NU Claims

COVERING THE BUSINESS OF LOSS

REBUILDING AFTER A DISASTER
PG 16

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CONTENTS

VOLUME 69 | NUMBER 2 | MAR/APR 2021

FEATURES

COLUMNS

DEPARTMENTS

ONLINE

Claims News on PropertyCasualty360.com

PODCAST

Insurance Speak: Risks to watch in 2021

By Patricia L. Harman, PropertyCasualty360.com

A conversation with Allianz's Rani Christie highlights multiple risks insurers are watching around the globe.

PROPERTY & CASUALTY

Flattening the property-risk curve

By Ana Robic, Chubb

Chubb's Fourth Annual Homeowners' Risk Report reveals that some homeowners are putting maintenance on the back burner during the pandemic.

RISK MANAGEMENT

America's Claims Executive Forum provides insights and solutions

By Patricia L. Harman, NUPropertyCasualty360.com

The multi-day virtual conference will address claims innovation, complex & specialty claims and risk management.

PROPERTY & CASUALTY

Feral cats uncover ambiguous language in rental dwelling policy

By Hannah Smith, ICLC

The case stems from damage to a rental property and asks, 'when does an animal become a pet?'

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AD INDEX

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EDITOR'S NOTE

Cali Griebela

It's been a year since companies shut down for the pandemic, moved to a virtual or hybrid work environment, and parents became full-time caregivers, teachers, cooks and more in addition to their day jobs. Like a bad Groundhog Day movie rerun, life has taken on a certain sameness – virtual meetings, blending the workday with home and school responsibilities, wearing masks if you venture out, social distancing, and buying clothes, groceries and other necessities online.

Insurers have had to constantly pivot to continue serving policyholders, implement policies to keep employees and customers safe, identify new risks and address hardening markets in some lines of insurance.

To help claims executives recognize and prepare for a host of risks, the multi-day America's Claims Executive Virtual Forum on May 4-6 will address claims innovation, complex & specialty claims, and risk management.

Among the topics we'll be discussing are the transition to a digitized world and the automation of claims, how carriers are using technology to identify and mitigate fraud, the complexities of cannabis claims, how an increased focus on the effects of climate change will affect insurers and the businesses they cover, how COVID-19 has impacted claims organizations, the increasing cybersecurity risks, and the forum will close with a look at rulings determining whether or not business interruption coverage applies to claims caused by the pandemic.

This virtual event will also provide plenty of opportunities to network with colleagues, explore solutions to a wide range of challenges facing the claims industry and a chance to hear about how claims professionals have navigated a range of new technologies in response to a dynamic and changing work environment.

Joining us will be executives from Zurich North America, Kemper Insurance, Next Insurance, Marsh, Texas Mutual, Tower Hill, Allianz, Lloyd's of London, Everest Insurance and Erie insurance to drop a few names. This will be the 25th year for the ACE event (and it's a little intimidating to think I've participated in a third of these conferences), but even as the conference has evolved to meet our industry's needs, the one thing that hasn't changed is our unwavering commitment to providing insights on the critical issues affecting claims professionals.

I truly hope that you will be able to join me for this event.

Patricia L. Harman, Editor-in-Chief
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Consumers want automated AI auto claims & repairs

By Steve Hallo, NUPropertyCasualty360.com

MORE THAN THREE-QUARTERS OF consumers report trust in automotive claims and repairs handled entirely by artificial intelligence (AI), according to a survey from Solera, which also uncovered the barriers to AI adoption in the insurance value chain.

The survey revealed most claimants have already experienced digital insurance tools in action, with 56% having submitted a claim online and 51% using new technology to track the claims process.

Highlighting the importance of technology in the future of personal auto claims, two-thirds of survey respondents said they would switch insurers to access faster digital experiences. Further, 73% said they would choose an insurer that leverages AI to process claims quicker.

"We've reached a point where leading companies are placing top priority on adapting and integrating cutting edge technology to differentiate and optimize the customer experience. Those that don't will face competitive challenges," Evan Davies, Solera chief technology officer, said in a release. "This survey simply underscores what Solera has known to be true for some time: Automated processes have the power to increase customer satisfaction and even customer retention."

This desire for an automated, AI experience stretches beyond insurers, Solera found. More than three-quarters of consumers would favor a repair shop that provides digital channels to quote, book and track repairs.

BARRIERS TO ADOPTION

Despite consumers' wishes, the cost to update legacy systems was cited by auto insurers and enterprise body shops/OEMs as the most common reason new technology hasn't been integrated.

Additionally, larger insurers are reporting speed to market, upskilling staff and scalability of platforms are among the most pressing challenges when attempting to adopt automated AI systems. For repair shops, time to market and the ROI for expensive tech updates are hindrances to AI adoption, Solera reported.

"It is clear that organizations understand how AI can build resilience and improve customer journeys. Finding the right blend of data and technology is the key to optimizing investments to unlock speed, intelligence and efficiency at scale. Only then can our industry see the highest return on digitization through a faster, more accurate repair claims process," Davies added.

SolarWinds could have 'chilling effect' on cyber insurance

By Steve Hallo, NUPropertyCasualty360.com

THE OVERALL DAMAGE DEALT BY the SolarWinds incident is still be determined, but the event could send shockwaves through the cyber insurance market, as it highlights the massive exposures this sector must contend with as hackers revamp their approaches.

Brian Krebs, a well-known security and cybercrimes journalist, noted the SolarWinds incident might have exposed as many as 18,000 customers after installing what they thought were routine software updates. However, hackers injected malware into the update. This gave the malicious actors, who are believed to be Russian-backed, undetected and unfettered access to high-value data.

"SolarWinds will have a chilling effect on the market," Seth Rachlin, executive vice president and insurance lead at Capgemini, said. "The most interesting aspect is that it is a supply chain attack."

He explained typical cyberattacks in the past used methods such as phishing to gain access. These were attacks on a single organization. With a supply chain attack, the vehicle of entry is something used by many companies, such as SolarWinds' security automation software. This results in cataclysmic events involving hundreds or, in the case of SolarWinds, thousands of companies simultaneously.

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"From a market perspective, insurance companies tend to not like things like this," Rachlin said. "This could become a sort of model event, if you will, for attackers going forward."

While bigger payouts could be part of the reason hackers start deploying this strategy, he explained it is more about other forms of malicious actions.

"Russians aren't concerned with the payday; they want access and disruption," Rachlin said. "As it moves to more state-based actors, some of the ransomware activity will really be a form of disruption. I'm not convinced it is so much about money as it is about power and economic influence."

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IS SOLARWINDS A CYBERCRIME STALKING HORSE?

Given the SolarWinds breach went undetected for months, there is a possibility a similarly scaled malicious endeavor is currently being run.

"There is always a chance, particularly given that a lot of the objectives of certain breach events is to steal secrets and data," Rachlin explained. "The hackers are getting pretty crafty at doing this in an unobtrusive way. More and more, the time between the actual event and awareness of it seems to be growing."

For some carriers, this has been a wake-up call to how pervasive cyberattacks can be.

To stay ahead of these developments, Rachlin said insurers need to consider the evolution of cyber insurance products to include more risk management and "protection type" features as opposed to strictly focusing on risk transfer.

"Ultimately, cyber insurance is going to demand a level of underwriting precision that is probably higher than any other form of insurance because of the nature of these risks," he said.

Additionally, the industry should look at working with government agencies on something similar to the Terrorism Risk Insurance Program that would trigger protection mechanisms following catastrophic cyber losses. This, Rachlin explained, would bring stability to the market.

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Workers' comp trends to watch in 2021

By Steve Hallo

PRE-PANDEMIC WORKERS' COMpensation trends of declining loss costs and expense ratio gains were exacerbated by COVID, making the need for better underwriting and portfolio management practices even more pressing as we move into the "next normal," according to Insurity LLC.

Investment yields are at an all-time low, which is compounding troubling trends as it becomes more difficult to make up losses with investment income, the InsurTech reported.

"It's clear from our analysis that new business is becoming harder to find while insurers may also be on the hook to return a significant amount of premium upon retrospective audits," Kirstin Marr, head of data solutions at Insurity, said in a release. "Compounding this, investment yields are at all-time lows.

This puts adequacy of premium at risk and creates urgency around enhanced risk selection, pricing, and portfolio management practices — not only to safeguard loss ratios but also to establish competitive differentiation."

Helping the insurance industry navigate through uncertain times, the InsurTech has identified the following four trends impacting the workers' compensation sector:

1. New business quotes down

New business submissions from across industries were down 10% year-on-year during the second and third quarters of 2020, with some industries such as arts, entertainment and accommodations seeing declines above 20%, according to Insurity.

As new business becomes harder to find, pricing and risk selection excellence becomes even more critical. Insurers should also look to new ventures or market segments to support new business, which typically accounts for 20-30% of an insurer's book of business, the InsurTech reported.

"With new business quotes down as much as 23% in some industries — underwriting profitability becomes incredibly important to achieve because insurers simply can't afford to miss on the scarce new business opportunities available," said JJ Ihrke, head of analytics and chief scoring officer at Insurity.

2. Renewals remain stable

September 2020 saw renewal rates were 97% of what they were compared to the same period 2019, indicating shopping for insurance was not top of mind for many insureds. This is likely because other matters, such as staying in business and keeping employees safe amid the pandemic, took precedence over shopping around for lower rates.

Although high renewal rates are a good sign, Insurity explained that it shouldn't be construed as a pattern of future actions. As attracting new business remains a challenge, working to maintain high-retention rates will be vital.

3. Payroll averages flat

Average policy payrolls through the third quarter of 2020 were flat compared with pre-pandemic levels, which could turn out to be misleading, Insurity reported. As the economic fallout from COVID is still being determined, significant decreases in payrolls could be reported with retrospective premium audits. This would result in large amounts of premium being returned. Backing this up, S&P Global Ratings found U.S. workers' compensation premiums fell 8% year-on-year during the first half of 2020.

4. Premiums continue decline

Despite payroll and exposure not changing much, premiums continue to drop. This confirms that loss costs are continuing to see a steady decline.

The impact from the pandemic will be felt into the new year, and combined with falling loss costs, the industry should expect to see a lack of premium adequacy funding for the foreseeable future, Insurity reported.

Steve Hallo is an assistant editor for the PC360 Group.

Emerging Risks in 2021

By Christine Barlow, CPCU

OVER THE PAST FEW YEARS, SEVeral new and different exposures have developed that have unique or unusual insurance needs. Coverages for some of these have been developed over time. For some, exclusions have been created for use until the risk becomes better quantifiable, while other emerging risks are still developing so coverage needs are not yet clear.

CANNABIS LEGALIZATION

Marijuana was first legalized in a few states for medicinal purposes for certain illnesses. Many states followed, and by 2016, states were beginning to legalize it for recreational use as well. This raised a host of issues; many employers had restrictions against the use of drugs while working, and patients using marijuana could test positive for weeks afterward even though they hadn't used the product during working hours. Workers' compensation, product liability, general liability and even homeowners coverages could all be affected. Since marijuana is still federally illegal, this creates significant complications to the marijuana industry as a whole.

In 2018, at the request of the California Insurance Department, AAIS developed a BOP policy specifically geared to providing coverage for cannabis businesses. While similar to a standard BOP, it provides certain definitions, coverages and exclusions particular to the cannabis industry.

By 2019, the Clarifying Law Around Insurance of Marijuana Act, or CLAIM Act, had been developed and proposed to provide certain protections for the marijuana industry and various financial services that support the industry as well, such as banks, building owners, property renters, equipment suppliers and insurers.

