



**VIRTUAL**

**2023 RISK AND  
SAFETY SUMMIT  
WEBINAR**

**WELCOME**



# Welcome to the Webinar

**You have been muted and your video turned off** so that we may all focus on the speakers.

**We have taken the questions you have submitted in advance** and organized them into common themes that we will address today.

**You can submit questions during the webinar using the Q&A feature** at the bottom of your screen and time permitting, we will address your question(s).

**In a couple of weeks** you will receive a copy of this recorded webinar, the PowerPoint slides and any additional resources we discussed today via email. The information will also be posted on our website [www.psfinc.com](http://www.psfinc.com).

**MODERATOR**



**Josh Hedrick**  
**Parker, Smith & Feek**  
**Principal**  
**Property & Casualty**



# Disclaimer

**This is what we know as of today** and is subject to change.

**This is not legal advice** and should not be construed as such.

**Comments made by our speakers may not contemplate your particular geography** – please reach out to your legal counsel for state-specific information.



# Emergency Preparedness and Business Continuity Planning



## Joel Tobin

**Risk & Support Services Manager- King County Housing Authority**

Joel joined the King County Housing Authority as Risk & Support Services Manager in November 2022. Prior to his arrival at KCHA, Joel directed the University of Washington's Enterprise Risk Management (ERM) program. His work in higher education administration comprised 11 years focusing on risk management, compliance, and accreditation.





# Mitigating Property Hazards and Best Practices

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# Speakers



## **Bret Ommodt**

**VP, Claims Executive- [Parker, Smith & Feek](#)**

Bret has more than 10 years of experience adjusting property and casualty claims for multiple carriers, including training and mentoring entry-level adjusters on claims handling best practices and coverage evaluation. He has experience with first and third-party property and casualty losses across both personal and commercial lines. The bulk of his experience involves first-party property losses with complex coverage concerns. His background as an adjuster ensures our clients are extracting all the benefits due from the policy when analyzing claims and negotiating with carriers. He helps our clients with the process of collecting and submitting the necessary information and documentation for claims resolution.



## **Eric Riddleberger**

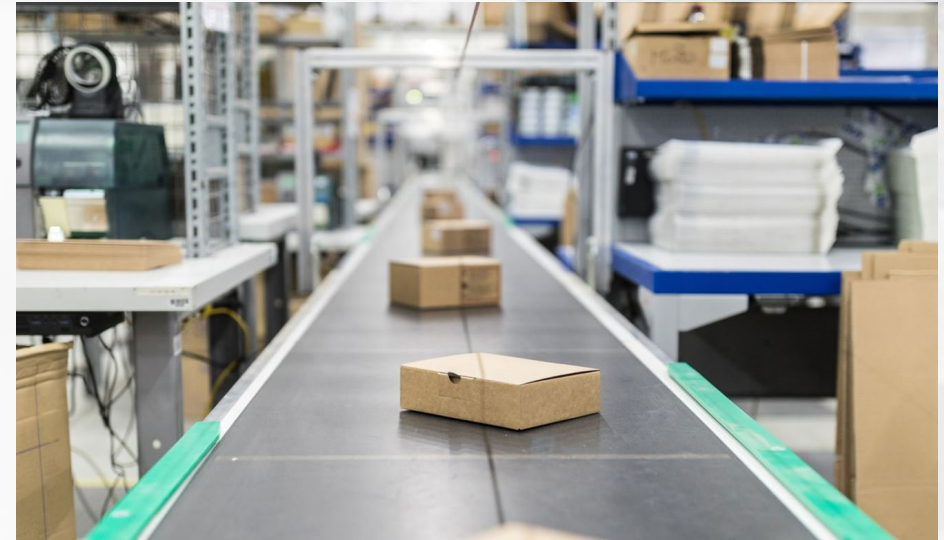
**Director of Property, Risk Control- [IMA Financial Group](#)**

Eric is the Director of Property, Risk Control. He assists all the risk advisors with any property-specific questions, trainings, or locations. Prior to joining IMA, Eric spent 18 years working for FM Global in their Risk Engineering department. Throughout the 18 years, he was able to gain valuable experience in commercial insurance evaluating property risk, construction, occupancy, protection, and exposures, from an engineering perspective. The industries he has extensive experience with are warehousing, manufacturing, molten materials, pharmaceutical, advanced ceramics, chemical, retail, and an array of other industries



