



A newsletter for members of the Trusts
administered by the Florida League of Cities

August 2018

FMIT's Focus on Proactive Versus Reactive Approach to Recovery

by Tony Scott

Many typical property insurance providers take a “wait-and-see” approach to respond to property losses after a catastrophic event. A reactive approach to recovery after a major loss expends more resources, including time and money.

Many insurers rarely commit resources to proactively contacting insureds in an affected area and, if nothing is reported, the insurer has no obligation to seek out damages. It sometimes takes weeks for an insured to communicate with a representative from their property insurance carrier.

Damaged and wet materials harbor potentially toxic substances within 72 hours, and there is a potential loss of use of a damaged structure. Insureds are often serving their residents in a day-to-day capacity while managing their own recovery. This situation requires expending valuable operating resources; allocating internal staff to manage recovery; selecting and managing appropriate recovery vendors; complying with federal, state, local and insurance requirements; and maintaining documentation for reimbursement of non-insurance matters.

The Florida Municipal Insurance Trust uses a proactive recovery model and strategic partnerships to “be there for FMIT members when they need us the most – before, during and after a catastrophic event.”

Reducing Claim Costs and Recovery Burden

Reactive, delayed response and recovery efforts often lead to increased claim costs and delays in returning to business as usual.

The FMIT partnered with Synergy Companies to deploy the FMIT Turnkey Recovery Program to provide the highest level of disaster recovery services. The goals of this partnership are to provide the following at no additional cost through the Turnkey Recovery Program:

- An exclusive, dedicated response and recovery organization that quickly assists members with identifying and assessing damages, as well as reviewing and dispatching response and mitigation services on covered losses. The FMIT works as an extension of members' internal recovery teams.
- A financial solution with which the burden of recovery costs on covered assets above member retentions is borne by Synergy Companies, which keeps the members' operating and emergency resources preserved.

- A member advocate that understands the FMIT insurance policy and can document and apportion claim costs to the appropriate coverages or public assistance, etc., thereby maximizing members' ability to recover from their property losses while limiting their financial exposure.

Hurricane Irma and Continuous Improvement

Last year, Hurricane Irma affected Florida as the largest disaster in decades, in terms of land area and the number of FMIT members affected. Almost two-thirds of members were impacted. Irma caused localized catastrophic damage and widespread minimal damages to thousands of insured assets.

After Irma, FMIT leaders made it a priority to communicate about the advantages of the Turnkey Recovery Program and help members understand those advantages.

The FMIT and Synergy Companies, through risk management "roadshows," enhanced this communication. A Roadmap to Recovery was developed and will soon be shared with members. The goal is for members to make informed decisions about their recovery approach. FMIT's approach consists of five stages:

1. **Pre-Storm Deployment.** This most important phase proactively stages FMIT and Synergy recovery personnel who ride out the storm in members' emergency operations centers or other storm-fortified structures. Response technicians arrive with their equipment and are trained to conduct damage assessments and assist with property losses.
2. **Event Ride Out.** FMIT response technicians work with the member team to ensure that critical assets are prioritized for assessing damages once the wind stops and the roads are safe.
3. **Damage Assessment.** FMIT response technicians perform damage assessments using Trackdown, FMIT's exclusive damage assessment application. Damage assessments are submitted with photos to the FMIT catastrophic response team. Data is sent to simpliCity, FMIT's exclusive property loss recovery and claims management system, where damages can be compared efficiently to insured values and coverage limits. Damage assessments help to provide an initial estimated cause of loss and initial estimates of damages, which are used to adjudicate claims.
4. **Coverage Review and Deployment of Mitigation Services.** FMIT adjusters review and categorize damages based upon damage assessment data and pictures. Critical assets with significant damages are prioritized, and FMIT can deploy "pre-staged" emergency response and recovery stabilization resources to the affected area and/or covered buildings. For Hurricane Irma, this method enabled FMIT to begin mitigating water damage to many critical buildings within 12 hours post-landfall.
5. **Coverage Determination and Permanent Build-Back.** Once affected assets are stabilized, members can continue to use the Turnkey Recovery Program to repair covered buildings where damages have exceeded deductibles. Synergy will expedite the procurement process so that recovery continues efficiently and effectively. Synergy provides project managers to manage the build-back process until repairs are complete and approved. Members receive daily project reports about build-back progress. Synergy manages and pays vendors directly and works with members for deductible recoveries, which reduces potential issues with FEMA public assistance reimbursement.

The FMIT provides these unique services at no additional cost to members because it's the right way to support members when they need help the most. This proactive approach positions FMIT to fulfill its goal of being your resource, your advocate and your partner. To view a video of how FMIT responded to Irma from the perspective of members, click [here](#). For more information, visit synergyfmit.com or insurance.flcities.com.

Tony Scott is a principal with Synergy ID LLC & Synergy NDS, Inc. and FMIT Turnkey Recovery Program manager.

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