By December of 2019, ISO had developed specific exclusions for cannabis, and cannabis with a hemp exception, for agricultural capital, commercial auto, commercial property, inland marine and capital assets.

The fall 2020 election brought five new states to the list of those that have legalized marijuana, and the industry has grown 109% from November 2019 to November 2020. However, the continued issue for insurers is that marijuana is illegal federally, and even with the CLAIM Act, many insurers are reluctant to start providing coverage.

SELF-DRIVING VEHICLES

Autonomous vehicles are another emerging risk that is still developing. In 2016, technology had come far enough that the Department of Transportation developed the Federal Automated Vehicles Policy, which was designed to define various levels of vehicle automation, provide a model state policy, provide NHTSA's current regulatory tools, and list new tools and authorities. This has been replaced by A Vision for Safety, which was designed to provide a framework for moving forward with this technology safely while establishing necessary regulations. This has been built upon multiple times and the document currently in use is the Ensuring American Leadership in Automated Vehicle Technologies: Automated Vehicles 4.0, which provides governmental autonomous vehicle principles, details administration efforts in supporting the growth and leadership of autonomous vehicles, and outlines governmental activities and opportunities for collaboration.

One of the largest issues yet to be resolved is where responsibility lies if a fully autonomous vehicle is responsible for an accident? Is the owner of the vehicle responsible, and if so would the accident affect his insurance premium? If an insured with an autonomous vehicle has multiple at-fault accidents, however, that is determined, will that person's policy be nonrenewed even though no individual was in control of the vehicle? It's a complicated situation to work out.

There have been fatalities in semi-autonomous vehicles; most have involved some user error, as the vehicles are not autonomous and drivers are supposed to continually be paying attention. However, once the technology becomes available, is the owner of the vehicle responsible for how his vehicle is programmed, or is the manufacturer? While at first manufacturers were stating they would assume liability, as fully autonomous vehicles are farther away than first predicted, such promises are not being heard. In 2018, the Japanese government proposed guidelines that would make the vehicle owner responsible for accidents when a vehicle was being driven in autonomous mode, and manufacturers would be responsible only if there was a true flaw in the system itself. Not only that, but considering how interconnected things are, there are concerns that autonomous vehicles can be hacked and either stolen or directed to drive into buildings, crowds, or otherwise be used for nefarious purposes by the hackers.

Autonomous vehicles can provide tremendous benefits to society, from significantly reducing accidents to allowing vision-impaired and other handicapped people to have enhanced mobility, to allowing autonomous fleets of trucks to transport goods across the country 24/7. There are many, many benefits once the technology is fully developed. However, who is to provide insurance, how that insurance will be rated, and how the auto insurance industry will be impacted once collision losses are few and far between all need to be determined.

THE PANDEMIC SPARES NO ONE

The year 2020 brought a worldwide pandemic at levels not seen for 100 years. With countries enforcing closures of nonessential businesses, the issue of coverage for business interruption became an enormous issue. Insureds were filing claims left and right while insurers were denying claims, since the property hadn't been physically damaged by the virus and coverage is based on the property actually sustaining physical damage either for direct coverage or coverage for enforcements of civil authority. Many suits have been filed, and while many American courts have found for the insurers, not all have, and various European courts have found for the insureds. This whole situation highlights the importance of policy language; the European policies have different wording, hence coverage was applied in some cases.

Future pandemics are entirely possible and may be worse. How the industry responds to this, and how policy language may be altered as a result of the pandemic, is yet to be seen. Many have called for a federal program similar to TRIA for offering pandemic coverage since the issue affects all states; to date, action on a federal level has not been taken.

> **While fire isn't exactly an emerging risk, since fire is a straightforward and easily understood peril, the enormous wildfires of the past few years have made it more complicated than in the past.**

FIRE RISK GROWS

While fire isn't exactly an emerging risk, since fire is a straightforward and easily understood peril, the enormous wildfires of the past few years have made it more complicated than in the past. The California insurance department has directed carriers to provide advance additional living expense payments of at least 4 months; provide a 25% advance on payments of contents for those who have sustained a total loss; advised carriers not to require company-specific inventory forms if other forms provide the same information; and to coordinate debris removal with city, county and state agencies.

Senate Bill 872 was signed into law by the governor in October 2020, and provides that effective July 1, 2021, carriers are prohibited from limiting additional living expenses if the home is rendered uninhabitable by a covered peril, but authorizes a carrier to provide a reasonable alternative remedy. For claims after January 1, 2021, carriers are required to provide advance payment for additional living expenses and accept a contents inventory in any reasonable form. A 60-day grace period for payments is required for properties located in an area defined in a declared state of emergency for 60 days after the emergency.

For losses related to a state of emergency, additional living expenses shall be covered for no less than 24 months from the date of the loss, and carriers may grant an extension of an additional 12 months to provide a total of 36 months of coverage if an insured acting in good faith has run into unavoidable delays in reconstruction. Such delays include permit delays, lack of construction materials or lack of available contractors to perform the required work.

Regarding inventories of contents when the insured has sustained a total loss to a primary residence, carriers are to accept groupings of various categories of personal property. Such groupings include clothing, shoes, books, food items, CDs, DVDs, or other categories that would be impractical to list separately and claim each item individually.

While there are more emerging risks, these are the ones most likely to be encountered in everyday practice. Change is always a given, and how these and other emerging risks change and develop remains to be seen.

Christine G. Barlow, CPCU, (cbarlow@alm.com) is the managing editor of FC&S Expert Coverage Interpretation, the authority on insurance coverage interpretation and analysis for the P&C industry.

Do Data Errors Sabotage Your Claims Efforts?

By Kari Schori

OVER THE PAST DECADE, TECHnology's impact on the claims side of the P&C industry has been extraordinary. Today, insureds submit high-definition video and audio files and images to support their claims. In theory, this creates more accurate and faster claims processing, all of which should be good news to insurers, who face increased cost pressures due to the abundance of claims filed in the wake of multiple large-scale weather events and COVID-19.

Yet there's a potential dark side to technology. Inadvertent data errors run the risk of sabotaging a claims teams' ability to reduce costs and deliver exceptional customer service. Each claim processed with inaccurate data creates numerous expenses, including overpayments that erode profits, lost staff time that destroys employee morale and legal fees that may escalate quickly. These costs are in addition to the exacerbation claims professionals hear in the voices of the insured when they have to explain what happened.

While most claims professionals know data errors exist, they may not understand why they keep happening or how to fix them. Let's take a look at three of the most common types of data errors and potential ways to minimize them.

INADVERTENT POLICY ERRORS

These occur when an insurers' legacy systems aren't properly integrated. For example, let's say an insurer uses both policy administration software and insurance rating software. If the two systems miscommunicate, the rating system might pull erroneous data into the policy system.

Sometimes, claims professionals notice these errors. They may even report them to their IT department and request a fix. Unfortunately, because IT professionals face hundreds of inquiries a day, these types of bug fixes often take lower priority and may never get resolved.

When errors are not caught, the costs may be extreme. Take, for example, the case of an insured taking out a homeowners' policy. She requests an increase in her contents coverage that's above the norm. But a software bug records the wrong rating. Nobody realizes it until the homeowner submits a claim. When that claim isn't covered, she might file suit. In addition, the claim will take longer to close. Claims and underwriting staff will touch it multiple times, and days or months of headaches will ensue.

Your best defense against these types of errors is to thoroughly test your software to make sure it can deliver 100% accuracy for all claims data across all systems and integrations.

MANUAL DATA ENTRY ERRORS

These errors can happen anywhere, but they're more likely to occur following catastrophic events. That's when insurers face an enormous volume of calls and claims. As a result, they use every available resource to answer the phones and enter claims data into their systems as fast as possible.

Let's see what mistakes can happen in a split second amid all that chaos. Say Hurricane Sally recently tore through a coverage area. The ISO classifies the storm as having occurred from Sept. 14 to 18. A homeowner calls on Sept. 19 to report a roof damage claim. The homeowner doesn't mention that the hurricane caused the damage. The claims professional taking the call didn't connect that the claim was caused by the storm. So he enters it as a standard claim.

Here's the problem. Carriers process catastrophes against their reinsured program, not against their direct

While most claims professionals know data errors exist, they may not understand why they keep happening or how to fix them.

reserve. So, when the claim doesn't get processed as a CAT claim, the carrier pays it out of pocket. Multiply that error times hundreds of claims and the costs begin to snowball.

The more insurers remove manual data entry from the claims process, the better they'll mitigate the risk for errors. One potential fix: automated processes that can, for example, compare policy location ZIP codes with historic weather information from the Farmer's Almanac. This double-check will provide the type of accuracy not possible when hand-keying hundreds of claims following a CAT event.

'GARBAGE IN, GARBAGE OUT' ERRORS

Many insurers send claims history to a company that scrubs the data to identify insureds with multiple claims. The problem arises when the data an insurer sends to the "claims pot" is inaccurate.

When that happens, it creates bad judgment calls. For example, insurers may mistakenly deny a policy or a claim to a property owner based on an erroneous claims history record for either the insured or the property.

Thorough software testing will help remedy this type of data error. Testing interactions between your claims administration software and other systems helps ensure items like coverages and cause-of-lost get recorded properly.

In addition to solving data errors, software testing also helps to confirm systems can process all of the high-resolution audio and video files insureds provide with their claims. This will be another satisfier to customers who expect a seamless transaction from start to finish.

Customers seldom discuss how easy it was to take out an insurance policy. But they all know how easy — or difficult — it was to submit a claim and get it processed. Minimizing the risk for data errors allows companies to protect their reputation, ease frustrations, cut costs and earn those five-star reviews we all crave.

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Firefighting Foam Claims & the Pollution Exclusion

By Joseph P. Lang and Alida Pecanin

DOES A RECENT $17,500,000 SET-tlement between residents of the Town of Peshtigo, Wisconsin, and manufacturers of aqueous film-forming foam (AFFF) foreshadow an impending claim boom?

While this January 2021 settlement resolved claims of drinking water contamination at one location, over 600 lawsuits alleging bodily injury and environmental contamination due to per- and polyfluoroalkyl substances (PFAS) — chemical components of AFFF — are consolidated and beginning the discovery phase in a multi-district litigation (MDL) pending in the U.S. District Court for South Carolina.

PFAS are a group of man-made chemicals that include perfluorooctanoic acid (PFOA) and perfluorooctane sulfonate (PFOS). PFAS are designed to be resistant to heat, grease and water.

Given these traits, PFAS are used in Teflon nonstick products, stain and water repellants, paints, cleaning products and food packaging. Used in AFFF, PFAS function to suppress class B petroleum fuel fires by cooling and coating the underlying fuel to prevent further combustion. Known as "forever chemicals," PFAS do not break down in the environment and can move through soil and drinking water sources. Studies link PFAS to health issues in humans, including thyroid disease, testicular and kidney cancer, ulcerative colitis and high cholesterol.

The MDL lawsuits can be largely categorized into three types of claims: (1) damage to soil, groundwater, and/or drinking water supply and water systems due to PFAS; (2) bodily injury, including claims of cancer or other impaired health, due to exposure to PFAS in water supply; and, (3) bodily injury claims, typically made by firefighters, who were routinely exposed to AFFF.

