small portion of those transactions, transactions involving capital markets players tend to

other lines of business. We have also seen a number of these players provide debt or equity capital to smaller companies. Whether adding reinsurance capacity in the traditional sense, using alternative capital vehicles, or providing a direct investment in a carrier, these are all positive developments that are allowing smaller companies to actively compete in higher risk transactions. This has resulted in more options for policyholders and has leveled the playing field, allowing smaller companies to be competitive.

After several years of below average catastrophe losses, 2017 was the most expensive year on record (figure 3 next page). Carriers paid out billions of dollars in claims without incurring significant capital impairments or any rating agency downgrades. These events were reminders that carriers must prepare for higher levels of catastrophe losses in the future as insured catastrophe losses have now exceeded USD 100 billion three times in the last 13 years.

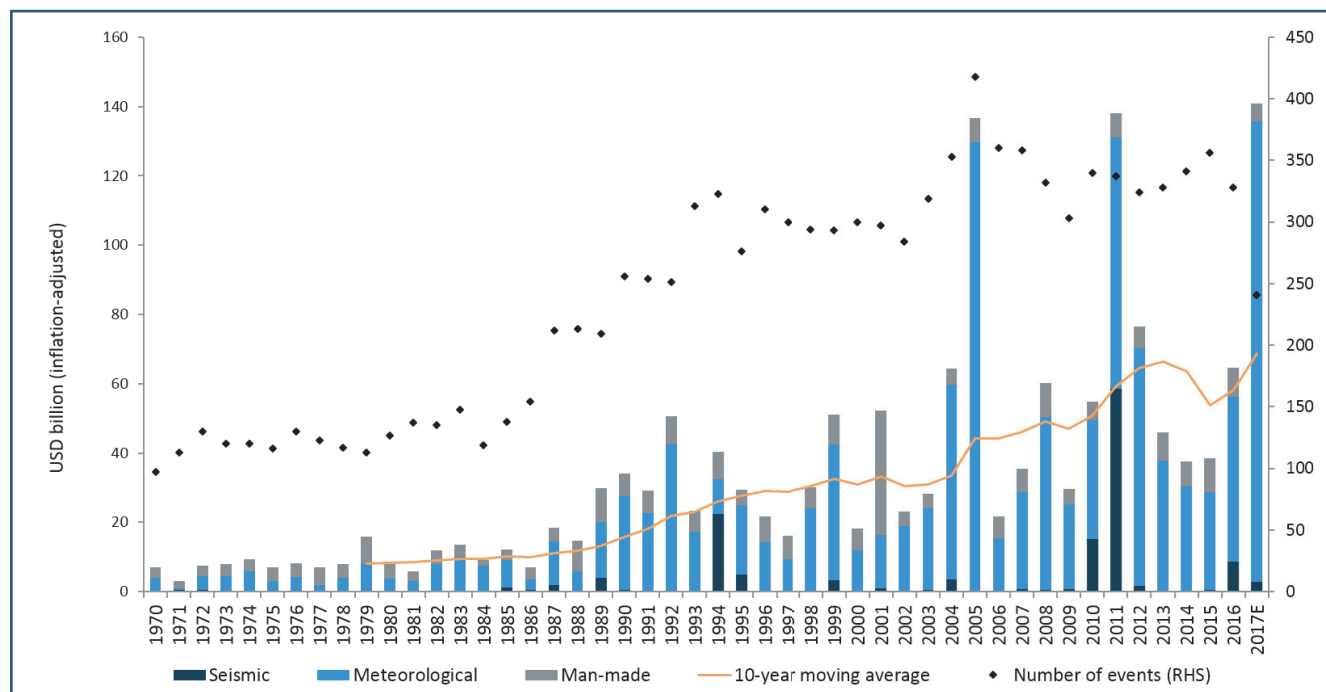


Denis Simonov/shutterstock.com

In today's marketplace, insurers need a clear vision and a roadmap to achieve profitable growth. It's vital that companies engage with a strategic partner who can help them build franchise value while uncovering business issues, developing solutions, and capitalizing on opportunities. Finding a specialized team who offers

customized and innovative analytical tools will give insurers powerful insights, and the competitive advantage they need to succeed. The difference in results between companies that choose to embrace and deploy all, or select components, of the available analytic tool suites, with those that do not, can be quite stark.

**Figure 3:** Figure 3: Global Insured Inflation-Adjusted Catastrophe Losses – 1970 to 2017E<sup>6</sup> (Source: JLT Re, Swiss Re)



Nick Dranchak is Head of Strategic Advisory for the Americas with JLT Re (North America) Inc. Prior to JLT Re, he spent six years as a Senior Financial Analyst with A.M. Best Company where he was in charge of rating newly created Hedge Fund backed Reinsurance companies, and alternative risk transfer vehicles. His portfolio also consisted of global reinsurance companies as well as single parent captives, RRG's and mutual insurance companies.

Nick also recognized an alternative to measure credit risk of an insurance company which incorporates CDS contracts to augment the rating process. He was involved in the publication of numerous reports on hedge fund reinsurance and captives while at A.M. Best.



Michael Popkin is a Managing Director and the co-head of Jardine Lloyd Thompson Capital Markets (JLTCM), which is specifically focused on the Insurance Linked Securities (ILS) markets, including bonds linked to catastrophe risk. JLTCM has been a market leader in developing the private placement cat bond and has had a very successful track record of structuring and placement. Private placement bonds are notable because they have minimal frictional costs associated with them, thereby providing smaller insurance companies the same access to the capital markets as larger insurance conglomerates.

# New Hampshire

Population: **1,342,795** (2017 est.)  
Households: **521,373** (2016 est.)  
Governor: **Chris Sununu**

Department Of Insurance Commissioner: **Roger A. Sevigny**  
Emergency Management Executive Director: **Perry Plummer**  
House Insurance Committee Chair: **John Hunt**  
Senate Insurance Committee Chair: **Daniel Innis**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>65</b>
Composition: Property & Casualty (including captives and pools)	<b>50</b>
Life & Health	<b>1</b>
Title Underwriters	<b>14</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>65</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# New Jersey

Population: **9,005,644** (2017 est.)  
Households: **3,195,014** (2016 est.)  
Governor: **Phil Murphy**

Department Of Insurance Acting Commissioner: **Marlene Caride**  
Emergency Management Executive Director: **Major Louis Bucchere**  
Assembly Insurance Committee Chair: **John F. McKeon**  
Senate Insurance Committee Chair: **Nellie Pou**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
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<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>			<b>104</b>
Composition:	Property & Casualty (including captives and pools)		<b>83</b>
	Life & Health		<b>1</b>
	Title Underwriters		<b>20</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>			<b>104</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Affordable Flood Zone Protections Critical for Low-Income Families

By Assemblywoman Pamela J. Hunter

In 2016, the Federal Emergency Management Agency (FEMA), working with the city of Syracuse and New York State officials, updated its flood zone map of the city of Syracuse for the first time since the 1980s, adding 876 properties to the flood zone. The affected area includes properties around Onondaga Creek and the Meadowbrook neighborhoods in the 128th Assembly District of New York. While having designated flood zones is essential for the safety of our community, the new flood map means that more residential properties are categorized as flood zones. This designation puts a financial burden on families, as these families must now find a way to pay for the mandatory flood insurance that comes with the flood zone designation.<sup>1</sup>

Local residents feeling the impact have been vocal. "The recent addition of paying flood insurance adds to the burden of utility bills, home repairs, home insurance and property taxes placed on low to moderate income families," said Rich Puchalski of Syracuse United

in the area to help them afford flood insurance. Insurance can range from \$240 to \$1,260 per year — a high price to pay for those already living on a tight budget. Specifically, this tax credit would be available for low-income families living in the newly designated zone. It's a short-term solution while we work on building the infrastructure to better handle potential flooding in the long term, but it will make a difference for families struggling to afford insurance.

I saw firsthand one of the primary culprits of rising water levels along Onondaga Creek when I toured Tully Valley during the summer: mudboils. The Tully Valley is located within and south of the Onondaga Nation, an Indian reservation south of Syracuse. The valley is connected to Onondaga Creek, which further connects to Onondaga Lake. These mudboils, also known as mud volcanoes, occur when underground pressure causes water to bubble to the surface and release mud and silt, which can result in flooding. Mudboils are nothing new to the area — they

**While having designated flood zones is essential for the safety of our community, the new flood map means that more residential properties are categorized as flood zones.**

Neighbors. "U.S. Housing and Urban Development (HUD) has a definition that occupants should pay no more than 30 percent of their gross income. Only 12.21 percent of those living in Census Tract 52 in Syracuse, one of the primary census tracts in the FEMA flood zone, live in affordable housing units."

As the representative of these families who now find themselves in a flood zone, it's my job to help them find relief. They should be able to stay in their homes while having their property protected, which is why I'll be working to establish a property tax credit for residents

were first reported in 1899. The current mudboils erupt south of the Onondaga Nation and leave all of the water contaminated as it flows northward through the Nation and into Onondaga Lake. While they are a geographical phenomenon, the issue of mudboils in the Tully Valley was made worse by industrialization and brine-mining, a process that involved injecting water underneath the land to bring brine to the surface. As recently as 2014, mudboils were responsible for producing 20 tons of silt and sand every day in the creek, the equivalent of two dump trucks worth of debris.<sup>2</sup>

<sup>1</sup> [syracuse.com/news/index.ssf/2016/08/why\\_was\\_my\\_house\\_added\\_to\\_a\\_flood\\_zone.html](http://syracuse.com/news/index.ssf/2016/08/why_was_my_house_added_to_a_flood_zone.html)

<sup>2</sup> [syracuse.com/news/index.ssf/2014/10/mud\\_boils\\_onondaga\\_lake\\_honeywell\\_dec\\_onondaga\\_creek.html](http://syracuse.com/news/index.ssf/2014/10/mud_boils_onondaga_lake_honeywell_dec_onondaga_creek.html)

The issue of flooding has also been worsened by the flood control dam on Onondaga Creek within the Onondaga Nation. While the flood control dam was originally created in 1949 to ease the burden of potential flooding along Onondaga Creek's floodplain, it was sized inaccurately and overbuilt, rendering it ineffective against rising water levels. However, the dam has caused water to back up into the northside of the Onondaga Nation to the south of Syracuse.<sup>3</sup> Essentially, the existence of mudboils paired with industrialization and the construction of the flood control dam have further exacerbated the issue of flooding in an area where a floodplain already existed. During flooding in 2014, waters topped the banks near Lower Onondaga Park.<sup>4</sup>



Baloncici/shutterstock.com

**For now, my focus is on the issue of flood insurance and providing financial assistance for those who find themselves in the newly designated flood zone but don't have the means to afford the mandatory insurance coverage.**

The arrival of spring brings with it an increased risk of flooding due to melting snow, making flood control all the more pressing. Options include removing sediment from the creek and exploring areas within the city where the excess water can be stored. Constructing a second dam up the creek from the existing one is another option, but would require deepening and widening the creek along with environmental remediation, which is a very involved process. For now, my focus is on the issue of flood insurance and providing financial assistance for

those who find themselves in the newly designated flood zone but don't have the means to afford the mandatory insurance coverage. As a member of the Assembly Committee on Insurance, exploring ways to keep our homes and families protected without a major financial burden is a top priority.