# Business Continuity Process

1. Program Management
2. Risk Assessment and Mitigation
3. Impact Analysis
4. Resource Management
5. Plan
6. Training
7. Exercise
8. Program Revision



# Claim Example: Ammonia Leak – Seafood Processing Facility

- + Ammonia is  $\frac{1}{4}$  the price of CFCs and 10 times more efficient
- + Ammonia leak impacted the entire facility
- + All product in the building had to be disposed
- + Equipment Breakdown coverage applied – Retail Value





# Minimizing the Loss

- + Location, location, location
- + Early detection
- + Automatic shutdown
- + Determine airflow patterns
- + Ventilation



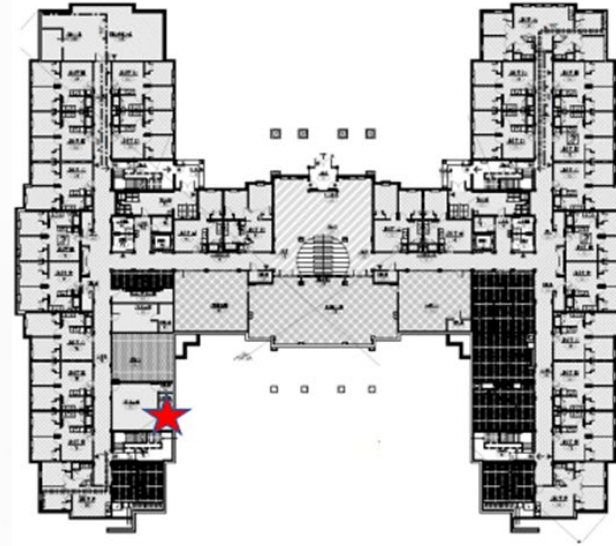
# Claim Example: Water Damage – Commercial Flooring Retailer

- + Burst 6" supply pipe for fire suppression system
- + Insureds unaware of the location of the water shutoff valve within the building prior to loss
- + Water flowed for 45 minutes before local fire department arrived and located the shutoff.
- + Significantly increased the building damages and duration of the repairs
- + Increased business interruption claim value as a result



# Minimizing the Loss

- + Water Emergency Response plan
- + Mapping
- + Signage
- + Training
- + Pictures
- + Special equipment
- + Annual inspections of the piping systems



# Mitigating the Loss

## Weather related checks

### Prior to incoming cold weather:

- + Designate a person to monitor the weather utilizing a national weather service.
  - + Make sure portable heaters are in good working condition with fuel and operational.
  - + Ensure that any temperature monitoring device is working properly.
  - + Evaluate your building envelope to determine if there are any "exposed" piping to outside weather conditions.
  - + Close all openings including doors, windows, and roll-up doors. Check susceptible areas with an external thermometer to ensure the area will maintain a temperature of 40°F – areas that have dampers within piping passing through.
  - + Monitor temperatures in the building at specific locations, sprinkler system supplies, stairwells with outside doors, to determine if they are considerably colder than adjacent areas. Make changes as necessary to supply to the areas.
  - + Locate any concealed spaces, above ceiling tiles, below floors, crawl spaces that may have susceptible piping to freezing temperatures. Determine if it is possible to provide temporary opening to the area so heat can penetrate and help avoid freezing.
- + Take a moment to evaluate building insulation and piping insulation. Replacing damaged or missing insulation prior to the freeze event happening.
  - + Evaluate the need for heat tracing for important equipment with piping to and from, or instrumentation that is water-filled.
  - + Determine if hoses have been attached to outside hose bibs, remove the hose to elevate pressure from the hose bib. Depending on the type of hose bib or outside faucet, once the pressure is relieved, water should flow back into a wall. Placing an insulation device on the hose bib helps to ensure that any trapped water likely will not freeze.
  - + Provide adequate access to all water shutoff valves including the main shutoff. Review emergency procedures on how to shut the water off with security and emergency team, including domestic water pumps in the event of an emergency.
- |  |   |   |   |   |   |   |   |   |   |
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## Water intrusion checklist