POLLUTION EXCLUSIONS

Insurers confronting PFAS contamination claims face decades of potentially implicated policies and may evaluate pollution exclusions as a basis for limiting or precluding coverage. The typical pollution exclusion in a commercial general liability (CGL) policy precludes coverage for bodily injury or property damage arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants. The specific terms of pollution exclusions and nationwide variations in their interpretation present significant issues regarding whether pollution exclusions may apply to preclude coverage for PFAS claims.

For example, certain pollution exclusions limit their application to a discharge or release of pollutants "into or upon land, the atmosphere or any course or body of water." Courts interpreting this language generally find that it requires dispersal into the external environment and that a release of pollutants within a confined space, such as a building, does not satisfy the exclusionary language. Claims alleging the release of PFAS into the environment (e.g., the use of AFFF to suppress a fuel fire) will likely satisfy this language to invoke the exclusion's application. However, claims like those of firefighters or property owners that allege injury or damage from the storage of AFFF within indoor locations may not give rise to a release into "land, the atmosphere or water."

Another issue impacting the application of pollution exclusions, even without the foregoing language, is the view held by many jurisdictions that pollution exclusions only apply to so-called "traditional" environmental pollution. In one of the first cases to address insurance coverage for claims in the MDL, the Western District of North Carolina held that a hazardous materials exclusion, which is similar to a pollution exclusion, did not bar coverage. The court focused on precedent in the jurisdiction and found that some of the underlying allegations involved direct dermal exposure to AFFF rather than the "prototypical" release into the environment contemplated to be excluded from coverage under pollution exclusions.

Finally, older pollution exclusions include the “sudden and accidental” exception, which provides that the pollution exclusion does not apply if the discharge, dispersal, release or escape of pollutants is “sudden and accidental.” Courts interpreting this language find that the term “sudden” incorporates a temporal element requiring that the polluting event be abrupt or immediate, while the term “accidental” requires an unforeseen or unintended event. The claims in the MDL typically allege that PFAS was gradually released over time and/or through the intentional use of AFFF. Gradual releases and intended releases of PFAS should not qualify as “sudden and accidental” and, as a result, the exception should not apply.

Finally, older pollution exclusions include the “sudden and accidental” exception, which provides that the pollution exclusion does not apply if the discharge, dispersal, release or escape of pollutants is “sudden and accidental.”

Parties in the MDL are currently selecting 10 bellwether cases involving public and privately owned water providers to undergo in-depth discovery, including depositions, from March through August 2021. Insurers should continue to monitor developments in the MDL to understand the extent and nature of damages sought and to best evaluate whether particular pollution exclusions and/or other coverage limitations apply. Critically, underwriters may also assess future exclusions for PFAS-related liability.

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Evaluating exposure to biometric data privacy laws

By Ted Stefas

HOW MANY TIMES HAVE YOU USED a fingerprint to log into your smartphone or laptop? Does your company employ facial recognition for entry to the building, security clearances or even tracking work time?

Biometric information is being captured and used with increasing frequency, and the collection and storage of data such as fingerprints, voiceprints, and palm, retinal/iris and facial scans can lead to risk exposures that companies — and their insurance brokers — should be monitoring.

THE IMPACT OF ILLINOIS' BIOMETRIC INFORMATION PRIVACY ACT

Passed in 2008 to protect against the unlawful collection and storage of biometric information, Illinois' Biometric Information Privacy Act (BIPA) was the first state law regulating the collection of biometric information. It requires companies doing business in Illinois to:

- Notify and obtain prior written consent for the collection, use and storage of biometric data
- Have a public written policy for the storage and destruction of biometric data
- Securely store biometric identifiers

A 2019 ruling by the Illinois Supreme Court (*Rosenbach v. Six Flags Entertainment Corp.*) lowered the bar regarding who is entitled to seek damages under BIPA, which has led to a significant increase in lawsuits. Indeed, these recent state class-action lawsuits allege substantial damages against companies, as plaintiffs commonly argue that fines can be levied per individual violation.

With more than 300 class-action lawsuits filed under BIPA to date, both public and private companies would be wise to pay attention to whether their information collection, storage and protection methods follow what could be evolving biometric privacy laws in their states.

MORE STATES ARE WEIGHING BIOMETRIC PRIVACY LAWS

Although BIPA is not a new law, it looms large in ongoing discussions of how to regulate the increasingly common collection and handling of biometric data. Several states — including Alaska, Arizona, Connecticut, Delaware, Florida, Idaho, Massachusetts, Michigan, Montana, New Hampshire, New Jersey, New York and Rhode Island — have pending biometric privacy legislation. It is likely not a question of *if* but *when* legislatures will apply

With more states contemplating an expansion of the responsibilities of companies handling biometric data, the resulting legislation could lead to increased exposures for private and public companies and insurance providers.

safeguards and weigh the potential use of a private right of action as seen in Illinois.

The implications of increased legislation are far-reaching. In addition, violations alleged under BIPA can potentially fall within the scope of directors and officers liability, employment practices liability, commercial general liability or cyber liability, depending on the nature of the claim.

PRIVATE RIGHT OF ACTION AND STATE REGULATION

A private right of action means that companies can be sued by individuals bringing claims. The private right of action has spurred and incentivized plaintiffs' attorneys to file suits due to the potential for large settlements. Illinois remains the only state with a private right of action in its biometric information privacy law. The California Consumer Privacy Act, which went into effect on January 1, 2020, grants a limited private right of action in the event of data breaches. California, Texas, and Washington regulate the collection, use, sale and storage of biometric data, and California allows consumers to opt-out of having their information sold and gives them the right to access and delete their personal information.

QUESTIONS FOR BROKERS TO ASK CLIENTS TO GAUGE EXPOSURE

With more states contemplating an expansion of the responsibilities of companies handling biometric data, the resulting legislation could lead to increased exposures for private and public companies and insurance providers. In assessing these risks, policyholders and brokers should review how the entity is obtaining, storing and safeguarding biometric information with an eye focused on:

1. **Determining if and what biometric information is being collected:** Under BIPA, biometric information can include fingerprints, voiceprints, retinal/iris and facial scans. If it is determined the information collected qualifies as biometric, then steps (including disclosures and storage) to handle and safeguard this information are required.
2. **Biometric data storage policy:** Does the policyholder have a clear written policy in place for handling employees' biometric information? What is the duration and purpose for which the biometric information is being used? Policies should include how long biometric information will be kept and when it will be destroyed.
3. **Written consent:** How or in what form is informed written consent obtained from new or current employees? Will written consent be administered and/or required as a condition for continued employment for all current employees?
4. **Data safeguarding:** Is the biometric information protected according to the same security protocols used for other types of personally identifiable information? Will it be stored internally or with a third-party vendor? Do contracts with third-party vendors that process or store biometric information address with specificity how vendors secure this data?
5. **State law compliance:** Is the policyholder prepared to comply with the applicable state breach notification laws in the event a security breach affects employees' biometric data?

Insurance carriers are monitoring biometric information privacy laws. If you have a question about this issue, reach out to your underwriter for more information.

Ted Stefas is vice president, chief underwriting counsel, for Argo Pro.

REBUILDING IN THE WAKE OF A DISASTER

By Marc Johnson and Marisa Miller

IN 2015, 15,000 RESIDENTS IN THE SOUTHERN CALIFOR-nia community of Porter Ranch were evacuated from their homes for several months due to a significant gas leak at a nearby facility. The environmental disaster —- the worst natural gas leak in United States history — was found to have been caused by a leak sprung from an underground reservoir operated and maintained by Southern California Gas (SoCalGas).

The small California town of Paradise was consumed by the Camp Fire in 2018. Electrical lines belonging to Pacific Gas & Electric (PG&E) were blamed for causing the deadliest and most destructive wildland fire in California history.

Catastrophic events like these result in incalculable loss, suffering and damage. Still, insurance seeks to help the people and businesses affected by these events to recover. It is this simple idea that becomes overwhelmingly complex when it comes to catastrophes such as wildfires, earthquakes, hurricanes and other natural disasters.

In this article, we focus on business interruption (BI) and the goal of making a business "whole" after losses suffered as a result of a catastrophic event. In California, where the past several years have brought some of the most destructive and deadliest wildfires in the state's history, and where 2020 presented the state's single worst wildfire season on record, there are many lessons to be learned about the complexities of applying coverage, calculating BI loss and subrogation.

Among the challenges are applying the economic loss doctrine, accounting for the impacts of wide-area damage, civil authority and considering the pre-event impact of COVID on the business.

THE ECONOMIC LOSS DOCTRINE LIMITS LIABILITY

The economic loss doctrine is a rule developed by common law courts to shield a defendant from exposure to negligence suits where a party has not suffered physical injury or property damage, and the only losses someone suffers are economic — such as lost profits or wages.

In the Porter Ranch gas leak incident, when it came time for affected businesses and their insurers to recover, their fingers were pointed straight at SoCalGas. But the state's Supreme Court held a different view and its ruling has greatly impacted loss recovery and subrogation for California's numerous wildfire-related BI claims. The California Supreme Court ruled in *Southern California Gas Company v. The Superior Court of Los Angeles County* that the defendant utility did not owe the business plaintiffs a duty to prevent purely economic loss unaccompanied by injury to person or property, even if the utility's negligent conduct caused the business plaintiffs' losses.

The economic loss rule is, in effect, a limitation on the liability created by the courts that frequently occurs in cases arising from wide-area damage, including wildfire claims. For example, the Fire Victim Trust established as part of the PG&E bankruptcy to evaluate, administer, process and resolve eligible claims arising from the 2015 Butte Fire, 2017 North Bay Fires, and 2018 Camp Fire has made clear that it will evaluate claims for income loss (i.e., economic loss) consistent with the Court's holding in *Southern California Gas Company v. The Superior Court of Los Angeles County*.

The Fire Victims Trust "will compensate economic losses (specifically, business income loss and personal income loss claims) for claimants who suffered either personal injury or property damage. Under this rule, if a claimant suffered neither personal injury nor property damage, that individual would not have a compensable Business Income Loss claim or Personal Income Loss claim."

> "In California, where the past several years have brought some of the most destructive and deadliest wildfires in the state's history . . . there are many lessons to be learned about the complexities of applying coverage, calculating BI loss and subrogation.

The lesson for insurers is, if you have this type of coverage in your policies and you have a subrogation claim against a utility, you're not necessarily going to recover in jurisdictions that have the economic loss rule. It has to do with the foreseeability of the loss and the relationship between the party who caused the injury. In these gas leak cases, for example, the court determined that the utility had no duty to compensate the defendant businesses for purely economic losses because such losses are not foreseeable where there is no contractual relationship.

THE IMPACTS OF WIDE-AREA DAMAGE: WHAT CAUSED WHAT?

In a standard BI claim, the insured's business is generally covered for losses during the period it takes to restore the business to its original condition. BI policies can cover the profits the business would have earned, operating expenses (e.g., employee wages, loan payments, taxes) and the expenses of moving to a temporary location. Coverage often starts a few days after the incident and lasts until the business location becomes operable again, though extended and contingent BI policies can be purchased to handle extenuating circumstances.

During a wildfire, BI claims rarely fall under what would be considered a "standard" BI claim. Instead, you find complications associated with wide-area damages (e.g., lack of power, supply chain obstacles, civil authority, etc.) that make BI valuation particularly difficult.

Forensic accountants who are brought in to help measure BI claims in the wake of a wildfire are concerned with quantifying financial loss related to the direct impact on the business versus the impact on the area. Is business down because there is physical damage that can be fixed in a few hours? Or was it due to civil authority leading to mandatory evacuations? Or was it some other contingency impact such as a power outage or ingress/egress issues that lead to the business interruption?