If you have any questions about this or any other issue, please feel free to reach out and contact me at 315-449-9536 or [HunterP@nyassembly.gov](mailto:HunterP@nyassembly.gov).



Pamela J. Hunter is an Upstate NY native and a U.S. Army veteran, honorably discharged with a commendation medal and two achievement medals. She represents the southern and eastern portions of the City of Syracuse, as well as the surrounding towns of Dewitt, Onondaga, Salina and the Onondaga Nation.

Prior to her election to the NYS Assembly in 2015, Pamela served on the Syracuse Common Council for three years and chaired the Public

Safety Committee. Pamela is the only female veteran in the state Legislature, giving her unique insight as chair of the Assembly Subcommittee on Women Veterans, working to expand access to benefits and services and improve job opportunities for women who have served our country. She also serves on the Energy, Insurance, Social Services, Transportation, and Veteran Affairs' Committees, and is a member of the Black and Puerto Rican Legislators and Women's Caucuses.

<sup>3</sup> [http://blog.syracuse.com/opinion/2012/05/onondaga\\_creek\\_flood\\_control\\_d.html](http://blog.syracuse.com/opinion/2012/05/onondaga_creek_flood_control_d.html)

<sup>4</sup> [http://www.syracuse.com/news/index.ssf/2014/05/what\\_are\\_city\\_workers\\_doing\\_in\\_a\\_boat\\_on\\_onondaga\\_creek.html](http://www.syracuse.com/news/index.ssf/2014/05/what_are_city_workers_doing_in_a_boat_on_onondaga_creek.html)



# New Mexico

Population: **2,088,070** (2017 est.)  
Households: **762,551** (2016 est.)  
Governor: **Susana Martinez**

Department Of Insurance Superintendent: **John G. Franchini**  
Emergency Management Executive Director: **M. Jay Mitchell**  
House Insurance Committee Chair: **Patricia A. Lunstrom**  
Senate Insurance Committee Chair: **John Arthur Smith**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>79</b>
Composition: Property & Casualty (including captives and pools)	<b>56</b>
Life & Health	<b>2</b>
Title Underwriters	<b>21</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>79</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# New York

Population: **19,849,399** (2017 est.)  
Households: **7,266,187** (2016 est.)  
Governor: **Andrew Cuomo**

Department Of Insurance Superintendent: **Maria T. Vullo**  
Emergency Management Executive Director: **Kevin E. Wisely**  
Assembly Insurance Committee Chair: **Kevin A. Cahill**  
Senate Insurance Committee Chair: **James L. Seward**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>113</b>
Composition: Property & Casualty (including captives and pools)	<b>88</b>
Life & Health	<b>2</b>
Title Underwriters	<b>23</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>113</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# OhioHealth Meets the Challenge

by Curtis L. Gingrich MD

Most businesses face potential risks capable of disrupting business operations. These risks come from internal threats like physical plant and personnel issues as well as external threats such as natural disasters and supply chain disruptions.

As a large health system with 10 acute care hospitals, numerous affiliated hospitals, freestanding emergency care centers and other outpatient treatment locations, OhioHealth is not immune to real and potential disruptions in business operations. Nevertheless, these

that had been experiencing intermittent disruptions for some time. The disruption directly impacted small volume bags of IVF used in health care to prepare mixtures of other medicines for patients. OhioHealth typically utilized over 15,000 bags a month for patient care needs including antibiotics, electrolyte replacement and various other medications. As the shortage of small volume bags continued, larger volume bags used in the resuscitation of patients, treating dehydration, and during elective and emergent operating room cases came under stress and had the potential to significantly impact care provided in the

**The devastation to Puerto Rico impacted the manufacturing and distribution of at least 90 medical related products utilized in the United States.**

threats allow the opportunity to test and improve the mitigation strategies created to sustain our mission to improve the health of those we serve.

Recently, a significant external supply chain disruption provided an opportunity for the organization to utilize the strength of clinical and operational collaboration to not only proactively prevent operational disruption, but to learn, change and enhance processes of care. The result has been a reduction in risk for future business disruption in this area and an improvement in expense management while maintaining quality care to patients.

## **The situation**

In September 2017 Hurricane Irma struck Puerto Rico, devastating the people, businesses, roads, and electrical grid for the island. The devastation to Puerto Rico impacted the manufacturing and distribution of at least 90 medical related products utilized in the United States. One such product was intravenous fluids (IVF).

As noted in national news reports, Baxter Pharmaceuticals has three manufacturing plants in Puerto Rico and supplies over 40 percent of the U.S. IVF market. These disruptions strained an already tight supply chain process

acute care hospital setting. The scope of this disruption placed health systems across the country at similar risk. In fact, the American Medical Association, in November 2017 sent a letter to Congress stating the U.S. healthcare system was “on the brink of a significant public health crisis.”

## **What we did**

At OhioHealth, as with any potential supply chain disruption, the monitoring systems in place quickly identified the issue and processes to expand the supply began. It became apparent, however, that this alone would not suffice as most hospitals and healthcare systems were utilizing this approach as well. A central distribution mechanism and alternative routes of providing important medications were deployed as a further mitigation strategy to reduce dependence on small IVF bags as well.

After these two steps were implemented, a third wave approach was initiated. This wave required the collaboration of the physician and nursing clinical care teams to identify new IVF reduction opportunities, evaluate the risk to benefit ratio and create mitigation strategies around any clinical or operational concerns. Effective and efficient evaluation and decision making required modifying already existing structures to



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ensure continued excellent care and an already existing system physician structure, the Clinical Guidance Councils, was essential to this process. The Clinical Guidance Councils are physician-led multidisciplinary committees designed to ensure system representation of both independent and employed physicians, advance quality patient care and reduce avoidable clinical variation in care, thus improving value to patients.

Councils are established around key services including surgery, heart and vascular, neuroscience, oncology, musculoskeletal, women's health, hospital medicine, emergency medicine, and primary care. These groups reviewed proposed changes and the potential impact to care. Several councils identified additional opportunities that were vetted through the nursing and pharmacy teams for consideration and provided input for opportunities coming from the other teams.

Once new processes were approved, the operational teams, working with our system electronic medical record team, developed the needed changes to policies and order sets, and created appropriate nursing and physician communication as well as reminders within the electronic record to assist with point of care decision making.

### The outcome

This structure modified system current care processes with the result of a reduction of almost 20 percent in our utilization of IVF while maintaining excellent patient care and clinical outcomes. These results enhanced the stewardship of IVF for our patients and created an enhanced decision making process when clinical and operational issues require quick action. The process identified avoidable variation in care which will help mitigate future IVF supply chain shortages and resulted in a substantial reduction in the cost of providing care. While this supply disruption appears to be nearing an end, there will no doubt be other events with the potential to test OhioHealth's ability to continue to improve the health of those we serve. Nevertheless, the learning and structure developed to address this event has enhanced our ability to mitigate the impact of these operational risks in the future and to transform these events into opportunities to advance efficient and effective clinical care.



**Curtis L. Gingrich MD, MBA, FAAFP**  
Received his medical degree from the Ohio State University College of Medicine and completed a residency in Family Medicine at OhioHealth Riverside Methodist Hospital in Columbus, Ohio. He currently serves as the Vice President of Regional Medical Affairs for OhioHealth with a focus on patient safety and quality, medical staff peer review and clinical care standardization and improvement.

# North Carolina

Population: **10,273,419** (2017 est.)  
Households: **3,815,392** (2016 est.)  
Governor: **Roy Cooper**

Department Of Insurance Commissioner: **Mike Causey**  
Emergency Management Executive Director: **Michael A. Sprayberry**  
House Insurance Committee Chair:  
**Dana Bumgardner and Mitchell S. Setzer**  
Senate Insurance Committee Chair:  
**Rick Gunn, Wesley Meredith, Trudy Wade**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>104</b>
Composition: Property & Casualty (including captives and pools)	<b>82</b>
Life & Health	<b>2</b>
Title Underwriters	<b>20</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>104</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.



# North Dakota

Population: **755,393** (2017 est.)  
Households: **305,163** (2016 est.)  
Governor: **Doug Burgum**

Department Of Insurance Commissioner: **Jon Godfread**  
Emergency Management Executive Director:  
**Adjutant General MG Alan S. Dohrmann**  
House Insurance Committee Chair: **George J. Keiser**  
Senate Insurance Committee Chair: **Jerry Klein**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>80</b>
Composition: Property & Casualty (including captives and pools)	<b>60</b>
Life & Health	<b>2</b>
Title Underwriters	<b>18</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>80</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Enough is Enough: It's Time for a Change

By Oklahoma Insurance Commissioner John D. Doak

When most people think of Oklahoma, they think of destruction. While I see beautiful blue skies, lush green prairies and breathtaking sunsets, outsiders may envision mangled homes, twisted metal and piles of rubble. Those are the images they see every time a significant tornado hits one of our beloved communities. The Sooner State, located right in the middle of Tornado Alley, averages 62 twisters a year. Of those, approximately three will be rated EF3 or above, putting them in the strong to violent category.

Responding to major tornadoes across the state has strengthened my resolve to improve disaster mitigation,

based on the insurer's own actuarial analysis. It applies to homes built to FORTIFIED Home™ — High Wind & Hail building standards created by the Insurance Institute for Business and Home Safety (IBHS).

The standards help homeowners strengthen their homes against low-level tornadoes and high winds at the edges of strong tornadoes, straight-line wind events, severe thunderstorms and hail storms. The superior construction standards help improve a home's resilience by adding system-specific upgrades to minimum code requirements. The standards can be used on new construction or the retrofit of an existing home.