IMA RISK CONTROL  
**Water Intrusion Checklist**

ANNUALLY	
YES	NO
<input type="checkbox"/>	<input type="checkbox"/> Flashing is properly attached (if accessible).
<input type="checkbox"/>	<input type="checkbox"/> Mechanical equipment is securely fastened? Check for empty screw holes that screws are supposed to be in.
<input type="checkbox"/>	<input type="checkbox"/> Is the weather stripping on doors in good condition?
<input type="checkbox"/>	<input type="checkbox"/> Have you updated the valve list and map to reflect all current valves on site? Have you updated the training for all personnel on-site?
<input type="checkbox"/>	<input type="checkbox"/> Do you have response tools to quickly respond and shut off the water in case of a leak?
SEMI-ANNUALLY	
YES	NO
<input type="checkbox"/>	<input type="checkbox"/> Have you determined if loose debris and materials that could cause roof damage or obstruct roof drains are removed.
<input type="checkbox"/>	<input type="checkbox"/> Skylights, roof hatches, and vents are in good condition. Are there skylights on the roof inspected for damaged seals, caulking, and weather stripping?
<input type="checkbox"/>	<input type="checkbox"/> Confirm that there is heat in the areas where "wet" sprinkler systems, chillers, and domestic water systems are provided.
<input type="checkbox"/>	<input type="checkbox"/> Are HVAC systems in good condition? Are drains open and free-flowing?
<input type="checkbox"/>	<input type="checkbox"/> Did you inspect the caulking/gaskets of the windows?
<input type="checkbox"/>	<input type="checkbox"/> Do any of the windows appear to be leaking or have condensation between the panes?
<input type="checkbox"/>	<input type="checkbox"/> Are Hot Water Heaters inspected for over pressurization and equipped with overflow plans?
QUARTERLY	
YES	NO
<input type="checkbox"/>	<input type="checkbox"/> Are roof drains free and clear of debris?
<input type="checkbox"/>	<input type="checkbox"/> Any ponding occurring on the roof?
<input type="checkbox"/>	<input type="checkbox"/> Do downspouts direct water away from the foundation?
<input type="checkbox"/>	<input type="checkbox"/> Are the locations of the water shut-off valves known, easily reached, marked or labeled? Are valves maintained in good operating condition (exercised periodically)?
<input type="checkbox"/>	<input type="checkbox"/> Are sump pumps checked quarterly for power and to ensure the float is in good working condition?
<input type="checkbox"/>	<input type="checkbox"/> Any signs of leaks on ceiling tiles or floor stains?
<input type="checkbox"/>	<input type="checkbox"/> Are electronic sensing systems (leak detection, flow sensing, etc.) working correctly in service?
WEATHER (before and after Weather Event)	
YES	NO
<input type="checkbox"/>	<input type="checkbox"/> Inspect the roofing system semi-annually (internally) after hailstorms or severe weather events.
<input type="checkbox"/>	<input type="checkbox"/> During the winter/spring months, is snow accumulation monitored? Is melted snow free to go through drains?
<input type="checkbox"/>	<input type="checkbox"/> Does the snow removal method from the roof not penetrate the roof?



# Claim Example: Switchgear Failure – Highrise Apartment Complex

- + Senior Living Community of 300 residents November 2021
- + Switchgear housed in basement failed. Switchgear original to building's construction in 1966.
- + Minor smoke and fire damage occurred to the surrounding areas
- + Residents relocated to nearby school for the evening while power was restored to building via backup systems
- + Upgrades recommended by electrical contractor but were not required by code
- + Repairs completed summer of 2023 due to permit delays and lead time for replacement equipment.



# Minimizing the Loss

- + **Electrical Maintenance**
  - + Cool, clean and dry
  - + Thermography Testing (IR Scans)
  - + Low voltage circuit breaker testing
  - + Transformer Testing
- + **Critical equipment**
  - + Replacement lead time
- + **Back up Power**
  - + Generator
  - + Uninterrupted Power Supply (UPS)





# Business Interruption Calculations After a Loss

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# Speakers



## Steve Roberts

**Forensic Accountant- [Veritas Forensic Accounting & Economics- Financial Industry](#)**

Since 1987, Mr. Roberts has focused exclusively on valuation, economic research, economic loss measurement, forensic accounting, and fraud examination. His assignments regularly include expert report and exhibit preparation, and deposition and courtroom testimony. He manages and/or collaborates on Veritas' litigation, arbitration, mediation, appraisal, loss quantification, and umpire projects. Mr. Roberts has also been appointed as Special Master by the court relative to economic analysis and forensic accounting issues.



## Luke Fischer

**Forensic Accountant- [Veritas Forensic Accounting & Economics- Financial Industry](#)**

Mr. Fischer has 10+ years of experience exclusively with cases involving investigative accounting, financial analysis, fraud examination and economic research. Mr. Fischer has worked on economic loss, valuation, and investigative engagements in Alaska, across North America, in Mexico, and throughout the Gulf. Additionally, he is a guest speaker and lecturer on investigative accounting, internal control, and review practices.