ACCOUNTING FOR COVID

To make matters even more complex in calculating and adjusting BI claims in the aftermath of a natural disaster, today we must also account for the impact of COVID. As with the "usual" wide-area damages caused by a wildfire, the impacts of COVID on business interruption losses must be separated from the actual event at hand (the wildfire, earthquake, gas leak, etc.). The job of the forensic accountant in these cases is to make sure they are not calculating losses above the actual event itself. In other words, the calculation must look at pre-COVID versus post-COVID baselines and separate that from the drop-off experienced as a direct result of the catastrophic event.

EVALUATING LIABILITY AND DAMAGES: BUILDING YOUR TEAM

During a major event, it is very common to see every business, resident, city or town get shut down for some period. There are business losses and costs associated with all of this. Police and fire departments are often involved; equipment and supplies are used. These are all associated costs.

For insurance claims managers, it's critical to have your team work together to evaluate liability and damages. You should assume there will be arguments over the value of what was lost. Defense counsel, adjusters, accountants to calculate the losses, engineers, investigators, real estate appraisers and the list goes on. You need a deep team.

In rural areas, you need people who can value a ranch and livestock. You'll also see claims for fencing and farm equipment. Note that in certain jurisdictions, damage to livestock gives rise to the recovery of statutory attorneys' fees. Also, damage to timber in a wildfire may allow for double or even triple damages. The use of experts to evaluate these costs is an absolute necessity.

The path to making a business whole again after a wildfire or natural disaster is not an easy one. But it's one that, with the right team in place, can be accomplished in ways that put the insurer and insured in its best light while helping the business get back on track.

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Technologies for the Emerging Risk Landscape

By Mamta Rodrigues

IN THE PROPERTY AND CASUALTY (P&C) sector, so much can change in a day — let alone in a year dominated by a worldwide pandemic. Designed to offer risk protection and mitigation to customers, the industry is naturally prone to catastrophic events and the social, economic and geopolitical ripple effects they may cause.

Pandemic aside, premium volume declines related to wildfires engulfing the Western United States are at their highest. Scientists are claiming the region's recent fires are the worst in 18 years. Losses from third-quarter California wildfires and Hurricanes Laura and Sally combined are now estimated at over $20 billion, according to Fitch Ratings. The lingering impact of COVID-19, however, has introduced a new level of uncertainty for underwriting performance that is expected to continue throughout 2021.

Stay-at-home orders and business contractions, coupled with insurance relief measures such as payment deferrals, are mounting pressure on premium levels. The notably high unemployment rate means firms are subject to increasing workers' compensation and a further reduction in premium volume. The significant shift to remote working is also positioning cyber fraud as one of the most prevalent exposures to emerge from the crisis, with malicious online attacks impacting both individuals and corporations. And, as we turn the corner of COVID-19, digital is here to stay which means solutions that leap-frogged during the pandemic will further expand and also necessitate incremental controls.

These unforeseen and extreme risks are calling for a recalibration of how firms premeditate, assess, manage and ultimately prevent risk. For years, P&C has largely been stagnant in terms of its digital transformation, burdened with inflexible back-office operations and legacy systems. Insurers are now left with little choice but to innovate, not only as a means of improving predictive and reactive capabilities, but also delivering the highest quality customer experience, improving cost performance and expanding in digital transformation

CAPTURING RISKS

Implementing emerging technologies into the traditional insurance model has been rendered an imperative. Currently, 96% of insurance executives report the pace of innovation is accelerating due to these technologies, meaning those who fail to adapt will likely lose out on a competitive advantage.

Across the entire insurance operations lifecycle, providers are looking to capitalize on the increasing accuracy and sophistication of artificial intelligence (AI) and advanced analytics. Capable of collecting rich information about the physical world, these technologies capture patterns that offer insurers the ability to better understand (and predict) changing risk and avoid preventable losses. By calculating the likelihood of a new event

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being insured against, and flagging early warning signs for possible exposure, firms can improve their prediction engines and accurately match customers with the right policies. Like most other industries, the more data available, the more personalization businesses can offer. In this case, in the form of tailored premiums and more relevant products for individual customers.

MANAGING RISKS

One of the by-products of the pandemic involves the heightening expectations for carriers to become digitally-enabled throughout the end-to-end journey. Coverage has become highly commoditized, with purchasing decisions almost entirely informed by price. Customers also have been encouraged to use these digital channels through the pandemic for financial transactions and thus expect the same in other facets of their day-to-day as well. Yet, not understanding the real value of their policies, consumers — with unlimited access to social media and comparison sites — increasingly demand a simple, convenient, yet educational experience via the digital platform they choose. The vast majority (71%) of insurance customers now prefer conversational AI and messaging experiences, namely to conduct routine activities, and would trust a company more if given the option. Customers may also urgently want answers to: "*Will I be covered if my business is still unable to open next month?*" Or "*Will my policy be excluded due to the virus?*" As challenger InsurTechs gain a firmer grip on market share, more established insurers will need to digitally disrupt, or be disrupted. InsurTechs, while remaining a threat to incumbents, can also serve as a catalyst to speed up this needed transformation.

To respond to fluctuating demands from concerned policyholders and claimants, providers should be creating mobile and web-based platforms and promoting easier to use self-service capabilities. AI-powered chatbots in the front office can reliably handle most basic queries, from the claims function to billing, and eliminate the need to manually review thousands of insurance claims. To deliver an effective omnichannel experience, customers need access to different applications to check the status of their claim, but also trust firms to tackle complex, language-based tasks, such as insurance plan drafting. As firms plan to bring workers back to the office on a limited basis, building this distributed virtual workforce will help to ensure consistent customer communications in a hybrid environment.

> "The fast-moving risk and fraud landscape, induced largely by pandemic pressures, has been quick to expose the traditional P&C operating model as one losing economic relevance.

INSURING RISKS & DRIVING AGILITY

Natural language processing (NLP) is optimizing capacity and allowing likely overstretched operations staff to home in on that critical human outreach. Capable of recognizing the intent within data, NLP is revolutionizing how firms streamline processes when grappling with masses of data — typically found in the form of emails and chat logs. More than 80% of the industry's entire value chain is represented by unstructured documents, rendering the analysis of policies a huge challenge, prone to human error. The time taken to find only relevant information, respond to spiking customer queries, and ultimately settle claims, can be shortened — translating into faster and fairer claims resolution and a more agile business model. In the instance of a new event or risk — even one as unforeseen as COVID-19 — insurers with structured documents will know what exposure they have, or can seamlessly find out by accumulating files that have a clear virus exclusion.

CYBER RISKS

As the American workforce transitioned to work-from-home, the cyberattack risk factor consequently expanded. Almost half (41%) of businesses encountered at least one threat last year, signaling P&C insurers must demystify coverage positions on digital platforms, much like they do more traditional risks such as fire. The likelihood of business interruption, physical damage and liability exposure — as a result of data breaches — means insurers should now be offering cyber insurance as standard coverage. With over one-quarter of firms estimated to continue working remotely this year, insurers that fail to vocalize whether cyber risk is covered via standard policy forms may have to pay out for claims not originally accounted for.

FUTURE-PROOFING THE INDUSTRY

The fast-moving risk and fraud landscape, induced largely by pandemic pressures, has been quick to expose the traditional P&C operating model as one losing economic relevance. The near-term impact of recent catastrophes is undeniably huge, forcing insurers to pay out billions in claims. With no end in sight for pandemic recovery, insurers must now use the emerging risk landscape as an opportunity to innovate to safeguard customers, while their brands face heightened competition from InsurTechs. The increasing need for pre-emptive risk analysis and seamless communication of information to customers is spurring a race to digitally transform before the next big risk. There is an opportunity to pivot quickly and the disruption, well it's here to stay.

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Investigating Suspicious Fires

By Bret Kittle

DETERMINING THE ORIGIN AND CAUSE OF A FIRE requires adherence to the scientific process as well as the painstaking collection and analysis of evidence. Details that point to the possibility of arson introduce a criminal and emotional element to the investigation that may seem daunting, but keeping a cool head and following the scientific method allows you to draw an unbiased, evidence-based conclusion.

Remember that confirmation bias can derail an investigation. Just because you may suspect that the fire was deliberately or maliciously set, it's important to engage a certified, experienced fire investigator to complete an inspection and determine the cause of the fire. The National Fire Protection Association (NFPA) 921 provides guidance for the methodology used to conduct an unbiased investigation. This document requires the seven steps of the scientific method to be used to determine the origin and cause of all fires.

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- Recognize the need: A fire has occurred and the origin is unknown.
- Define the problem: Determine the origin of the fire or explosion.
- Collect the data: Gather the basic site data; determine the pre-fire and post-fire conditions; evacuate, examine and reconstruct the scene; collect witness statements; obtain fire department information, alarm, detector and security data.
- Analyze the data: Complete a fire pattern analysis, identify ventilation-generated patterns, conduct a flame and vector analysis, finish an origin matrix analysis, complete depth of char and calcination surveys, finalize arc mapping, complete event sequencing, consider fire dynamics, and study building construction and occupancy.
- Develop hypotheses: Formulate an initial origin hypothesis, determine a working origin hypothesis and consider alternative hypotheses.
- Test the hypotheses: Determine whether there is a competent ignition source in the area of origin, whether the origin explains the data collected, whether all contradictions are resolved and whether an alternative origin explains the data equally well.
- Select final hypothesis: Determine the area of origin and the point of origin, or that there is insufficient information to determine the origin.

> "The origin of some fires are not able to be determined. Reasons can include insufficient information obtained, prohibiting the ability to come to a scientifically certain conclusion.

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The NFPA defines arson as an incendiary fire "intentionally ignited in an area under circumstances where and when there should not be a fire." Because arson is a crime, adherence to the scientific process is of the utmost importance to your investigation. Make sure you engage a reputable and fully licensed fire investigator to ensure that your investigation is completed professionally and conclusively.

THE FIRE INVESTIGATOR'S ROLE

Once a fire investigator is engaged, communicate with him or her promptly and clearly. The fire investigator will complete interviews to obtain background information about the structure, equipment, or vehicle where the fire loss occurred and any first-hand information about the discovery of the fire. Typical interviewees at this stage include the owner, occupant or driver/operator, the tenant, any witnesses, the person who discovered the fire, the person who called 911 to report the fire, fire department personnel, public fire investigators and law enforcement. Based on the information gathered during this stage, other people may be contacted for an interview.

Upon arriving at the fire scene, the fire investigator will survey the loss to ensure safe conditions for an inspection. They will photograph the exterior post-fire conditions and document all damage. Key indicators of a possible arson here include signs of forced entry not caused by the fire department or signs of blocked entry to delay detection. They will also locate, inspect, and document all fire-detection devices, alarms, and fire-suppression systems. Investigators will also search for other evidence of tampering with safety features or interference with their timely activation.

While overseeing the clearing of fire debris, the fire investigator will be on the lookout for incendiary devices in the debris, and signs of trailers used to ignite or spread the fire. It's vital to the investigation that you approve requests from the fire investigator to collect evidence and submit it to a certified lab. Fire debris samples can reveal traces of ignitable liquid residues while components, products and appliances should be reviewed by a licensed engineer to eliminate them as possible causes of loss.

The fire investigator collects data and analyzes conditions throughout the scene, including the fire patterns and fire effects, measuring the depth of char, completing arc mapping, determining the sequence of events, fire dynamics, considering the construction type and occupancy type. The fire scene is considered together with the fire investigator's observations of fire debris and the information collected during interviews to develop their hypothesis. Often at this stage, the fire investigator will call you to give you a report of the preliminary findings and present a hypothesis. If the evidence so far indicates the possibility of arson, it's important to contact SIU and subrogation to inform them of this suspicion.