**Since these storms aren't going to stop coming,  
we have to do a better job of preparing for them.**

response and recovery in any way possible. This past May, I went door-to-door in Elk City, Oklahoma to speak with tornado survivors. The high-end EF2 twister tore through the town of 11,000 on a Tuesday night, damaging or destroying more than 100 homes and businesses. I saw massive trees ripped out of the ground, homes without roofs, pieces of wood piercing walls and mountains of debris filled with insulation, branches, shingles and various household items.

Since these storms aren't going to stop coming, we have to do a better job of preparing for them. That's why I pushed for landmark legislation that takes the first steps toward making that happen. Oklahoma just passed a bill that incentivizes homeowners to fortify their homes against severe storms. I hope the rest of the country follows suit. We have learned a great deal from natural catastrophes across the United States, now we need to take that knowledge and use it to keep families safe, both physically and financially.

HB1720, signed by Oklahoma Governor Mary Fallin in May, requires insurance companies to factor tornado-resilient construction into the home's insurance premium

The GOLD FORTIFIED Home™ construction standard employs building techniques and materials that allow a home to withstand winds up to 135 miles per hour rather than the old building standard requirement of 90 miles per



Oklahoma Insurance Commissioner John D. Doak and Oklahoma Governor Mary Fallin inspect tornado damage in Elk City in May of 2017.

hour. The GOLD FORTIFIED Home™ standard requires roof sheathing, hurricane clips or framing anchors, continuous plywood bracing and wind-resistant garage doors.

Using the IBHS FORTIFIED standards, property damage from EF0, EF1 and EF2 tornadoes can be virtually eliminated. That's significant because 95 percent of the tornadoes in the U.S. are rated EF0-EF2. As an added benefit, construction science has shown that FORTIFIED homes have an added benefit of improving the home's performance in an earthquake.

The May 20, 2013 tornado in Moore is known as being an EF5, but the EF5 portion of the storm was less than one percent of the tornado's footprint. Eighty-eight percent of the damage was caused by EF2 or lower winds. 1,150 homes were destroyed that day. If all the homes had been built to FORTIFIED standards, 1,012 would still be standing today.

Current codes provide minimum life safety protection designed to ensure people can get out of a building safely. They are not intended to ensure families can live in their homes after a catastrophic event or to protect the contents inside a home. I believe we can do better.

As Insurance Commissioner, I get a lot of questions about rising homeowners' insurance premiums. People want to know why they keep going up. I tell them the reason is simple. The severe weather just keeps coming and the insurance companies have to keep paying out massive amounts in claims. The weather isn't going to change so we have to change the way we build our homes. If homes sustain less damage from storms, the insurance companies pay out less in claims and premiums go down. It's a win-win for everyone.

In Oklahoma, building a FORTIFIED home will add about two percent to the cost of the new home. There's a chance for homeowners to make that money back when they sell the home. A study by the University of Alabama shows the resale value of a FORTIFIED home increased by nearly seven percent.

These enhanced building codes could be beneficial all over the country. Because a tornado is part of a severe convective storm, and these storms occur all over the Earth, tornadoes are not limited to any specific geographic location. In fact, tornadoes have been documented in every state of the United States.

We simply cannot keep rebuilding communities in the same places in the same ways and expect a different result. We've got to do better for our citizens, and building stronger homes and businesses will help us do that. I hope every state follows our lead in taking the first steps toward creating tornado-resilient communities.



**Commissioner Doak discusses damage done by a tornado in Tulsa last August 2017 with Tulsa Mayor G.T. Bynum.**

### The Fight Against Fraud

I am also passionate about another issue we see after severe storms — fraud. As Chair of the National Association of Insurance Commissioners (NAIC) Antifraud Task Force, I recently spoke to a U.S. Senate subcommittee about insurance-related crimes. I explained to them how unscrupulous individuals prey on Oklahoma disaster victims at a time when they are emotionally devastated and vulnerable. We've seen dishonest contractors perform shoddy work, use inferior materials and accept payment without performing any work. It's just one of the many ways criminals will go after huge insurance payouts. In Oklahoma, my department's antifraud unit deploys to disaster areas to assess damage and to educate consumers about potential fraud and how to avoid it.

State insurance regulators are also seeing an increase in fraudulent prescription scams as a result of the growing opioid epidemic. In these cases, some medical professionals are unlawfully prescribing opioids and billing the costs to insurers.

These trends are deeply troubling, which is why fighting insurance fraud is one of the highest priorities for state insurance regulators. We initiate inquiries and conduct investigations of suspected fraudulent insurance acts. Many state fraud bureaus possess law enforcement powers

and may also have civil authority to impose fines. State insurance regulators also work with insurers and their special investigation units to address suspected fraud and to ensure that they are complying with state fraud prevention statutes.

As insurance fraud continues to evolve, state insurance regulators will remain vigilant. We will continue to adapt our strategies to prevent, detect and investigate these criminals to protect consumers and maintain insurers' financial health.

### NAIC Activities

My work with the NAIC keeps me extremely busy. I'm also Chair of the Midwest Zone and sit on several committees including Executive, International Insurance Relations, Property and Casualty and the Innovation and Technology Task Force, a new effort to monitor technology, data collection and cybersecurity developments in the insurance industry. I also represent the NAIC with the Organisation for Economic Co-operation and Development which allows me to discuss emerging insurance issues with international insurance regulators around the world.

### FEMA National Advisory Council

This year I was honored to be named to the FEMA National Advisory Council. It gives me a chance to improve and enhance coordination



**I am also passionate about another issue we see after severe storms — fraud.**

efforts between states and federal entities during disasters. One issue that's particularly important to me is flood insurance. I'm in favor of legislative efforts to facilitate the growth of a state-regulated private flood insurance market to help provide consumers with more choices and coverage, potentially at more affordable prices. As part of these efforts, Congress should encourage FEMA to share National Flood Insurance Program (NFIP) information with state insurance regulators and insurers to help the private market be able to accurately assess flood risks. NFIP reauthorization legislation should also require FEMA to provide increased transparency regarding its decision-making processes for developing and updating its flood maps and rate-making. If the private market can alleviate some of the risk and some of the burden, then why not let them compete?

Helping consumers prepare for and recover from disasters has been a focus of mine since taking office. While we still have work to do, I'm proud of all that we've accomplished in Oklahoma under my watch.



Commissioner Doak has headed the Oklahoma Insurance Department (OID) since 2011. OID employees respond to tornadoes, earthquakes, wildfires and ice storms to help victims quickly recover from catastrophe.

Doak's visionary efforts include hosting the National Tornado Summit, an annual disaster preparedness conference for insurance professionals, emergency managers and meteorologists.

Doak is a member of the National Association of Insurance Commissioners as Chair of the Property and Casualty Insurance Committee, the Antifraud Task Force, and as Vice Chair of the Surplus Lines Task Force and the Midwest Zone.

Doak graduated from the University of Oklahoma with a BA in Political Science. After college he launched a successful insurance business in Tulsa, and later served as an executive for several risk and insurance service companies including Marsh, Aon, HNI and Ascension.

# Ohio

Population: **11,658,609** (2017 est.)  
Households: **4,601,449** (2017 est.)  
Governor: **John Kasich**

Department Of Insurance Director: **Jillian E. Froment**  
Emergency Management Executive Director: **Sima Merick**  
House Insurance Committee Chair: **Thomas E. Brinkman, Jr.**  
Senate Insurance Committee Chair: **Jay Hottinger**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>			<b>115</b>
Composition:	Property & Casualty (including captives and pools)		87
	Life & Health		2
	Title Underwriters		26
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>			<b>115</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

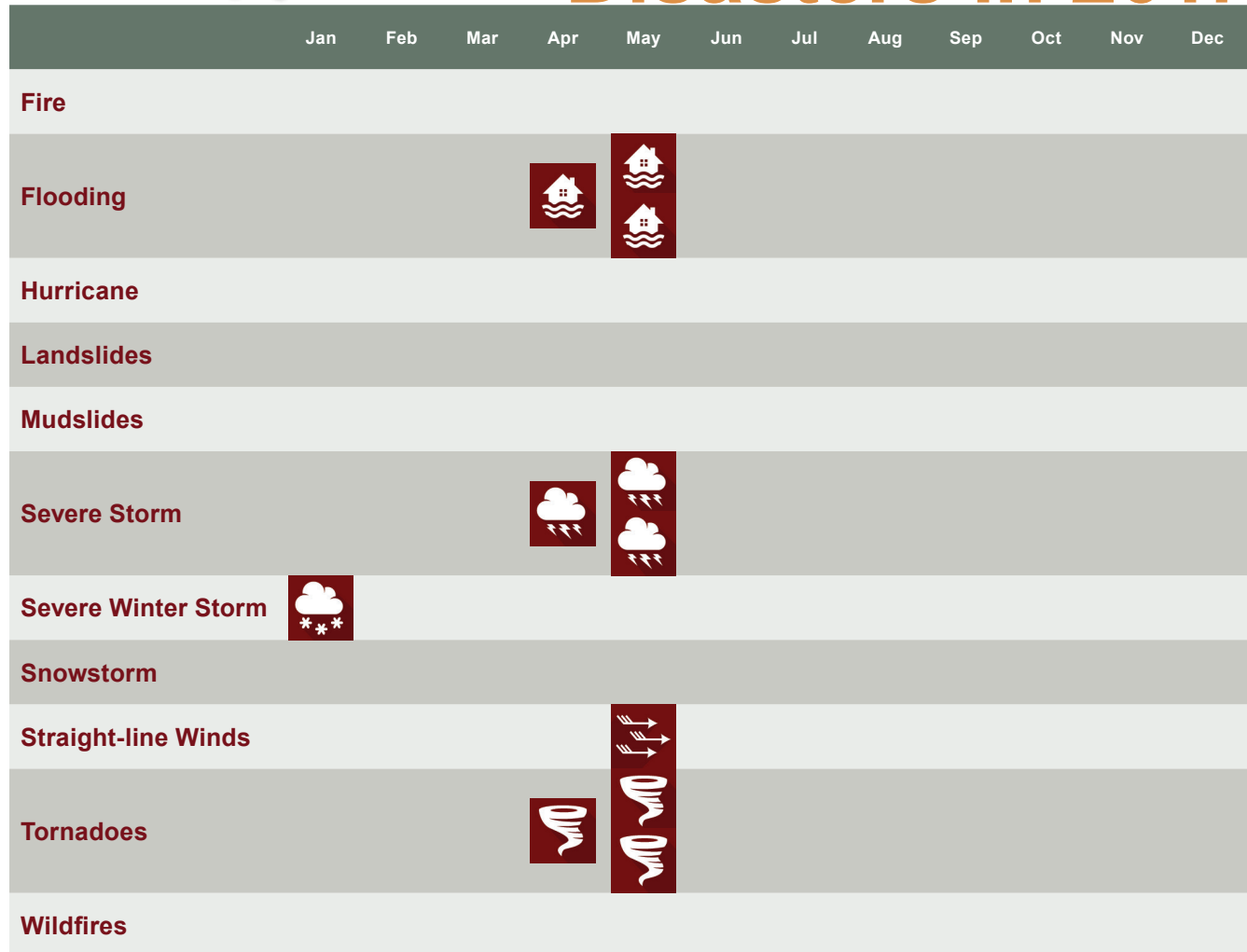
# Oklahoma

Population: **3,930,864** (2017 est.)  
Households: **1,461,500** (2016 est.)  
Governor: **Mary Fallin**

Department Of Insurance Commissioner: **John D. Doak**  
Emergency Management Executive Director: **Albert Ashwood**  
House Insurance Committee Chair: **Lewis Moore**  
Senate Insurance Committee Chair: **Bill Brown**



## Disasters in 2017



Demotech rated entities writing or licensed to write in the state:			110
Composition:	Property & Casualty (including captives and pools)	87	
	Life & Health	2	
	Title Underwriters	21	
Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:			110

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.