# Business Interruption

- + Coverage
- + Claim Examples
- + Calculation
- + Documentation
- + Negotiation



# Coverage - Business Income & Extra Expense

## Business Income

- + Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- + Continuing normal operating expenses incurred, including payroll.

*For manufacturing risks, Net Income includes the net sales value of production.*

**Extra Expense** means **necessary expenses** you incur during the "**period of restoration**" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss. We will pay Extra Expense (**other than the expense to repair or replace property**) to:

- + Avoid or minimize the "**suspension**" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
- + Minimize the "**suspension**" of business if you cannot continue "operations". We will also pay Extra Expense to repair or replace property, **but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.**



# Coverage – Business Income & Extra Expense

## Suspension means:

- + The slowdown or cessation of your business activities that is the result of physical loss of or damage to a part or all of the described premises that is rendered untenable

## Operations means:

- + Your business activities occurring at the described premises
- + The tenantability of the described premises, if coverage for business income includes Rental Value.

## Period of Restoration:

- + Beginning 72 hours after the time of direct physical loss or damage for Business Income Coverage; or Immediately after the time of direct physical loss or damage for Extra Expense Coverage;
- + Ends on the earlier of The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or The date when business is resumed at a new permanent location.



# What Would Have Happened?

## Simple Question

- + What would have happened had the event not occurred?

## Revenue

- + What would revenue have been vs. actual revenue?

## Expense

- + What would expenses have been vs. actual expenses?

Lost Revenue – Non-Continuing Expenses = Lost Business Income



# Non-Continuing Expenses

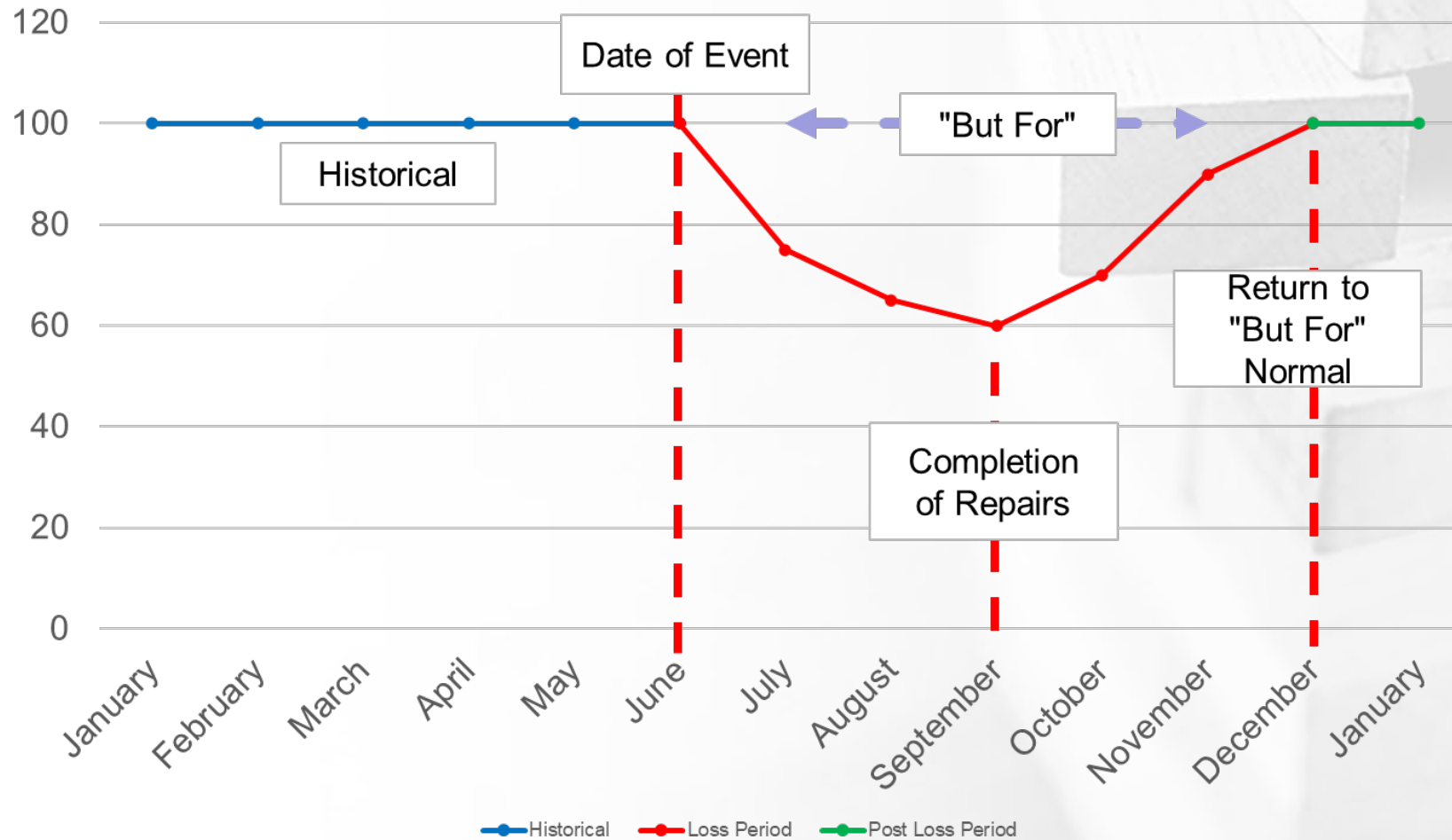
An expense that would have been incurred had the event not occurred, but will now be saved.