INVESTIGATION TOOLS

An established fire investigator should have a variety of tools available, and depending on the complexity of the fire scene, may require your approval for additional resources. For example, a vehicle fire may call for an ASE-certified mechanical or electrical engineer to perform a failure analysis to identify and eliminate possible causes of the fire. If possible, the investigator should provide an interactive 3-D scan of all buildings and/or vehicles included in the study. Three-dimensional scans are a tool that's becoming increasingly common which allows you to explore the loss site virtually without ever leaving your desk.

Other tools are available specifically when the hypothesis involves an intentional ignition source. Some investigators may use a handheld hydrocarbon detector, though this is rare. Another resource that isn't commonly used is accelerant detection canines. If these dogs are brought into your investigation, it's important to remember that they are just another tool; a scientific conclusion as to the cause of the fire cannot be drawn solely from the canine's findings. It must be confirmed by laboratory testing.

Next, if the investigator arrives at a hypothesis of a fire "intentionally ignited in an area under circumstances where and when there should not be a fire," the hypothesis will be tested by determining whether there is a competent ignition source that indicates arson. This can include the presence of ignitable liquids in areas where they are not commonly found, excessive fuel loads or arrangements to aid in the spread of fire from one area to another, or multiple, non-communicating points of origin. Personal items missing from the fire scene, or evidence that another crime took place, are often key indicators.

Once the fire investigator has determined a competent ignition source, resolved any contradictions presented by the data, and considered alternative origins and causes that would also fit the data collected, they will compile their findings in a report. This report should be unbiased and present a summary of the methods of the investigation as well as all of the data supporting the conclusion. It also should include photographs and appendices of relevant material.

The origin of some fires is not able to be determined. Reasons can include insufficient information obtained, prohibiting the ability to come to a scientifically certain conclusion. However, a qualified fire investigator will follow the steps laid out by the NFPA on every investigation, regardless of the size or complexity of the scene. If arson, as defined by the NFPA 921, is determined to be the cause of the fire, an essential element in the investigation will be an expert who can support this conclusion with data. If you utilize the above-mentioned recommendations, it will help you choose your expert wisely!

Bret Kittle (bkittle@donan.com) joined Donan in 2016 and is currently a lead fire investigator based out of the Nashville, Tennessee office after 26 years of fire service. Bret is a certified fire investigator with the International Association of Arson Investigators and a certified fire and explosion investigator with the National Association of Fire Investigators, and a graduate of the Ohio Fire Academy and the National Fire Academy.

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MONITORING CYBER INSURANCE SUPPLY CHAIN RISKS

By Leeann Nicolo

EARLY IN MY CYBER CAREER, WE WORRIED ABOUT INDIvidual vendor cyber risk. Now we worry about supply chain cyber risk. This change comes as companies that once relied on a single vendor supporting their email environment now have their entire network running on hardware and software owned by third-parties. The global pandemic has led workers to upload their personal and business services to the cloud. Practically all services are virtual, and a breach that might start with just one vendor or third-party now has the potential to result in much greater harm.

Businesses, facing tremendous pressure in 2020, were drawn to the ease, availability and reliability of cloud-based services without fully considering the security risks associated with them. What most businesses fail to consider is that the easier it is for users to access their accounts and information, it is easier for hackers to access it as well. If the software is simple and reliable, it's going to be a target.

In a cyber supply chain, third parties own every piece of a company's technology. When a vendor's system is breached, many businesses are not concerned because the breach did not affect their technology or server, and it's not viewed as their security concern. However, this couldn't be farther from the truth. If anything, it amplifies their vulnerability because businesses are less likely to know the ins and outs of their exposure, how far-reaching a breach can be and the whereabouts of their data.

A CASE STUDY: SOLARWINDS

In December 2020, the software development company, which helps businesses to manage networks and systems, was breached through its Orion product. The hackers injected a piece of malicious code into the actual code that was being used for an Orion software update. Anyone who downloaded the update with the malicious code was compromised. Victims of the cyberattack included the U.S. Department of Homeland Security, the U.S. Treasury and the U.S. Commerce Department. This was a supply chain compromise as the bad actor embedded malicious code into software used in the supply chain of third-party companies to quickly increase a widespread attack.

When a hack like this happens, it takes time for the details to be disclosed. The biggest question in the SolarWinds case is: How did the hackers get access to the software update code? When businesses rely on supply chain vendors, they also rely on them to be upfront about vulnerabilities and how they address problems when they arise. Many businesses were vulnerable, but it doesn't mean they were exploited. What were the hackers after? Was it SolarWinds or your data?

MIMECAST BREACH

Another example of a supply chain compromise is the Mimecast cyber event. Early this year, the cloud-based email management company was breached through a digital certificate that is used to authenticate the connection between Mimecast and the Microsoft365 service. While the hack had the potential to compromise thousands of customers, only a small number were directly impacted. The hack represented an attack against an organization's supply chain as it may have been compromised through its email security vendor. This indicates that the scope of cybersecurity risk management extends beyond an organization's boundary. It also represents an increasing trend in email hacks. Coalition reported that there was a 67% increase in email-related reported claims from 2019-2020.

"IT'S IMPORTANT TO USE UNIQUE PASSWORDS FOR ALL OF YOUR DIFFERENT VENDORS TO SECURE YOUR INFORMATION.

HOW TO HELP MITIGATE RISK

Here are some steps companies can take to help mitigate the risk of a hack.

1. Understand what the biggest targets tend to be. Usually, with hacks, everything comes down to money, data and information, anything that a hacker can hold over you as a threat or hold for ransom in a ransomware attack. This means that payroll and accounting software are high risks as well as anything with large amounts of data.

2. Do your due diligence on vendors. When picking a vendor to help manage your information and data, it's important to make sure they address all of your needs and have steps in place if something goes wrong. They should have a security team and an instant response (IR) plan with teams in place to handle breaches.

3. Turn on multi-factor authentication/two-factor authentication (MFA/2FA). Almost all the vendors offer this feature, but people usually don't use it until it is too late. A lot of companies use it as a reactive measure to a hack instead of a preventative one.

4. Never reuse passwords and require consistent password updates. It's important to use unique passwords for all of your different vendors to secure your information. If you use the same password and email for multiple accounts, hackers can easily take the login information and use it to access all of your services. In general, it's a good practice to not reuse passwords in any capacity. Companies should also make it mandatory for employees to change their passwords every three to six months and store these passwords in a password manager protected with MFA.

5. Don't use your business email for anything personal. Companies should install a policy that states employees cannot use their business email for any personal reasons or accounts.

6. Monitoring. Supply chain risks, along with the increasing number of personal and work devices we use, creates a broad attack surface. We recommend using an internal network monitoring solution (also referred to as an endpoint detection and response solution) that can identify and prevent dangerous attacks such as malware, ransomware and exploits. We also recommend using an internet attack monitoring tool to oversee your internet-facing assets.

IF YOU'RE COMPROMISED

1. **Contact your insurer.** Cyber insurers have systems in place to help their insureds respond to a potential compromise. Response time matters. Contact your insurer as soon as possible to help mitigate risk.
2. **Contact the vendor.** It's important that you directly contact the vendor/third party as soon as possible. Get as much information as you can about the breach and know how it may impact your business.

Now that businesses have moved so many of their processes to the cloud, there is no turning back. Technology will continue to be critical to enable connectivity and deliver convenience for employees and customers. As businesses adjust to this new way of working, they must also understand their cyber risks, have security measures in place, and work with their broker to make sure they have the right insurance should one of the many vendors in the supply chain face a cyber event.

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RIOTS, CIVIL COMMOTION AND VANDALISM AT THE CAPITOL

By Chantal M. Roberts, CPCU, AIC, RPA

HISTORY PROVIDES A GREAT OPPORTUNITY TO LEARN FROM PAST mistakes to avoid repeating them today. Consider this semi-fictitious account of another invasion of the Capitol. Benjamin Franklin organized the oldest property insurance company in the U.S. in 1752. He recognized the need to protect buildings from losses such as fire. Like so many good ideas, Congress decided it did not need insurance on any federal government buildings.

In 1813, rumors had been flitting around about a possible invasion of the Capitol, but congressional representatives continued to work in a bubble of self-seclusion (self-delusion?), believing the invaders would not dare approach the very symbol of American democracy.

The President was eager for the ruckus and nearly ended up in the fray before reversing and watching the unfolding events from the sidelines. The Secretary of State inserted himself into the unfolding proceedings and did not assist the defense outside of the Capitol, further damaging the U.S.'s ability to defend democracy, according to his opponents.

EXAMINING POLICY WORDING

Several insurance terms are used interchangeably by the public, and unfortunately, the insurance policies rarely define the terms. Here are some terms which are commonly used by laypeople and the media in the Capitol's claim.

RIOT: Black's Law Dictionary (11th ed. 2019) defines "riot" as an illegal disturbance of the peace by a group of three or more persons with the intention to act in a violent manner which threatens or terrorizes the public.

CIVIL COMMOTION: This picks up where riot stops. It is an uprising by a large group of people who act to cause damage or harm to people or property.

MALICIOUS MISCHIEF: It is the intentional destruction of property, but the term "malicious mischief" is usually the name of the crime in criminal statutes. Laypeople refer to it as "vandalism," as seen below.

VANDALISM: Vandalism is willfully, wantonly or recklessly damaging property for the sake of causing damage.

TERRORISM: Many people use riot and terrorism interchangeably. In fact, the definition of riot has the word "terror" in it. Only the U.S. Department of the Treasury can officially certify if an event is an act of terrorism. Under the Terrorism Risk Insurance Act, all property/casualty insurers are required to make terrorism coverage available.

Meanwhile, Rear Admiral George Cockburn and Major General Robert Ross of the Royal Navy marched into Washington, D.C. and breached the Capitol, despite orders to the contrary from their task force commander, Alexander Cochrane. Those meant to protect the Capitol, the militia, were caught flat-footed. They were ill-prepared, ill-equipped, and many deserted their posts. Members of Congress and the government fled, leaving the building vulnerable to the attack. A foreign flag occupied the capital of the United States for the first time in history.

The invaders began looting government property, taking souvenirs, and setting fires first to the north wing of the Capitol and then the south wing. On August 24, 1814, the British burned the Capitol as a tit-for-tat retaliation for the U.S. troops' sacking of the Canadian capital of York (present-day Toronto). According to historical archives, the British fires set in Washington, D.C. could be seen from 50 miles away.

Franklin died in 1790, three years before President George Washington laid the corner foundation stone of the Capitol. Franklin could not urge Congress to find funds for a fire policy but imagine if he had. Stretching the boundaries of history, Franklin's policy looks suspiciously like the ISO CP 00 10 10/12 with a Special Cause of Loss Form, CP 10 30 10/12. Let's imagine how a coverage decision might evolve if the first congressional event had a fire insurance policy.

PROPERTY COVERAGE BY RIOT

Although Cockburn and Ross led a gentlemanly invasion into the U.S. capital city — there was no plundering of privately held property — their acts were the results of war and were not covered. For this article, we'll also stretch the narrative a bit to present an insurance claim for a historical event and imagine there were individual Americans who tagged along and took advantage of the chaos.

When President Madison and the American government returned to Washington D.C., it filed a claim with the fictional Franklin Fire Insurance Company for damages to the Capitol. Separating the war damage from the damage of the rioters proved difficult for the insurer.