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# Oregon

Population: **4,142,776** (2017 est.)  
Households: **1,545,745** (2016 est.)  
Governor: **Kate Brown**

Department Of Insurance Commissioner: **Andrew R. Stolfi**  
Emergency Management Executive Director: **Andrew Phelps**  
House Insurance Committee Chair: **Paul Holvey**  
Senate Insurance Committee Chair: **Lee Beyer**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>83</b>
Composition: Property & Casualty (including captives and pools)	<b>67</b>
Life & Health	<b>2</b>
Title Underwriters	<b>14</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>83</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Pennsylvania

Population: **12,805,537** (2017 est.)  
Households: **4,961,929** (2016 est.)  
Governor: **Tom Wolf**

Department Of Insurance Commissioner: **Jessica K. Altman**  
Emergency Management Executive Director: **Richard D. Flinn Jr.**  
House Insurance Committee Chair: **Tina Pickett**  
Senate Insurance Committee Chair: **Donald C. White**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>			<b>129</b>
Composition:	Property & Casualty (including captives and pools)		<b>103</b>
	Life & Health		<b>2</b>
	Title Underwriters		<b>24</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>			<b>129</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Homeowners Express Concerns About 2017 Natural Disasters, and Surprisingly Aren't Taking Steps to Ensure Their Protection

By Todd Kozikowski

Imagine being forced to flee your home with a category four hurricane set to rip through your neighborhood. You return days later when the storm has passed to find your home decimated and your belongings destroyed. The last thing you want in that moment is to call your insurance company or agent and find out your policy doesn't cover the loss.

But for thousands in southern Texas and Florida this past year, this was their reality. According to CoreLogic, a

It was no surprise that consumers surveyed by Clearurance said they were concerned a natural disaster could cause damage to their own home, especially given the unprecedented damage across the U.S. from natural disasters last year. In fact, nearly half (44 percent) of the survey participants had reported a disaster-related claim before 2017. The leading causes of these prior claims were wind and flood damage. Of the consumers who had previously experienced a claim due to natural disasters, 94 percent of them expressed

**Given the high number of uninsured and underinsured homeowners affected by the 2017 natural disasters, there appears to be a disconnect between homeowners understanding their coverage and what their policies actually cover.**

leading source for flood and disaster data, 75 percent of the flood damage to residential properties from Hurricane Harvey was uninsured, and 80 percent of flood damage to residential properties from Hurricane Irma was uninsured. Combined with the other natural disasters around the world, 2017 was the costliest year on record.

There continues to be a significant amount of news coverage regarding the frequency and severity of the 2017 natural disasters in the U.S. In fact, a Google search in mid-April for "Natural Disasters in 2017" returned nearly 715,000 results.

Given the number of natural disasters that had occurred in 2017, Clearurance conducted research with consumers to better understand what, if any, steps had been taken in the six months prior to uncover possible insurance gaps. Our report summarizes the results of this research and is based on 1,000 participants, 18+ years of age, who owned a home and had homeowners insurance. We used weighting to ensure equal representation of gender and age groups. Also, when possible, the results were segmented by these categories and by the four U.S. Census Bureau Regions.

concern that it could happen again. For those survey participants that had not previously experienced a claim due to a natural disaster, 82 percent expressed concern that it could happen to them.

However, despite this high level of concern, only 42 percent of consumers had taken action to enhance their existing insurance policy or to purchase a new one. Individuals were more likely to have simply reviewed their policy — either on their own or with assistance. Given the high number of uninsured and underinsured homeowners affected by the 2017 natural disasters, there appears to be a disconnect between homeowners understanding their coverage and what their policies actually cover.

No one could escape the media coverage of these natural disasters striking parts of the U.S., but even with eye-opening photos of these disasters populating our phones, computer screens, newspapers, and TVs, there still seemed to be a sense of complacency among consumers when it came to taking action to ensure they were properly covered in the event a natural disaster hit their own home.

So why did so many consumers fail to ensure they were properly protected? At least to some degree, homeowners felt they already had proper coverage in the event of a natural disaster. Surprisingly, our survey showed that 65 percent of participants reported they believed they had sufficient coverage. It's interesting to note that individuals 55 years of age and older were significantly less likely to report being confident that they had sufficient coverage than those in the younger age groups.

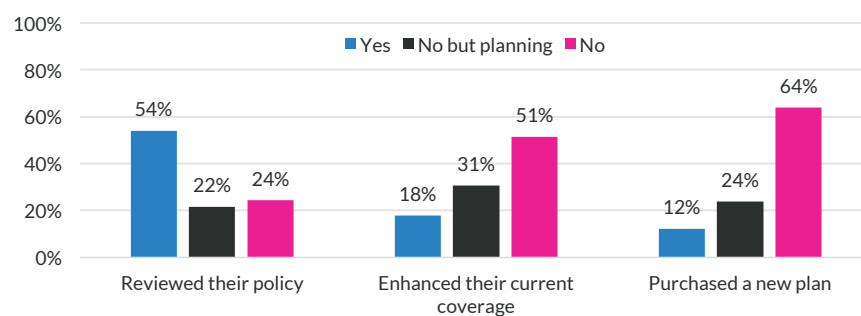
Unfortunately, in 2017 the uninsured damage was done — those policyholders were among a large and very devastated group left staring at a claim that will never be processed or will only be partially paid. Sadly, individuals who were not adequately protected will not be covered for all that was lost.

Consumer education is key to ensuring the right coverage is in place when disasters strike again. We have seen many reviews on Clearurance.com from policyholders who expressed frustration that their claim was denied because they didn't have the right coverage, or because they misunderstood their policy limits. It's a case of consumers not knowing what they don't know. Here are some examples of this in reviews posted on Clearurance.

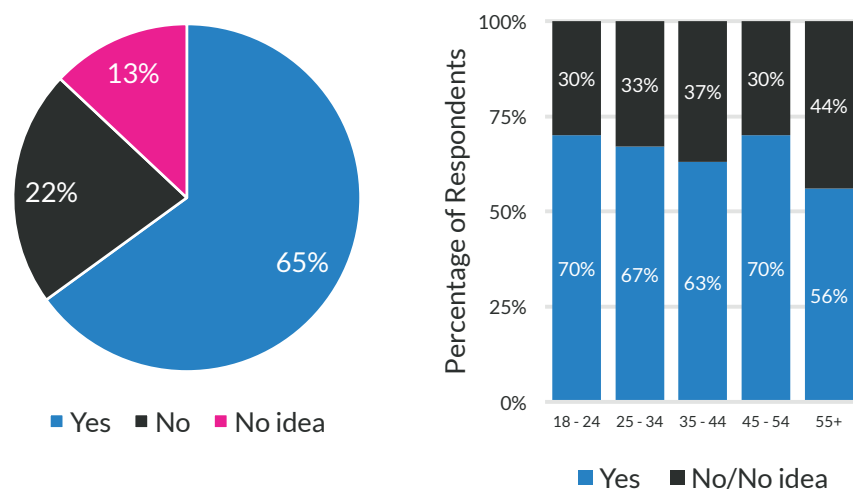
"We had a flooded basement due to the failure of sump pump battery backup (sic) after losing power in a nasty storm. We filed a claim only to find out it actually was not covered in the policy."

"We had a strong summer storm that resulted in a power surge (sic) in our apartment. Several of our electronics got fried. Sadly, after we called our insurance company, they informed us that our electronics were not covered."

### Actions Taken by Participants



### Percentage of Participants Confident Their Homeowners Insurance Is Sufficient in the Event of a Natural Disaster



"Had a leak in rental property. Plumber stated that water had been seeping through for quite some time. Tenant did not inform of us this. When we tried to take out a claim 'the carrier' would not cover it because they said it was a regular maintenance issue. However, we were not aware of this issue so it was new to us. It ended up costing quite a bit of money out of pocket."

The best step for policyholders to take in order to avoid a future unpaid natural disaster loss is to call their insurance company or agent and ask detailed questions about their coverage. Insurance policies are long and often contain jargon that's hard to understand without a background in insurance. While reviewing a policy on their own is a proactive step, it may not be enough to uncover policy gaps that could exist in the event of a natural disaster.

For example, if a policyholder is in an area where hurricanes are prevalent, they should be asking specific questions about hurricane scenarios. Are they covered in the event of water damage from a flood? What about wind damage? What are the policy's limits on rebuilding or repairing? If they're in a region where tornadoes or wildfires are common, they should ask specific questions about coverage relative to these events. Consumers should always confirm that the full value of their home is

properly insured, particularly since our homes are typically our greatest asset.