## Salaried Employees

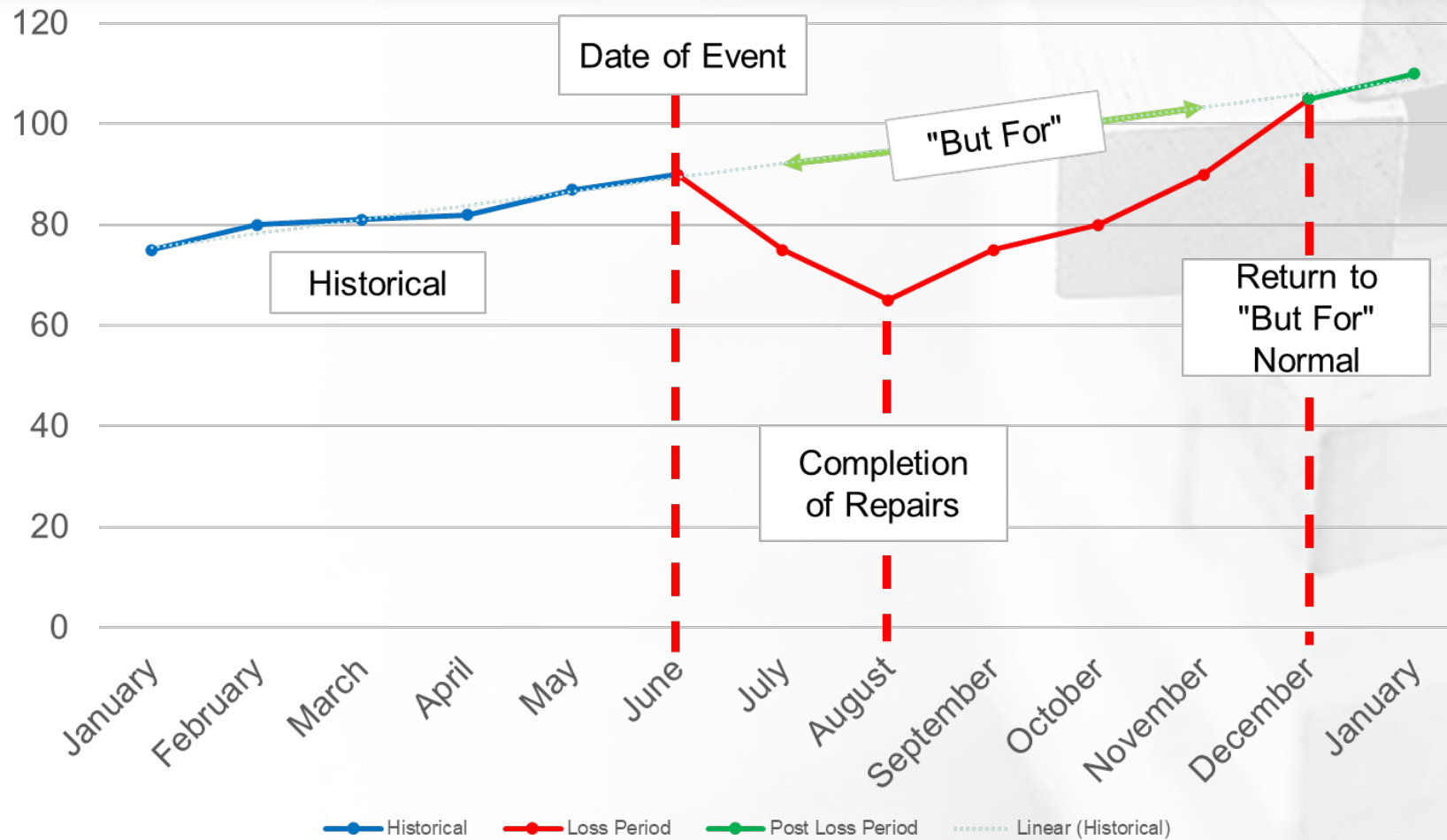
+ Fixed Expense - Not Saved But Not Extra