After the looting, many articles from the nascent republic's newspapers quoted senators and representatives who decried the acts of terrorism against the Capitol. Franklin Fire offered terrorism coverage as an endorsement in its insurance policy. Terrorism coverage is a risk-sharing cooperative with the federal government and private insurers to share losses due to a major terrorist attack (see sidebar).

The endorsement covers damaged property (buildings, contents, inventory). To qualify for coverage, the incident must be a violent act that is hazardous to people and property; be in the U.S. or an area of U.S. sovereignty; be committed as an effort to force the American people or to influence the U.S. government; and cause property and casualty damages above $5 million.

George W. Campbell, the 1814 Secretary of the Treasury, did not declare the burning and looting of the Capitol a terroristic attack since the requirements for Terrorism Risk Insurance Act (TRIA) were not met.

Due to the different causes of loss, Franklin Fire made the underwriting decision to accept the majority of coverage under the cause of loss for riot, civil commotion and vandalism. It issued a reservation of rights letter, and later a letter of declination, for the damages it considered a result of the War of 1812.

The congressional members' retreat toward safety during the oncoming British invasion and American looters was swift. The representatives and senators did not have time to gather valuable documents — perhaps with spy deciphering codes — and save them from the pilfering.

Franklin Fire policy offered coverage for the loss of Congress' valuable documents up to the sublimit.

Fortunately for the United States, the seat of government had not yet been completed, and in a rare act of serendipity, a torrential rainstorm — some thought it might be a hurricane — doused the fires set by the Redcoats and prevented further vandalism by the rioters. Franklin Fire's policy had additional coverage for debris

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removal, payable once incurred, up to the limits set forth in the policy for clearing the damage caused by the vandals.

As a side note, and another potential headache for the insurer, Franklin Fire Insurance Company needed to determine if the water damage from the rain was a separate incident with a separate deductible, or if it would be considered to be a continuation of the original riot/vandalism claim.

SUBROGATION AND LIABILITY

Newspapers and the independent flow of information have always been important to our republic. Inveterate journalists reported the names of the bad actors involved in the riot since there were no electronic media outlets for selfies in 1814. A few weeks later, the U.S. government filed charges against the Americans alleged to be involved in the rioting at the Capitol.

Franklin Fire Insurance Company, having the names of the alleged bad actors from the press, filed subrogation claims against the purported rioters' homeowner policies for the vandalism of the federal government buildings and destruction of the contents.

The carriers, according to policy language which states they will provide a defense even if the suit is groundless or false, stepped forward and investigated the claims asserted by Franklin Fire. However, it quickly became apparent the vandalism, rioting and civil commotion were intentional acts. A coverage question appeared, and the homeowner insurers issued reservation of rights letters within a fortnight.

Based on the outcome of the federal government and court records, the homeowner insurers ultimately denied coverage and liability for the acts of their insureds. This left Franklin Fire with the choice: Obtain reimbursement from the vandals individually or simply walk away. It was a cost analysis. Since most of the rioters were farmers and lacked liquid wealth, Franklin Fire closed the subrogation claim.

MODERN-DAY DAMAGE

History teachers say: "The past is never really past." The January 2021 riot and civil commotion surrounding the Capitol also resulted in the building's vandalism. Representatives and senators have called the acts those of "terrorists."

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Because there is no private insurer for the Capitol Building, TRIA would not respond to the events of January, even if declared to be an act of terrorism. The average taxpayer will foot a portion of the repair costs the building suffered.

Unlike our fictitious Franklin Fire claim, the Capitol does not have a commercial property policy; as in 1814, the federal government self-insures. Because there is no private insurer for the Capitol Building, TRIA would not respond to the events of January, even if declared to be an act of terrorism. The average taxpayer will foot a portion of the repair costs the building suffered.

Current newspapers report the Architect of the Capitol, the department tasked with preserving the building and grounds on Capitol Hill, will have some funds to repair the building. The department can subrogate for the broken glass, doors, and furniture and vandalized paintings and walls from the at-fault parties, although the claims will likely be met with the same result as our fictitious 1814 subrogation claim. One last thing the Architect could do to recoup some costs associated with the repair and renovation is asking the Attorney General for remuneration as part of those who are found guilty.

Chantal M. Roberts, CPCU, AIC, RPA (cmroberts@cmrconsulting.net) is an expert witness whose career reflects over 20 years of accomplishments in the insurance industry as an adjuster and a claims manager.

Claims

2021 CAT RESOURCE GUIDE

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The Unbeatable Combination of Service + Technology

By Ernie Bray, CEO of AutoClaims Direct, Inc.

AutoClaims Direct (ACD) is a collective of seasoned insurance, finance, marketing, tech and customer service leaders dedicated to creating real and proven solutions that meet our clients' objectives today and into the future.

BACK WHEN I CONCEIVED THE IDEA for a company eighteen years ago, the auto claims industry was one that siloed service providers from technology providers and nary did their paths cross. You were either one or the other.

Honestly, this division confused me. Is it really that unheard of to combine service with technology to deliver a solution that was the result of both? I clearly recall conversations with claims managers who looked at me as though I was from another planet. I was told that as a service provider, you need to stay in your lane if you wanted to be taken seriously.

I found myself in a quandary. Here was an opportunity, but do I start an appraisal company or a technology one? Well, I figured let me go with my gut instinct and see what happens.

I chose both. Then and there I set out to build a company focused on the novel idea of meshing service and technology to deliver a powerful auto damage appraisal solution for insurers and their customers.

It was in this humble beginning that ACD wove together the best people with the best technology to drive fast, accurate and professional auto damage appraisals. From the start, we've been laser focused on crunching down cycle times, increasing customer satisfaction and helping adjusters close claims efficiently so their policyholders can get back on the road.

So, what's our secret sauce and how do we do it?

1. It starts with exceptional people. As much as the business world and society pushes AI and total automation, the foundation of the insurance business is centered on the human experience. Empathy, expertise and service matter to consumers more than the race to the bottom to eliminate personal contact. Team ACD delivers on the promise we believe in – helping people, resolving problems and creating a positive experience.

2. Sprinkle in a good amount of technology. Technology is the tool that augments the power of our people. With all of the hype about AI being superior to humans, I disagree. AI for us is augmented intelligence not artificial. Aided by automation and technology, unnecessary steps can be eliminated but the real power is helping people become better. We look for ways to make adjusters more efficient so they solve problems faster. Our technology brings forth the right information so it's at their fingertips. Adjuster accuracy and their decision-making ability improves tremendously.

3. The mixture of service and technology forms from a culture of innovation. Built by clients for clients. That's our philosophy. We look at every user of our services and technology as a client. That's our employees, insurers, appraisers, and vehicle owners. We take feedback, suggestions and input from all of the above and then work to build a technology solution that makes sense. Technology not built by people who've never handled a claim but by people who have done the job day in and day out. This mentality builds on itself. It allows us to focus on continuous improvement and be that right hand to those whose claims expertise we can help improve.

> **BUILT BY CLIENTS FOR CLIENTS.**
>
> **THAT'S OUR PHILOSOPHY.**

All these ingredients lead to a partnership with ACD. Our clients get a company intensely focused on giving insurers, fleet administrators, TPAs and self-insureds a technology-powered and people-driven experience for their material damage process that doesn't compare to anything else.

I see our job as using the technology we so methodically built to enhance the human experience in auto claims, not remove it. And with our recipe of success made with the best people and the most innovative thinking, we deliver a client experience like no other.

Ernie Bray is the CEO of AutoClaims Direct, Inc. (ACD), an insuretech delivering the leading virtual claims workflow to auto insurers. You can reach him at ebray@acdcorp.com

What to do When COVID-19 Makes Claim Inspections a Risk Nightmare

THE PROPERTY INSURANCE INDUS-try is buzzing with concerns about limiting company liability on property claim inspections during COVID-19. The virus poses a real transmission risk for both the adjuster and client during inspections.

Insurance company underwriting and claim segments are between a rock and a hard place. How do they complete property inspections, and the required photos and descriptions, while at the same time eliminate risk? Regular interaction between inspector and claimant places them in close proximity.

This predicament prompted me to find a tool that could help solve the virus-transfer risk when claimants and their representatives meet face-to-face. The challenge was to find a robust solution to provide the photos and data needed for claim and underwriting reporting while being simple enough for the average person to use without a huge learning curve. Ideally, such a tool would allow the **claimant** to collect, report, document and submit his own information and avoid the risk of contact altogether. The adjuster would no longer be in the picture, or take it, for that matter!

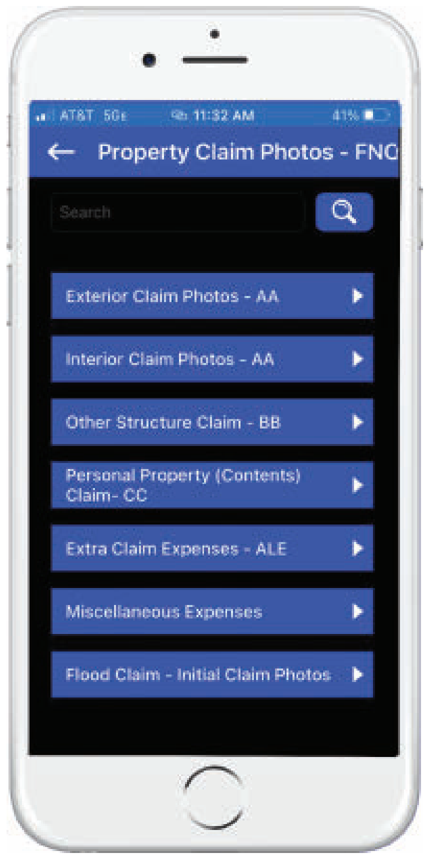
What I discovered is--there is an app for that.

New on the market is Automated Digital Assistant's "ADA Insurance Photos App." This mobile phone application replicates a human assistant. ADA automates the process of taking photos and helps provide a name and description for each shot.

I tried the app to see what ADA could do. The only time I touched the phone screen during automation was to take the photo and approve it. ADA completed everything else. ADA asked me for relevant information--out loud-- and I provided ADA my verbal answer. Then, ADA advanced the camera for me to take my next photo. It was that easy. I did no typing. I simply dictated my information to the phone. This feature allowed me to focus on the most critical work of capturing the photograph.

I repeated the process until my photo album was complete. ADA documented all new information and placed it in the meta-data of each photo. With each named photo and detailed description attached, I see them on my phone and computer while sending a link to my adjuster and insurance company, with no physical contact. I could also print a PDF photo report with photos and details straight from my phone. I took pictures for my first album in less than two minutes of downloading the app. It was that user-friendly. The app speed was fast and it was fun to use. I used the app offline, an added plus because my cell reception was a little spotty.

In my opinion, ADA may provide a solution for insurance clients' and employees' safety during this Pandemic. An insurance company can allow me, as a claimant, to take all my own photos for my claim. I can provide custom-named pictures with descriptions in one or multiple albums based upon the type of insurance coverage. When finished with the photo album, I can email the link of custom-named pictures with detailed descriptions to my insurance provider. The app will also allow me to take my own: underwriting photos, inventory photos, construction process photos, replacement cost photos, and initial flood photos. I don't have to meet an insurance representative to complete my claim



photos inspection or provide photo information to purchase new insurance.