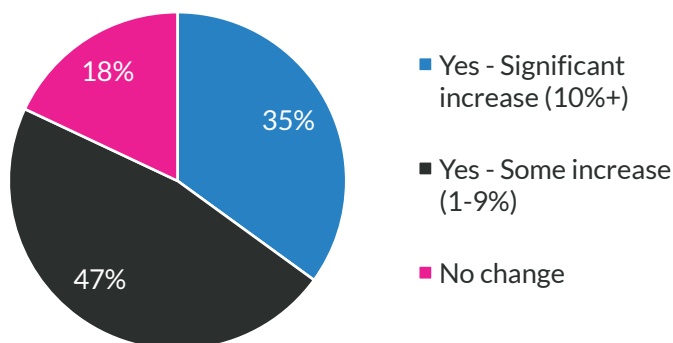
With the 2017 losses in the hundreds of billions, it's no surprise that insurance premiums will increase going forward. When we asked consumers how they thought their future premiums would be affected due to the 2017 natural disasters, 82 percent of our survey participants advised they expected the cost of their homeowners insurance to increase. Nearly half (47 percent) expected their rates would only increase by 1-9 percent, however. Based on data we're seeing from industry sources, the actual rate increases may be significantly higher.

We have also received reviews expressing concerns and frustrations about rate increases — especially from consumers who have not, themselves, suffered a claim. Here are a couple of examples of what consumers have shared on Clearurance.

"I am extremely upset by the large (\$121 per year) increase in the cost of my homeowners insurance policy. I feel this is very unfair that I, who has made no claims against my policy, must subsidize the costs to pay other people's claims..."

"I have been with 'my company' for approximately 6 years and never filed a claim, so I can't speak to the claims service. But I do like the company and I have been satisfied with their

Impact of 2017 Natural Disasters on Insurance Premium



representatives and their business philosophy thus far. My only complaint is that my premiums have crept up over the last couple of years and I always wonder why that happens when I don't file claims."

The opportunity exists to also educate consumers on how insurance premiums are calculated, and how events like natural disasters, effect the entire industry, not just those who live in disaster affected areas or those who have submitted claims for losses incurred.

The events of 2017 taught us all a painful lesson. Between the huge insurance industry losses, and the devastating financial burden placed on consumers who were uninsured and underinsured for these events, we all need to do more to be better prepared. This should serve as a call to action for both the insurance industry and consumer groups to launch its own "got milk" campaign to educate consumers on the real risks of natural disasters. More must be done to help consumers understand what is, and what is not, protected in the policies they purchase in order to prevent unexpected negative surprises at claim time.

Clearurance is committed to doing our part. We are an independent community of insurance consumers. We offer the most transparent way to learn about and find the best insurance for you based upon feedback and insights from real customers. Working together, we can address the gaps in understanding that exists today.



Todd Kozikowski is a co-founder of Clearurance. Todd brought over 20 years of entrepreneurial leadership to this endeavor having co-founded and scaled multiple successful start-up software companies including Newforma, Sliknet and Unica. At these companies, Todd has served as

head of sales and operations. In his role as Chief Revenue Officer at Clearurance, he's responsible for strategic sales and partnership development for revenue generation. He is a graduate of Bates College with a BS in Physics, Astronomy and Mathematics.

# Puerto Rico

Population: **3,337,177** (2017 est.)  
Households: **1,237,180** (2016 est.)  
Governor: **Ricardo Rosselló**

Department Of Insurance Commissioner: **Javier Rivera Rios**  
Emergency Management Executive Director: **Héctor Pesquera**  
House Insurance Committee Chair: **Victor L. Pares**  
Senate Insurance Committee Chair: **Eric Correa Rivera**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fire												
Flooding												
Hurricane												
Landslides												
Mudslides												
Severe Storm												
Severe Winter Storm												
Snowstorm												
Straight-line Winds												
Tornadoes												
Tropical Storm												
Wildfires												



Demotech rated entities writing or licensed to write in the state:	13
Composition: Property & Casualty (including captives and pools)	7
Life & Health	0
Title Underwriters	6
Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:	13

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Rhode Island

Population: **1,059,639** (2017 est.)  
Households: **410,240** (2016 est.)  
Governor: **Gina Raimondo**

Department Of Insurance Superintendent:  
**Elizabeth Kelleher Dwyer**  
Emergency Management Executive Director: **Peter Gaynor**  
House Insurance Committee Chair: **Robert R. Jacquard**  
Senate Insurance Committee Chair: **Roger A. Picard**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>72</b>
Composition: Property & Casualty (including captives and pools)	<b>54</b>
Life & Health	<b>2</b>
Title Underwriters	<b>16</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>72</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.


# South Carolina

Population: **5,024,369** (2017 est.)  
Households: **1,839,041** (2016 est.)  
Governor: **Henry McMaster**

Department Of Insurance Director: **Raymond G. Farmer**  
Emergency Management Executive Director: **Kim Stenson**  
House Insurance Committee Chair: **William E. "Bill" Sandifer III**  
Senate Insurance Committee Chair: **Ronnie W. Cromer**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>			<b>123</b>
Composition:	Property & Casualty (including captives and pools)		<b>101</b>
	Life & Health		<b>1</b>
	Title Underwriters		<b>21</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>			<b>123</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Interview with Puerto Rico Commissioner of Insurance Javier Rivera Rios

*Demotech spoke with Puerto Rico Commissioner of Insurance Javier Rivera Rios at the NAIC Spring National Meeting on March 23rd, 2018 in Milwaukee, Wisconsin. Below is a synopsis of Commissioner Rios' thoughts about the challenges brought when Hurricanes Irma and Maria hit Puerto Rico.*

**Demotech:** When you were first appointed Commissioner, what were your goals?

**Commissioner Rios:** During the first six months of my appointment, we had meetings and I had a definite vision of what direction I wanted to take the Department.

be open to creating new approaches in order to address these pertinent issues. One example is that we need more flexibility to work with annuities and taxes, perhaps even contact the IRS, to help these seniors as they plan for their futures.

In addition, I was concerned about educating people to understand what their future financial needs would be. We also knew it was critical to educate the professionals regulated by our office. Brokers and insurance agents need to be well educated on our policies and our goals to communicate accurate information to consumers. In the summer of last year, that was my plan.

**Having said all that, however, on the third of September last year, as I watched a hurricane build up its strength from a Category 2 while heading toward the Caribbean, I soberly realized that everything was about to change.**

Originally, our priority was health care for the people in Puerto Rico. We also knew it would be very important to build up an adequate program of continuing education for professionals engaged in insurance business. We also wanted to change the scope of healthcare, as it was at that time, to expand its accessibility and to create more options for people. We expected to broaden the effectiveness of the whole health system and hoped to reach more people with healthcare plans.

Thinking outside of the box, in my first month, I was also motivated to talk to people about planning for their retirement. We really wanted to tailor programs for seniors. It's daunting to consider the demographics of Puerto Rico. Did you know that in the next 15 years, 40 percent of the people in Puerto Rico will be at or over the age of 65? This is a fundamental social issue, as well as an economic issue. People need to respond to this statistic and prepare themselves for financial stability in their old age. They need to consider finances and healthcare, even preventive systems as they age.

With this in view, we also wanted to create a preventive health care system for elderly people. We consider this an important socio-economic issue. Puerto Rico is a haven for elderly people. Because of this, we need to

Having said all that, however, on the third of September last year, as I watched a hurricane build up its strength from a Category 2 while heading toward the Caribbean, I soberly realized that everything was about to change.

**D:** Multiple severe storms hit Puerto Rico during the last quarter of 2017. Which one most affected your duties?

**CR:** There were four major storms, including the ones that hit Florida and Texas. In Puerto Rico the two most damaging hurricane systems were Irma and Maria. Irma hit us on September 6th. And only ten days later, we were shocked to see the approaching storm system Maria. We were warned that it was at Category 3 strength, then two days later, it had built up to be a Category 5 hurricane. Two days after that report, it blasted the island. Maria was 50 miles wide, and the island of Puerto Rico is only 35 miles wide. Nobody ever could have imagined the power those winds brought with them, and the damage that would incur. It pounded our island for over 24 hours.

**D:** What were the initial action items you took after the hurricane had passed?

**CR:** Right away we had to prepare directives letters from the Department. We sent 14 letters, demanding

immediate changes of procedures to be implemented without delay to bring relief as soon as possible to the clients who underwent the devastation. Through the letters we strongly urged insurers to (1) extend the grace period for policies on cancellation, (2) allow medical services to be administered without pre-authorization, and (3) require advance payments on commercial claims. We needed the insurance companies to expedite their processes to resolve the claims as quickly as possible and to issue at least partial payments of undisputed claims. Especially to the hospitals, medical offices, restaurants, gas stations, and manufacturing businesses, it was expected that advanced payments be released quickly and efficiently. It was the first time in the history of our office that we wrote such letters

**As of today, we have about 231,000 claims that are a direct consequence of Hurricane Maria.**

to obligate insurers to issue payments on commercial claims in this manner. It was urgently necessary because these businesses had to reopen for Puerto Rico's people to have access to the most basic needs.

**D:** Were your letters effective? Did the insurance companies cooperate?

**CR:** It appears so. The results have been impressive. This past month the industry advanced payments of over \$400 million!

Because of the volume of claims, we made another initiative to create mediation systems that brought key persons to mediate between the Insurance Department, the insurance company and stakeholders, and the consumer. This system allowed us to process claims faster and avoid the complaints about bureaucratic systems. This mediation system was implemented for the benefit of all and has provided us with great results.

**D:** How many times has mediation occurred?



**Commissioner Rios distributing aid to residents after Hurricane Maria, left, and some of the damage left after the storm, right.**



**CR:** Last month alone we processed over 450 cases. Because of the high demand, it was necessary to create a new department, a new call center, a help center. The NAIC helped us with this in an amazing way. They sent us volunteers from different states who volunteered to be in the call center. These volunteers were able to receive calls that were specifically related to Maria. With the support of NAIC, we were able to implement new technology that could obtain information about the consumer's claims reported more effectively. This system gathered the information concerning claims related to Maria. In this way, we have been able to see reports concerning all the claims related to Maria on a monthly basis. As of today, we have about 231,000 claims that are a direct consequence of Hurricane Maria.

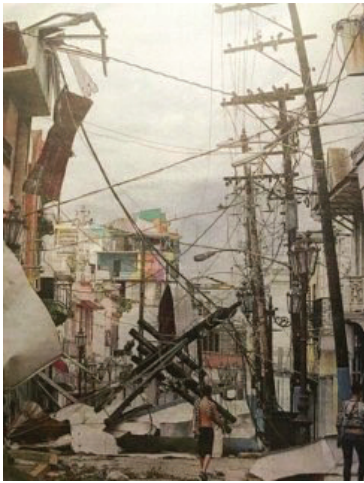
*[Editor's note - 231,000 claims affect 18.67 percent of Puerto Rico's 1,237,180 households.]*

It's really important that you know the kind of support that we've gotten from NAIC. We not only received voluntary staff, but calls and support came from commissioners of different states asking me — "Hey, is everything okay?", "Do you need anything?"