# Loss Calculation – Stable Revenue



# Loss Calculation – Growing Revenue



# Golf Course Equipment Building Fire

- + February Loss
- + Equipment & cart storage building total loss
- + Erected temporary Qounset hut for the coming season to protect the replacement equipment to maintain their operations
- + Permanent repair occurred in the fall





# Golf Course Equipment Building Fire

- + Extra Expense –
- + Reasonable and Necessary & Reduce Losses

Before - During - After



# Golf Course Equipment Building Fire

- + Extra Expense –
- + Reasonable and Necessary & Reduce Losses

Before - During - After



BEWARE

# Dental Office Water Damage

- + Frozen pipe flooded the entire office
- + Insured is tenant of the building
- + Bought out remaining lease
- + Permanently relocated office



# Synthetic Resin Manufacturer

- + Synthetic resin product manufacturer
- + Cauldron breakdown during operation causing the resin to harden in the equipment.
- + Outsourced pending orders to competitor allowed the insured to maintain their client base and revenue streams



# Documents

- + **Profit & Loss Statements**
  - + Monthly for 3 years
- + **Occupancy Data**
  - + Monthly for 3 years
  - + Rent Rolls
- + **Production Capacity**
  - + Backlog on Orders
- + **Critical Path**
  - + Construction Schedules
  - + Pay Apps
- + **Payroll Registers**



# Iterative Process

- + Claim Submittal
  - + Respond to RFI's
  - + Meetings with Adjustment Team
- + Carrier's Report of Findings
- + Boil Down Differences/Issues
- + Respond To Issues
- + Reasonable Certainty
- + Resolution



# Panel



**Joel Tobin**

Risk and Support Services Manager  
[King County Housing Authority](#)



**Holly Vetrone**

Senior Director of Operations  
[Urban Renaissance Group](#)



**Mike O'Neil**

Director of Safety  
[Lakeside Industries](#)



**Becky Bullock**

Risk Manager  
[Seattle Housing Authority](#)



# Panel



## Holly Vetrone - Senior Director of Operations - [Urban Renaissance Group](#)

Holly Vetrone, as Senior Director of Operations, combines over 13 years of accounting experience with expertise in commercial real estate from her Asset Management roles. At URG, she oversees corporate budgeting, contract negotiations, due diligence, procurement, and manages strategic projects. Previously, Holly managed operations for a 2-million-square-foot real estate portfolio, and held roles as Finance Manager, Controller, and VP of Finance and Administration, focusing on accounting leadership and systematic procedures. She also led Human Resources, managing all HR functions.



## Mike O'Neil - Director of Safety - [Lakeside Industries](#)

Mike's career in the asphalt paving and production industry began during his college years, working summers as a laborer. After graduating from Central Washington University with a degree in Loss Control Management, he joined Lakeside's safety and health department, eventually becoming Assistant Director of Safety. With over 35 years in the field, Mike has extensive experience in safety, health, and casualty loss claims, managing a diverse workforce, a fleet of over 500 vehicles, and overseeing production, paving, and mining in heavy civil construction. He has been a member of the Governor's Industrial Safety and Health Advisory Board and WACA Safety Committee, and is currently the Vice Chair of the National Asphalt Pavement Association Safety and Health Committee.



## Becky Bullock - Risk Manager - [Seattle Housing Authority](#)

Becky Bullock, ARM, has worked in public sector risk management in Colorado and Washington State for over 30 years. She joined the Seattle Housing Authority in January 2022.





# Questions

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**THANK YOU!**

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