Automated Digital Assistant's ADA Insurance Photo App is, in my opinion, the solution to keeping the claim customer and inspector/adjuster safe during this COVID-19 Pandemic. It eliminates the need for a majority of face-to-face meetings. I see how this app can save hours between adjusters, insureds, and in-house personnel reducing claim and underwriting expenses, too.

Insurance companies may white-label ADA's technology. This feature allows the ADA Insurance Photos App, the consumer version and ADA Adjuster Photos App, the industry version to become part of an insurance company's in-house technology.

It could solve more than the virus transmission risk. It may well change the playing field for the insurance industry.

See more at https://adahelps.com/ada-photo-apps/white-label/

Written by Judith Engle corporate communications consultant and technology enthusiast

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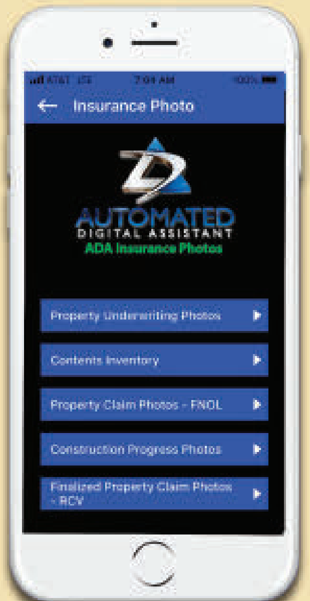
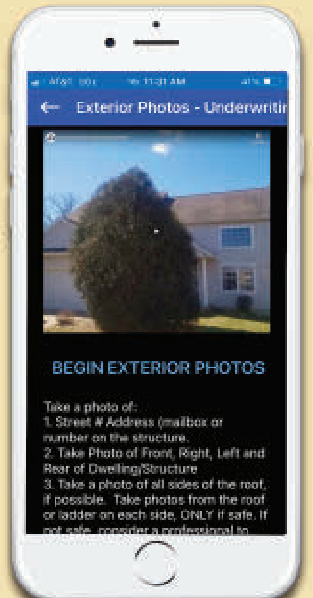


1. They Name the Album
2. ADA Opens Camera & They Take the Photo
3. ADA Ask Relevant Questions
4. ADA types answer & opens camera again
5. They repeat until finished.
6. Dowload custom named photos & print detailed album reports



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Technology is the future of litigation management

CLAIMS LEADERS ARE FACing growing challenges on a daily basis to increase the efficacy of their litigation management efforts. According to a number of recent CLM studies, two of the factors most often contributing to this environment are escalating costs and claims settling much later in the process than necessary. Additionally, social inflation, nuclear verdicts and a highly coordinated plaintiff's bar all add up to sleepless nights and increased C-suite scrutiny of the litigation management process.

It's clear something has to change for claims executives to right the ship and get better control over their litigation activity. How their organization works with the attorneys they hire, how they use data to help them make better, more informed decisions, and flipping the script to focus on case outcomes are strategies that can help them drive efficiencies.

First off, there must be a concerted effort to move beyond simple invoice audit and management tools. Many claims organizations have relied solely on cutting attorney invoices as the answer to driving down costs. This neither strengthens their attorney relationships nor increases efficiency in the claims litigation process.

The solution, as we view it, is for claims leaders to rely on integrated technology that works to streamline how data is passed between their attorneys and claims systems, providing a secure and strategy-driven approach to handling claims. Done correctly, this systematic capture and structured data approach helps drive efficiency, improve communication and strengthen attorney relationships, leading to better organized data, faster case closure, and ultimately, cost savings.

A more effective future for litigation management would be to have counsel sign into the claims organization's litigation management platform. This platform resides outside of the claims system, in order to preserve security, and can be used by counsel to populate valuable case information. This system integrates directly with the claims system, removing the need for duplicate data entry for claims personnel.

Not only does this technology do an effective job at organizing the slew of Microsoft Word documents, PDFs and content from email communications, it also structures key elements of the case. This structuring of data provides access to valuable information including venue, plaintiff counsel, judge, exposure predictions, demands and offers, dispositive motions, discovery, expert utilization, use of mediation, expense budgets, amounts spent to date, and much more.

With an integrated claims litigation management system, claims executives have access to much more information than simple metrics from legal invoices. Such a system allows them to answer questions like:

- What strategies, legal tools and resolution attempts are actually positioning the case for resolution?
- How many cases do I currently have where the offer and demand are close to each other and potentially less than the expense budget?
- What are my high-severity cases with a poor defensibility rating?
- What cases do I have where counsel is behind in the execution of our agreed-to strategy?

We predict that a shift in performance measurement focus to include case outcome and activity, in addition to billing compliance, has the potential to be very powerful. It is a shift that better aligns counsel and their clients and will thoroughly inform claims leaders about their litigation programs. In turn, this evolution should lead to better case outcomes and increased cost savings.

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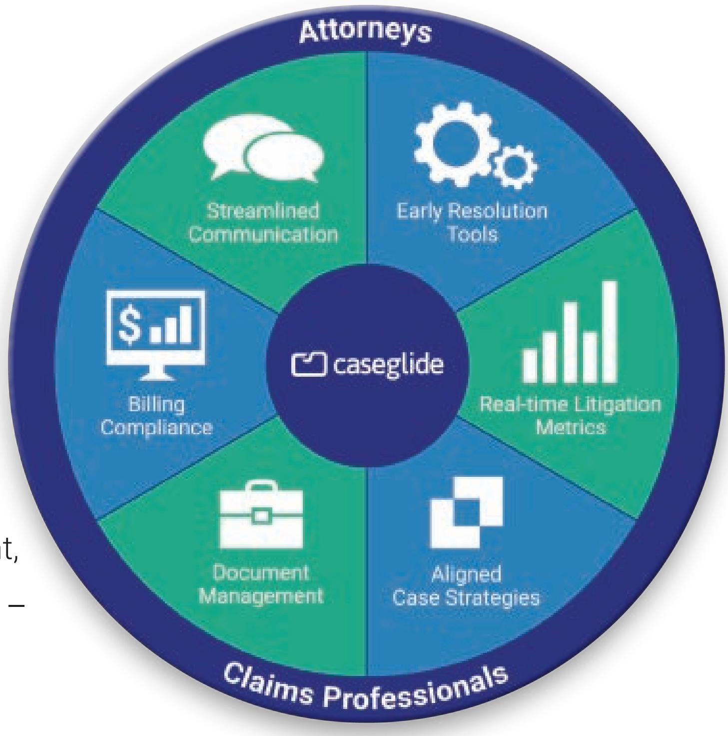

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HISTORY

Claimplus Founder Elizabeth Nelson is among North America's most experienced insurance claim contents valuation experts today. Elizabeth began her career in 1976, working with her family to create the Contents Valuation Industry as it is known today. The current methodology of formal contents claim valuation devised by Elizabeth, serves as the model, directly or indirectly, for all like firms nationwide. Elizabeth is also the author of several software applications supporting property claim organization and valuation consistency.

Founding Claimplus in 2001, Elizabeth designed and implemented select product replacement systems and fee based valuation reporting models to support the industry's changing needs. Elizabeth's insurance service based role, as customer service and claim process consultant, contents and vendor management expert, residential and commercial product replacement as a claim solution, loss site inventory assistance, CAT contents solutions, FNOL to structure restoration best practices and expert legal support to the industries top carriers, has set the nation's standards for contents claim best outcomes.

Claimplus began in 2001 transitioning the contents valuation industry from product replacement solutions to fee based reporting. Claimplus leads the industry in contents valuation practical methods and best solutions for contents claims. As a result, Claimplus has continued to define the most successful methods and standards for all valuation firms nationwide.

Claimplus has risen as the nation's true support of contents claim valuation, leading the industry in service, dedication and flexibility to accommodate the industry needs. Backed by 30 years of residential and commercial product valuation, and specializing in valuations of Jewelry, Firearms, Antiques, and all specialty product categories.

Claimplus customers include all major insurance companies in the United States. Claimplus proudly supports property insurance carriers of all sizes.

Over 30 years of experience in the insurance service industry has led us to some impressive claims:

- Since 2001, Claimplus has processed over 15,000 large losses a year.
- Product discounts average 25% per claim.
- Product experts average 7 years employment at Claimplus.
- We deliver valuation reports in just hours.

FLEXIBLE AND SUPPORTIVE

We understand and support the special concerns of carriers, adjusters and policyholders. Working closely with you, we develop a customized claim solution that not only expedites the claims process but yields accurate and consistent results.

- Claimplus solutions range from individual specialized services to an entire suite of programs that generate detailed loss inventories, accurate settlement recommendations and management data.
- Your versatile Claimplus solution is customized to meet your particular needs and deliver quantifiable results.
- We'll assist you every step of the way from development and implementation to training and support.
- We practice accountability and prompt communication.

TECHNOLOGY

The Claimplus IntelligencePlus™ product database, combined with the knowledge base of our experts, is the right combination of technology and human touch to get the job done right the first time.

- Claimplus combines the necessary software technology, product knowledge plus industry experience to quickly maximize productivity and deliver optimum customer satisfaction to all parties involved.
- IntelligencePlus™ is our web based proprietary system automating Claimplus inventory, valuation and claim support workflow, promoting a detailed, consistent work product.
- IntelligencePlus™ prompts system generated product suggestions, while Claimplus experienced valuators provide guaranteed LKQ accuracy.

FLEXIBLE PAYMENTS

Use our **AnewPlus™** reloadable MasterCard to service all types of claim payments including contents, liability, B2B, building, auto, and ALE. Reduce payment generation expense by as much as 60%, make faster settlements and improve customer satisfaction.

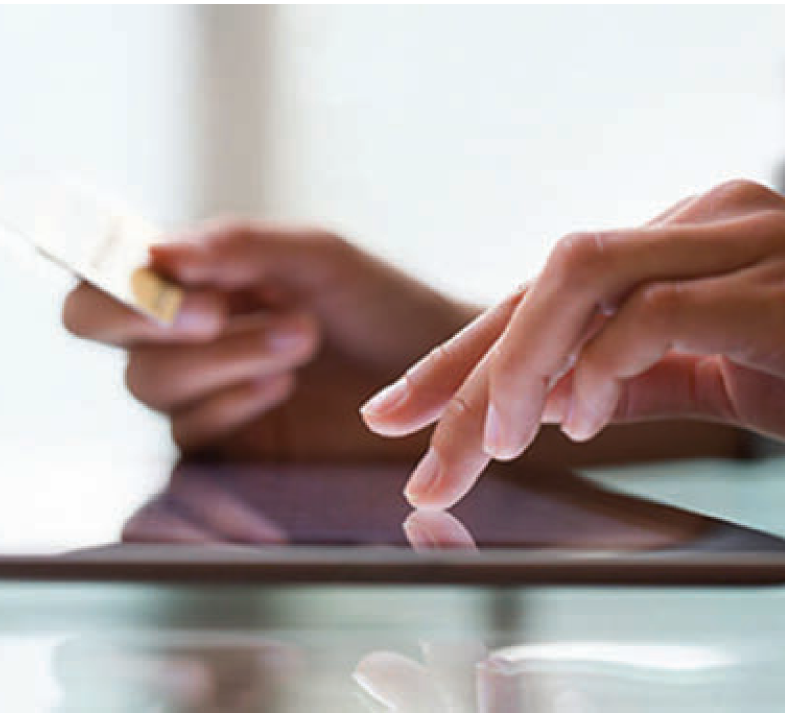
BUSINESS RESULTS

Since 2001, Claimplus has been caring for your policyholders and servicing your need for reduced claim costs and accurate settlements.