For example, John Doak, the Insurance Commissioner from Oklahoma, has come and visited my office to train us on this system of mediation. He gave my staff training from NAIC. Many commissioners from various jurisdictions have come to our aid, offering help and recommendations of how to proceed. We're very grateful to all of them.

**D:** What obstacles have you faced in this challenging project?

**CR:** We have had operational problems with insurance companies, not a financial problem at all. Many consumers



**Infrastructure damaged in Manati, Puerto Rico, after Hurricane Maria, left, and a bridge destroyed over the Rio Abajo in Utuado, right.**

do not understand the processes required to present formal claims. The companies did not have an adequate plan in place to handle catastrophic events. Neither we, nor the people, have been satisfied with the management of this catastrophic event by insurance companies. We are all aware that we need to have a much improved system in place for handling any future catastrophic events. Unfortunately, there have been a lot of losses without any kind of payment. There are a lot of claims, some of the most basic type, without payment as of yet. There also has been the realization that many people had some type of insurance, but it was insufficient, and therefore, they have had inadequate coverage.

In the future, we are going to make sure that individuals are adequately educated on what their needs are, that they purchase insurance policies that fit their needs and will sufficiently cover their assets. We want people to understand that purchasing insurance is a serious transaction and requires a degree of education, a degree of understanding what is covered and what is not.

**D:** Did you run into issues related to claims information? With insufficient coverage? Were the problems most present in residential or commercial claims?

**CR:** We discovered challenges with virtually all claims. The issues we ran into came in every situation. This is why we are making a concerted effort to change the culture of buying insurance in Puerto Rico. As we look to the future, we are working to require insurance education for the general population. We will employ all means to implement this strategy. We have been communicating with FEMA concerning a campaign that we will run on television, radio, press, and social media. This information campaign will help people understand why they need insurance, how much it will cost, and how

much is the real cost of not buying insurance and assuming your risks. This campaign will help them understand how important it is to protect the essential assets in their lives — their families, their homes, and businesses.

We also are endeavoring to educate the producers, representatives and insurance industry employees in a much more thorough way, because they are the people responsible for giving advice to consumers. This is critical because they are the ones who will help the clients decide what is the necessary coverage for their individual case.

**D:** Did the people of Puerto Rico have full replacement insurance? Did they have adequate insurance-to-value? How many claimants were not paid enough because they were underinsured?

**CR:** Over 60 percent of the people who were insured were under-insured. Because of this statistic, we can see that our industry has a lot of room for improvement. We have a lot of work to do and a lot of consumer education to undertake.

Companies need to understand that on the commercial side of things, business interruption coverage will help them maintain their operations after a catastrophic event.

It's too early to give you specific numbers, but to cover the risks that businesses face, we want to provide industries with new tools to protect their assets. We want them to have new tools to buy insurance products. We also identify the necessity for our poorer populations to have easier access to insurance options. Because of these concerns, we need to approach the issue of microinsurance.

Hurricane Maria has exposed the lamentable fact that Puerto Rico has many poor people. These are ones who never went to the bank to get a mortgage. They have never worked with an insurance broker. These demographics make it a great market for microinsurance, specifically, a parametric model. Also, my recommendation is to review government insurance issued to the agencies within the Commonwealth of Puerto Rico.

During this past calamity, the government used the traditional system, Puerto Rico purchased over 600 different policies to cover the risks of most of its government agencies. It quickly became complicated. My recommendation is to transition from this model and create a new, parametric model, for government insurance to cover government properties. I don't know if anyone will accept my recommendations, however, I feel strongly about it.

The parametric model, in which all the government properties are aggregated into one single pool, is the best option for the Commonwealth. At the same time, microinsurance is the best model for the people. The people would really get a lot of benefit out of microinsurance. In Puerto Rico we have so many people who have no insurance at all. Many of them had possession of property, yet they never had detailed documentation of ownership. They have little money and often times do not have jobs. They build their homes in areas where they do not own the land. Many of these people had devastating losses. Their houses were completely destroyed by winds and floods, with no coverage whatsoever.

With microinsurance, this group of people would be able to pay a low premium, one that they could afford. That way, when a devastation occurred they would have some insurance to work with. I have one insurance company that is interested in supplying microinsurance.

You know, this tragedy has provided a great opportunity for us to understand the real needs of the people and make

**You know, this tragedy has provided a great opportunity for us to understand the real needs of the people and make adjustments accordingly.**

adjustments accordingly. The lessons learned from Maria will allow the insurance companies to make adjustments in their plans and become much better equipped for future events.

**D:** Were there enough claim adjusters available?

**CR:** No. This was definitely a problem. There were not sufficient adjusters. Public adjusters from U.S. and other parts of the world came to assist. We had some conflict because clients were using the public adjusters, which were more immediately available, when the insurers had their own independent insurance adjusters. The insurance companies were frustrated that some of their insureds were making their claims through public adjusters.

You see, in Puerto Rico, we have adopted the system of public adjusters who are licensed, like in the U.S., using the NAIC Model. There are still many people who don't know that public adjusters are available to them. I ran a notice in the newspaper informing people of public adjusters and encouraging people to take advantage of this service because I have a responsibility to the people. Our office also has the responsibility to maintain solvency and fiscal integrity in the midst of this event. Yet the insurance companies may be more interested in

maintaining their own financial condition. The goals of the insurance company may overlap somewhat with the needs of the consumers. From our perspective, the consumer is the most important.

For twenty years Puerto Rico has had a soft insurance market. This means that the insurance companies are receiving the premiums from their clients regularly. But, during such a catastrophic event, in this moment, it's time for them to pay. The consumers really need to receive an appropriate benefit from their premium payments. Their homes, their families, and their businesses should be protected. We are being firm with insurance companies, issuing fines on them for delaying resolutions of claims. They have to pay out within 90 days from the filing of the claim.

**D:** Have there been changes in building codes?

**CR:** The Puerto Rico Planning Board is making new code for construction and new mapping for floods. Commissioner John Doak is helping with this. In fact, Puerto Rico Energy and Power Authority (PREPA) received over \$2 billion and is using it to rebuild infrastructure. We purchased many light poles, but updated from wood to much stronger material. Right now Puerto Rico is also moving from using petroleum for power to using renewable resources. We have been able to restore 90 percent of our power and 99 percent of our water supplies. We hope to have a 95 percent recovery of power by the end of May.

**D:** What happened where there is no power?

**CR:** Our previous power system was antiquated and unstable. We have never had a governor in Puerto Rico that prioritized the power grid until now. Maria was a great event, for which there had not been precedence in over 100 years. Restoring power in Puerto Rico is difficult because of the topography. The land is mountainous and not flat like Florida. We have received a grant from the federal government so the people can receive assistance to access some power, but we urgently need microinsurance. People cannot buy generators, for example. Many people during these months are depending on electric power. They need generators. We need to work with the government and the people as a team together.

**D:** Have there been business closings and loss of jobs?

**CR:** The Labor department has been providing assistance to help people return to work. Currently, I do not have the data on unemployment.

**D:** What other issues are you reviewing?

We also are analyzing data concerning condominiums. We want to provide more options for commercial coastal

condominium policyholders. We want to provide more options that allow people to purchase affordable insurance.

I have reviewed the Florida model. This model undergoes change year by year. I have reviewed and analyzed their model and I have spoken with their Office of Insurance Regulation. I'm talking with the reinsurance industry to create a new initiative to address rates for condominiums.

**D:** Has a relief fund been set up in Puerto Rico?

**CR:** Puerto Rico will receive federal funds to help affected people to rebuild their home and the public infrastructure destroyed by Hurricane Maria. We have gotten assistance from Red Cross and other private sectors for medicine and food. Puerto Rico has received relief from non-profit organizations but the government has not created a catastrophic fund to bring direct assistance. Mexico has a catastrophic fund, reserved for such tragedies, but here, we don't have one.

**D:** Has tourism returned?

**CR:** Yes! The cruise ships are now on their regular routes and the hotels are open. Just last week a brand new hotel was opened. In the next 12 months, the Economic Development Department hopes to open nine or ten more hotels. Puerto Rico's Department of Tourism wants to send a message to the whole world that Puerto Rico has re-opened for business.

And while we are getting the word out, we want businesses to know that we have established an International Insurance Center that has an innovative legal and tax mechanism, making it appealing. We have attractive tax rates and an excellent legal framework, which is ideal for insurance companies.

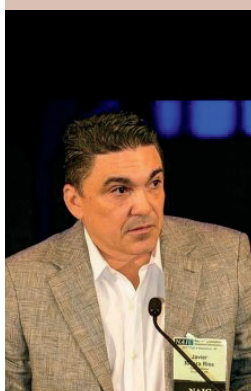
Puerto Rico is becoming more competitive economically. This will cause employment to be more

attractive for companies and more competitive for employees. This will attract more companies to Puerto Rico as well.

**D:** Do you feel Puerto Rico is becoming more marketable on a global level?

**CR:** Puerto Rico is working hard to create and establish itself to be competitive in the world. Believe me, this is a top priority. In the last three or four administrations the government, and perhaps the people, were afraid to change things. However, this current administration, the current governor, gave instructions to his team, saying: "Don't be afraid! Change the model! Learn the best practices of the world and use them in Puerto Rico!" This is his philosophy. The governor told me emphatically, "Learn and study the best practices of the world and apply them to Puerto Rico because Puerto Rico is not different. You CAN do it. Change the model to have the best agencies and to become the best country." This philosophy has a great influence. In the last 12 months, we have seen labor reform and tax reform. With the Tax Reform, corporate taxes are down to 20 percent and on the first \$30,000 in income do not have to pay taxes. This is all part of the reform that has come in. He has passed a new law "Act 20, 22". This law permits people to move to Puerto Rico and pay just four percent in corporate income taxes.

Our philosophy is that the most important person is the customer, the people. I think we have a new industry after Hurricane Maria. We have a better industry. Personally, I have one responsibility. My responsibility isn't focused on my career or with pleasing the insurance companies, it is with Puerto Rico and the people of Puerto Rico. The people are my priority because the customers make it possible for insurance companies to function and to maintain strength; the people strengthen an insurance company when they trust that the company is doing what is in their best interest. For that reason, it is important to focus on the public interest.



Puerto Rico Governor Ricardo Antonio Rosselló Nevarez appointed Javier Rivera Ríos to serve as Insurance Commissioner of Puerto Rico, effective January 17, 2017.

Prior to being appointed Insurance Commissioner, Rivera worked for Real Advisors Group, LLC as the president and founder, providing strategic financial, insurance, and business management consulting to individuals, small business owners, service groups and mid-sized corporations. With more than 19 years of experience in the insurance industry and

holding licenses as an Insurance Producer in Life, Disability and Property and Casualty from Puerto Rico Insurance Commissioner he maintained full authority for core business development functions, including sales, marketing and customer service. Rivera earned a bachelor's degree in Business Administration with a minor in Accounting from Inter American University of Puerto Rico and received Life Underwriter Training Council Fellow (LUTCF) and Florida State Authorize Financial Advisor designations. He is married to Yelitza Berrios. They are the proud parents of two children.

# South Dakota

Population: **869,666** (2017 est.)  
Households: **333,536** (2016 est.)  
Governor: **Dennis Daugaard**

Department Of Insurance Director: **Larry Deiter**  
Emergency Management Executive Director: **Tina Titze**  
House Insurance Committee Chair: **Tim Rounds**  
Senate Insurance Committee Chair: **Phil Jensen**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>			<b>83</b>
Composition:	Property & Casualty (including captives and pools)		<b>65</b>
	Life & Health		<b>2</b>
	Title Underwriters		<b>16</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>			<b>83</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Tennessee

Population: **6,715,984** (2017 est.)  
Households: **2,522,204** (2016 est.)  
Governor: **Bill Haslam**

Department Of Insurance Commissioner: **Julie Mix McPeak**  
Emergency Management Executive Director: **Patrick Sheehan**  
House Insurance Committee Chair: **Ron Travis**  
Senate Insurance Committee Chair: **Jack Johnson**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>108</b>
Composition: Property & Casualty (including captives and pools)	<b>82</b>
Life & Health	<b>2</b>
Title Underwriters	<b>24</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>108</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.



# Texas

Population: **28,304,596** (2017 est.)  
Households: **9,289,554** (2016 est.)  
Governor: **Greg Abbott**

Department Of Insurance Commissioner: **Kent Sullivan**  
Emergency Management Executive Director: **Chief W. Nim Kidd**  
House Insurance Committee Vice-Chair: **Sergio Muñoz, Jr.**  
Senate Insurance Committee Chair: **Kelly Hancock**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>			<b>153</b>
Composition:	Property & Casualty (including captives and pools)		<b>123</b>
	Life & Health		<b>4</b>
	Title Underwriters		<b>26</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>			<b>153</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Who Responds for the Responders?

## The USO Steps Up to Help Service Members Called to Respond to Hurricane Harvey

By Joseph Harrington

In normal times, there will be slightly more than 10,000 active duty and reserve military personnel stationed in and around Houston, Texas. But August 2017 was no ordinary time, as Hurricane Harvey pummeled the area with unprecedented levels of rainfall, flooding the region and leaving thousands homeless.

In response to the disaster, some 24,000 military personnel were mobilized to assist communities in distress. Most

“The USO strengthens America’s military service members by keeping them connected to family, home and country, throughout their service to the nation,” she adds. “Our service members across the world are disconnected from us in many ways. They get deployed to different bases far from home and can lose a sense of connection.”

According to Westerfield, a recent survey by the Blue Star Families organization found that only 10 percent of service

**The USO strengthens America’s military service members by keeping them connected to family, home and country, throughout their service to the nation.**

of the personnel were members of the National Guard, supported by the Coast Guard and active duty units from Fort Sill and Fort Hood. Summoned to report to duty in as little as 12 hours, many of those called out expected to spend a few days in the relief effort, only to find they would be needed for two to three weeks. Many were not prepared or equipped for a long stay from home.

Who, then, would respond to their needs?

The answer was the Houston area chapter of the USO, the United Services Organization, the volunteer-run non-profit organization that has been providing entertainment, support, and comfort to U.S. service personnel and their families for more than 77 years.

### Forgotten, perhaps, but not gone

Americans know little about the USO and its mission, according to Lorén Westerfield, director of the Houston USO. “Older people may remember Bob Hope’s entertainment for troops overseas, but many younger people have never heard of it,” she said.

members believe American citizens understand their sacrifices. “That’s tough to swallow when you consider how much they are giving for this country,” she said. “Service members are essentially writing a blank check up to the cost of their lives.”

(Blue Star Families display a blue star to indicate that they have an immediate family member in the service. Gold Star Families display a gold star to indicate that they have had a family member die while in the service.)

So, as service personnel were deployed throughout the Houston area, the Houston USO activated its own volunteer force to operate four hospitality locations around the clock, as well as a traveling “Mobile USO” unit.

“During Harvey, a lot of the responders were going out for 12 hours a day on boats and trucks to rescue people from their homes,” Westerfield recalls. “Coast Guard helicopters were literally rescuing people off rooftops.” She added that National Guard established distribution points for life-sustaining supplies — clean water, most importantly — in flood-ravaged Beaumont.



**Houston based Navy Sailors enjoy a break with donated Coca-Cola during Hurricane Harvey Relief Mission**

For well-earned breaks during those long days, service personnel could turn to the USO centers for food, refreshments, entertainment, and general relaxation. USO volunteers also provided toiletries and other necessities that the hastily summoned service members did not expect to need.

“We weren’t trying to provide services to the public like the Red Cross,” Westerfield emphasizes. “Our mission was specifically to respond to the needs of our military that were there.”

### **Battling fatigue; boosting morale**

You don’t have to be in a battle to get battle fatigue, Westerfield notes.

“The military focuses on missions, but morale is a huge determining factor on how well a mission is accomplished,” she said. “So, if service members are fatigued — even if they aren’t getting shot at — they are not going to perform at as high a level as they would if they get some relief from the stress.”

That relief was available at USO locations.

Commenting on the types of services provided today by the USO, Westerfield advises us not to discount the importance of amenities such as gaming consoles.

“For 18-year-olds, that’s what they’re used to, that’s what they do for socialization, that’s what they do in their free time,” she said. “Having those consoles connects them back

to their normal lives, and that’s what we’re in the business of doing.”

The USO’s “business” runs almost solely on the efforts of volunteers, however. The Houston area USO has only four paid staff members, and relied on its network of 250 volunteers to run its hospitality sites for up to three weeks after Hurricane Harvey.

### **In it for the duration**

Temporary efforts like those in Houston are only a small part of the USO’s mission, which extends throughout the cycle of a service member’s time in the ranks, and beyond.

USO volunteers are present at military entrance processing stations, where recruits take their oaths of loyalty and are shipped off to basic training.

“From day one when they join the military, service members are supported by the USO,” Westerfield said. “We’re also there to support parents and family members, some of whom are very apprehensive about what their 18-year-olds have signed up for.”

USO programs are also available to service members as they go through training in the U.S. and prepare for deployment overseas. Among other programs, “Operation That’s My Dress” makes donated formalwear available free of charge to service members for formal occasions, and “United to Reading” creates videos of service members reading children’s stories that are sent to their families.

While overseas, U.S. military personnel can find some taste of home away from home at USO hospitality locations throughout the world. “USO locations have a homey, relaxing feel,” said Westerfield. “We bring a sense of community to an otherwise austere and sometimes unfriendly environment.”

Then, when returning home from deployment, service personnel will find the USO waiting for them.

“As they come home from deployment, a lot of our bases have USO welcome home committees,” Westerfield said. “Whether it’s two o’clock in the morning or whenever, when they come home, the USO will be there with volunteers to welcome them.”

### Service above and beyond

USO support for service members does not end with their terms of service.

The organization maintains transition centers where people leaving the service can go for guidance on Veterans Administration programs, educational opportunities, job-searching, and other aspects of the transition to civilian life.

And, sadly, if a service member does not return alive to enjoy those opportunities, USO volunteers will be at Dover Air Force Base and other locations to ensure a dignified reception and transfer of the remains, and to comfort the grieving family.

“We coordinate those encounters very quietly with specific volunteers who understand the gravity of those moments,” Westerfield said.

Why do some people feel committed to serving those who serve by volunteering for the USO?



**Texas Army National Guard soldiers receive snacks from the Mobile USO**

“When we do volunteer orientation, I ask the new volunteers why they want to get involved,” Westerfield said. “There are those with military experience and want to give back for what they received from the USO, ‘paying it forward,’ so to speak.”

“Some volunteers couldn’t serve in the military and feel this is a way to serve. Others have a brother or sister in the service and want to be connected with them in some way. It’s really a community endeavor.”

Residents of Houston will vouch for that.

*If you would like to find out more information about how you can join the team as a Force Behind the Forces visit [www.uso.org/houston](http://www.uso.org/houston).*



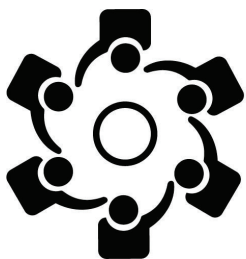
**Houston Texans show their support with keepsakes at Katy High School, temporary Task Force Harvey operation headquarters**



**Houston**

To all those responding  
during the darkest hours  
of the storm and the  
long weeks afterward...  
Thank you!

Lisa & the Team



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# Utah

Population: **3,101,833** (2017 est.)  
Households: **918,367** (2016 est.)  
Governor: **Gary Herbert**

Department Of Insurance Commissioner: **Todd E. Kiser**  
Emergency Management Executive Director: **Kris J. Hamlet**  
House Insurance Committee Chair: **Rep. James A. Dunnigan**  
Senate Insurance Committee Chair: **Sen. Curtis Bramble**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>85</b>
Composition: Property & Casualty (including captives and pools)	<b>65</b>
Life & Health	<b>1</b>
Title Underwriters	<b>19</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>85</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.







# Vermont

Population: **623,657** (2017 est.)  
Households: **257,107** (2016 est.)  
Governor: **Phil Scott**

Department Of Insurance Commissioner: **Michael Pieciak**  
Emergency Management Executive Director: **Erica Bornemann**  
House Insurance Committee Chair: **William Botzow II**  
Senate Insurance Committee Chair: **Ann Cummings**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>65</b>
Composition: Property & Casualty (including captives and pools)	<b>52</b>
Life & Health	<b>1</b>
Title Underwriters	<b>12</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>65</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.



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## Bass Pro Shops Aided Texas Rescue Efforts After Hurricane Harvey

Bass Pro Shops worked with local police, fire, and rescue teams in and around Houston after Hurricane Harvey to assist in rescue and relief for those affected by the storm. More than 80 Tracker boats provided by the company helped agencies and organizations involved in rescue efforts reach people in affected areas.

The company also responded immediately after Hurricane Harvey with truckloads of relief supplies to

the areas, including nutritious snack food for relief workers with boots on the ground. Bass Pro Shops stated that the supplies sent totaled \$40,000, and supported Convoy of Hope, a humanitarian organization, and the Red Cross.

Bass Pro Shops have seven retail locations and boating centers in Texas, with three near Houston, with over 100 locations nationwide.

## “Cajun Navy” Helps Rescue Stranded Residents in Houston

An unofficial “navy” of volunteers mobilized to the Houston area as soon as news reports showed flooded neighborhoods and roadways, and people trapped on rooftops after Hurricane Harvey devastated the area.

Volunteers drove miles in pick-up trucks hauling boats and once in the flooded areas, used a combination of Facebook, a phone app called Zello and “dispatchers” to send those hundreds of volunteers with boats of all

sizes and shapes on the hunt for flood-stranded people and pets.

First formed in 2005 after Hurricane Katrina, the Cajun Navy was people helping people in the wake of an unprecedented disaster. Now members of the navy often state a strong desire to help give back, and reach people when a devastated area’s rescue resources are overwhelmed. Television images of people stranded on



micheelmond/shutterstock.com

rooftops or trying to stay afloat on air mattresses after Harvey hit prompted the navy to arise and fueled efforts that included long drives, gasoline, and countless man-hours of hair-raising search and rescues.

The Cajun Navy response in Houston after Harvey hit drew many people from Louisiana and east Texas, an area historically hit by hurricanes and frequent flooding. This area, called the Cajun corridor, is vulnerable when hurricanes hit, and the folks from Louisiana responding to Harvey still carry memories of rescues by volunteers

from Texas in years past, keeping members of this volunteer navy focused in the chaos and frustration of trying to find the people most in need of help.

With unofficial rescue efforts like those of the Cajun Navy, an accurate count of the number of people rescued by its members is impossible to establish, but all together, thousands of people were rescued after the hurricane by official police and fire rescue teams and first responders, in addition to the Cajun Navy with their hundreds of boats.



MDay Photography/shutterstock.com

# Virginia

Population: **8,470,020** (2017 est.)  
Households: **3,090,178** (2016 est.)  
Governor: **Ralph Northam**

Department Of Insurance Commissioner: **Scott A. White**  
Emergency Management Executive Director: **Jeffrey D. Stern**  
House Insurance Committee Chair: **Terry Kilgore**  
Senate Insurance Committee Chair: **Frank Wagner**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>106</b>
Composition: Property & Casualty (including captives and pools)	<b>84</b>
Life & Health	<b>2</b>
Title Underwriters	<b>20</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>106</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

# Washington

Population: **7,405,743** (2017 est.)  
Households: **2,696,606** (2016 est.)  
Governor: **Jay Inslee**

Department Of Insurance Commissioner: **Mike Kreidler**  
Emergency Management Executive Director: **Robert Ezelle**  
House Insurance Committee Chair: **Steve Kirby**  
Senate Insurance Committee Chair: **Mark Mullet**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>77</b>
Composition: Property & Casualty (including captives and pools)	<b>61</b>
Life & Health	<b>1</b>
Title Underwriters	<b>15</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>77</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.



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# West Virginia

Population: **1,815,857** (2017 est.)  
Households: **739,397** (2016 est.)  
Governor: **Jim Justice**

Department Of Insurance Commissioner: **Allan McVey**  
Emergency Management Executive Director: **Jimmy Gianato**  
House Insurance Committee Chair: **Steve Westfall**  
Senate Insurance Committee Chair: **Michael T. Azinger**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>78</b>
Composition: Property & Casualty (including captives and pools)	<b>60</b>
Life & Health	<b>1</b>
Title Underwriters	<b>17</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>78</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.






# Wisconsin

Population: **5,795,483** (2017 est.)  
Households: **2,310, 246** (2016 est.)  
Governor: **Scott Walker**

Department Of Insurance Commissioner: **Ted Nickel**  
Emergency Management Executive Director: **Brian M. Satula**  
Assembly Insurance Committee Chair: **Kevin Petersen**  
Senate Insurance Committee Chair: **David Craig**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>86</b>
Composition: Property & Casualty (including captives and pools)	<b>65</b>
Life & Health	<b>2</b>
Title Underwriters	<b>19</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>86</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.



Homeowners had to make quick work of the removal of soaked furniture and building materials after the storm.

michelmond/shutterstock.com

## Neighbor Helping Neighbor in Texas

By Barbara Albert

**W**hen Hurricane Harvey, a Category 4 hurricane, hit the Texas coast, it was the first to make landfall there since 2005. Harvey lingered over the Houston area as a tropical storm for days with tremendous amounts of rain.

Communities that ended up under flood waters included Katy, Texas, just west of Houston. After National Guardsmen and other emergency responders rescued residents from their homes by boat and the flood waters began to recede, neighbors started helping neighbors in a massive effort to recover.

Chris Bettinger, a resident of Katy, and his wife, Rikki, became part of the volunteer force as they began helping friends and co-workers first, and then reached out to neighbors who needed to start the hard work of recovery as soon as the storm moved on.

“A co-worker of mine lives really close to the Barker-Cypress dam, and his home started to flood,” said Bettinger. “He and his family were rescued by boat, and went to a shelter at a school right around the corner

from us. All his family and network is in China, so my daughter and I drove there and picked them up. We let them have our house for a couple days until they regrouped and found a place to stay with friends.”

Bettinger said that his daughter, who is eight years old, spent time with his co-worker’s daughter of the same age, entertaining her and taking her mind off the disaster her family just experienced.

“We were giving our daughter and to some extent, our younger son, some perspective on what happened,” Bettinger said. “We don’t want to shelter them from all of it. It’s part of our community. We wanted her to walk away with some understanding. We thought about her helping, but there is some danger in the clean-up — sometimes live wires, and potential chemical exposure from the contents of garages in the water. This was a better job for her to help another kid and have some fun in the process.”

Despite the danger, Bettinger and his wife began helping their neighbors, spending much time pulling out sheetrock and doing what needs to happen quickly

to salvage possessions in homes and prevent the rapid growth of mold on wet materials.

“It was a terrible disaster, but you couldn’t help but be really happy about seeing all the people trying to help out people they didn’t even know,” Bettinger said. “The

construction. He said it would not be unusual to see teams of 50 people who had never met, on a street working together to help the victims of the storm.

“In some ways, it’s still going on,” Bettinger said. “My co-worker hasn’t been back in his home for that long,

**In some ways, it’s still going on,” Bettinger said. “My co-worker hasn’t been back in his home for that long, and they are still having work done. The company I work with, other co-workers and friends, the whole community — all supporting these people who have been displaced almost a year now.**

streets were crowded with cars, and they were all there to help. A lot of churches carried the workload.

“You just knocked on doors and asked if they needed help. We were ripping out sheetrock all day, pulling out destroyed furniture, and other things that needed to be done right away.”

Bettinger said his section of the neighborhood was knee deep in flood waters, but no water advanced past his driveway. Many areas of Katy, he said, had significant flooding and people lost their homes. The first phase of the really intensive clean-up work lasted a week once residents had access to their homes again, with the long process of repair and rebuilding going on for many months. Bettinger said that he wasn’t able to go to work during that initial period because of the storm damage, so he could help others every day. The post-storm work included helping people with their children, and donating clothing and goods.

“The way the help was organized was pretty amazing,” Bettinger said. “The level of organization when it happened just seemed to come from nowhere.”

Several websites allowed volunteers to add their names, or people in need to ask for help. Bettinger said that churches would send teams out with leaders with experience in

and they are still having work done. The company I work with, other co-workers and friends, the whole community — all supporting these people who have been displaced almost a year now.

“It was an eye-opener for me. I’ve never been through a natural disaster like this. When you were helping on a street where the whole street was destroyed, the water was too high to bring your people, so you would get as close as you could, park your car, take your tools and walk into the area. Usually there would be one or two families on their lawn with food and drinks. They would give access to their restrooms and help as they could. The disaster was so terrible, but then there were so many people helping that it was pretty cool.”



**Neighbors set up areas to let volunteers get water and food during the clean up.**

IrinaK/shutterstock.com




# Wyoming

Population: **579,315** (2017 est.)  
Households: **226,985** (2016 est.)  
Governor: **Matthew Mead**

Department Of Insurance Commissioner: **Tom Glause**  
Emergency Management Executive Director: **Guy Cameron**  
House Insurance Committee Chair: **Mike Greear**  
Senate Insurance Committee Chair: **Michael Von Flatern**



## Disasters in 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Fire</b>												
<b>Flooding</b>												
<b>Hurricane</b>												
<b>Landslides</b>												
<b>Mudslides</b>												
<b>Severe Storm</b>												
<b>Severe Winter Storm</b>												
<b>Snowstorm</b>												
<b>Straight-line Winds</b>												
<b>Tornadoes</b>												
<b>Tropical Storm</b>												
<b>Wildfires</b>												

<b>Demotech rated entities writing or licensed to write in the state:</b>	<b>64</b>
Composition: Property & Casualty (including captives and pools)	<b>48</b>
Life & Health	<b>1</b>
Title Underwriters	<b>15</b>
<b>Demotech rated entities writing or licensed to write in the state that remain solvent at 12/31/2017:</b>	<b>64</b>

Symbols above indicate Major Disaster Declarations as listed on <https://www.fema.gov/disasters> for Jan-Dec, 2017.  
Not included are Emergency Declarations or Fire Management Assistance Declarations.

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# Security First Insurance<sup>SM</sup>

## **We are a data-driven, technology company on a mission to change the way people think about homeowner's insurance.**

Our long-term strategy has always been to be the best at understanding individual property risk, and over the last decade, we've built our business successfully insuring hundreds of thousands of homes in a state prone to natural disaster. We believe that understanding risk is foundational to transforming insurance, and Florida is not only our home, it's our lab.



We know risk and our continual investment in data and technology allows us to identify unique, and sometimes niche market opportunities and continually deliver an exceptional experience to our employees, customers, and agents.



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