Improving contents adjuster productivity by 50% or more, with Claimplus you can expect faster claim turnaround, attention to detail, applied depreciation, excellent customer service and accurate valuations. Claim Auditors have come to recognize the accuracy of Claimplus contents work, encouraging the use of Claimplus integrated processes to shorten the audit process.

Put Claimplus to work! We're everything you need in a contents valuation partner.

Claimplus®



We Perform Contents Valuation so you don't have to. And we're great at it.

We're Not Only Different, We Are Better.

Claimplus actively supports the claim process. This means we work hard to bring you optimal and positive claim results. We have the technology, the man-power and over 30 years of know-how. Eliminate added investments of infrastructure. Get the job done at a lower cost with better quality. Take the opportunity to redirect your organization's core competencies to strengthen performance.

Claimplus has taken a modern and unique partnership approach to satisfying our clients concerns, and in turn, has exceeded our clients expectations. Your partnership with the Claimplus team provides you with a complete contents solution at a value that is impossible to beat. Call us and we'll introduce you to the best of the best!

122 W. John Carpenter Fwy. Suite 175 Irving, Texas 75039 | Voice: 817-684-8001 | Toll Free: 877-255-7980 | Fax: 817-514-0133

claimplusonline.com

The Next Generation in Luxury Property Mitigation, Restoration and Repair Solutions

THERE IS A STANDARD BY WHICH ALL OTHERS ARE MEASURED. WE ARE THAT STANDARD.

Launching in 2018, CORE Private Client began with the mission of taking the hassle out of mitigation and repair work for the insurance carrier and their clients while keeping a sharp eye on cost. As the only managed repair company in the industry that focuses specifically on high-net-worth clientele, we are elevating the property insurance and restoration industry by offering a claims management solution for high-net-worth carriers.

PRIVATE CLIENT FOCUS

High-touch, sensitive, discreet. This defines our foundation and service offering. Private Client insureds expect service in a unique way and want value from the relationship they have established with their carrier. That is where CORE Private Client excels. We put our providers through a rigorous vetting process to ensure the safety and security of your insureds, giving you peace of mind that CORE Private Client has you and your insureds best interests in mind.

THE WHITE GLOVE APPROACH TO SERVICE

At CORE Private Client we use a white glove approach to service. It is our opportunity to show you what craftsmanship means while also providing empathy, integrity, and high attention to detail, to rebuild on-site to match your home's exceptional building quality.

QUALITY ASSURANCE

The CORE Private Client managed repair program measures cycle time, repair costs and provides a comprehensive quality assurance process. We focus on policyholder satisfaction and eliminate any potential risk to your brand and reputation. Once a service provider has been approved to participate in our national network, they are placed in a performance-based management system.

"At CORE Private Client we believe it is vital to approach our client's insureds with a high-touch approach they have come to expect and not found anywhere else on the market today."

Dan Cassara,
CEO, CORE Private Client

POLICY HOLDER RETENTION

Property damage can be a traumatizing experience for an insured. From expedited response times to increased touchpoints with sensitive policyholders, our process reduces the stress and anxiety of the unknown by meticulously controlling behind-the-scenes processes. Our credentialing process goes beyond simple provider screening and onboarding and consists of ongoing training and certifications with a focus on exceptional customer care and workmanship. We are committed to making the experience of our trusted service provider partners a rewarding one, which equates to a far better experience for your insureds.

PEACE OF MIND RESTORED.

We take the guesswork out of finding quality providers giving you and your insureds peace of mind. From traditional managed repair services like smoke, fire, and water damage to fine art, document, and electronic restoration and more. CORE Private Client is your one-stop solution for minimizing life's unexpected interruptions.

SERVICES PROVIDED

Fire, Smoke and Water Damage Services
Mold and Environmental Remediation
Reconstruction and Repair
Asbestos Abatement
Contents Restoration & Pack Out
Document, Electronic and Fine Art Restoration
Fabric and Textile Restoration
Board up, Shoring, and Tarping Services

CORE
PRIVATE CLIENT

THE ONLY CLAIMS TECHNOLOGY SOLUTION TAILORED TO PRIVATE CLIENT & COMMERCIAL INSURERS.

Backed by CORE, the property restoration industry's most exclusive contractor group, CORE Private Client offers high-net-worth and private client carriers unparalled service provider manageament, innovative technology ecosystems and improved policy holder retention, all under one roof.

Connect with a client concierge today to learn how your portfolio can receive a digital transformation.

WWW.COREPRIVATECLIENT.COM
877.219.6166

The Modern Claims Organization: Not Losing Sight of One-on-One Relationship Building

By RW Custard, Vice President of Operations

COVID HAS CHANGED THE MARKET landscape for claims solutions, compliance and basically how we go about doing business. Technology continues to drive efficiency and remains a strong component of the market's success.

The virtual world is here. COVID may have been instrumental in speeding up its introduction but the industry has effectively maneuvered the obstacles and embraced the change. Like most in the industry, we find ourselves spending a good amount of our time on Teams and Zoom instead of in meeting rooms. Although this has proven to be an efficient and effective way of accomplishing day-to-day operational goals, it is important not to lose appreciation for the value of some of the more traditional ways of doing business. So, what are we missing? Perhaps the most important is that time spent one-on-one, building that personal relationship. It is these relationships that help guide us through the most challenging of issues. Therefore, we must always look towards innovative solutions and adapt our communication strategy to account for the virtual nature of the current working environment.

CLIENT INTERACTION: VIRTUAL ONE-ON-ONES

Over the past year, it seems everyone has become accustomed to the Zoom happy hours or morning coffee meetings on Microsoft Teams. These interactions are a great way to engage with other industry professionals, but lately have lost a bit of novelty. Coming up with new ways to

RW Custard, Vice President of Operations

engage with current and potential clients is an ever-evolving strategy that has seen some incredibly creative solutions (I would have to say my favorite is the virtual cooking class). When considering how to engage others in these types of conversations, do not discount the effectiveness of an "old-fashioned" call, whether it be virtual or simply by phone. While the group gatherings are fun, the crucial one-on-one connections are effectively lost. Even when comfortability returns for larger in-person gatherings, these one-on-one virtual calls can be very effective in building strong industry relationships.

COMMON GOALS: PROMOTING RELATIONSHIP BUILDING WITH NEW HIRES

Personal relationship building is also a key component of internal success for claims organizations. However, with staff working from home, new hires have found it a bit challenging to build these relationships with their managers and co-workers. How can we promote this one-on-one relationship building with everyone apart? The answer can be as simple as working toward a common short-term goal, assigning a project to a small group, or suggesting a new employee reach out to an office veteran for assistance. More often than not, the familiarity built during these seemingly small interactions creates a mutually beneficial bond and encourages team members to work together, ultimately building the ever-important personal relationships within your team.

FINAL THOUGHT

Let's face it, personal relationships have changed with the rapid adoption of workplace technology. While you may not chat around the watercooler much these days, we encourage you to find ways to build and foster these personal relationships through one-on-one interactions.

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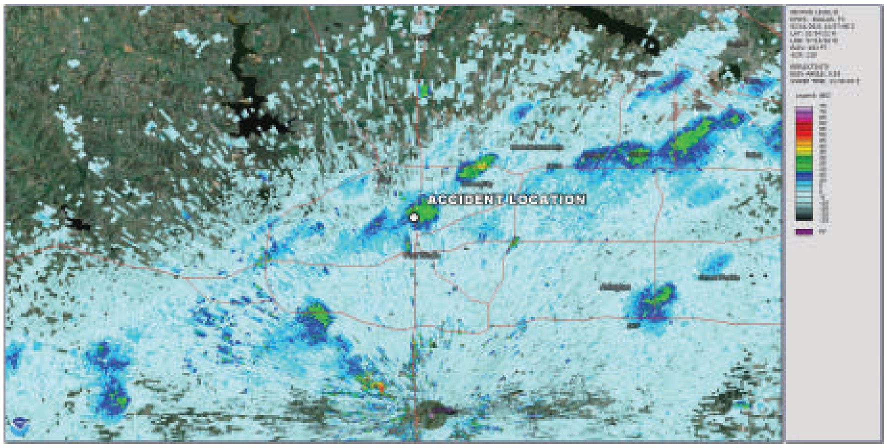
INSURANCE ADJUSTERS

How Forensic Weather Consultants Can Help You Navigate the Slippery Slope of MVA, Pipe Burst, and Slip and Fall on Snow/Ice Claims

AFTER ONE OF THE COLDEST AND snowiest winters in decades in some places, the number of weather-related insurance claims and lawsuits is skyrocketing. Freezing rain, ice and snow led to numerous motor vehicle accidents. Snow and ice-covered sidewalks and parking lots caused slip and fall accidents to occur. And bitter cold temperatures caused pipes to burst, the power grid to be severely interrupted, and many other incidents to occur. There has never been a more important time to utilize Forensic Weather Consultants than now.



This Doppler radar image shows that freezing rain was falling moments before a 100+ car pileup occurred in Fort Worth, Texas on the morning of February 11, 2021. This image shows that not all areas were seeing freezing rain, a detail that can be instrumental to a case depending on where an incident occurred.

HOW "WEATHER DETECTIVES" CAN EFFICIENTLY HELP YOU RESOLVE CLAIMS QUICKLY AND FAIRLY

There are many key facts and details that Forensic Weather Consultants find that can be instrumental to the outcome of a claim. Much of the data we utilize is far more voluminous and technological than just the closest airport weather station. We answer your questions and provide detailed information right where the accident occurred . Whether you decide to defend a claim or settle it quickly, an experienced Forensic Meteorologist, reliable weather data and a detailed report explaining what the weather conditions were and how they may have contributed to an incident is critical. Was it snowing or was ice accumulating where the accident occurred (but not yet at the airport weather station)? Was freezing rain forecasted and were warnings issued in advance? How long had the ice been present, was there notice, or was there an ongoing winter storm?

Snow and ice often melts when temperatures are as low as 23 degrees with direct sunshine. A common claim we encounter is that old ice must have been present for a long time because temperatures never rose above freezing. This argument may not be true and not knowing it could make the difference in a case.

DID THE COURT GET IT RIGHT? EVERYONE MISINTERPRETED THE WEATHER RECORDS

Many adjusters and attorneys use records from Weather Underground or the closest airport, but they are often interpreted incorrectly, sometimes have errors, and are not from the incident location. A Court decision in New York denied a motion for summary judgement because the plaintiff's attorney argued that only small, non-measurable 'trace' amounts of precipitation were reported on the airport weather record. They did not realize that the rain gauge froze due to the freezing rain that fell so the weather station could not measure the true precipitation amounts. A Forensic Meteorologist was never used, but had the carrier retained one for a nominal cost, they would have known that an ice storm was occurring and the outcome would likely have been very different.

For decades, various Courts around the country have cited our work and the evidence we provide in their summary judgment motion decisions.

Supreme Court: *In support of summary judgment, defendant submitted the deposition testimony of Forensic Weather Consultants. Here, the certified climatological data and the report of defendant's meteorologists is consistent with plaintiff's testimony and photos taken. Motion for summary judgment is granted.*

Supreme Court: *The court credits the Defendants' expert in meteorology, Howard Altschule, who testified that a photo depicting the area shortly after the accident showed ice on the walkway.*

Federal Court: *"New York courts have explained that evidence of a storm in progress 'is especially persuasive when based upon the analysis of a licensed meteorologist,' such as Altschule"*

FWC
FORENSIC WEATHER CONSULTANTS

From Ladder Assists to Virtual Inspections - the Industry Evolves

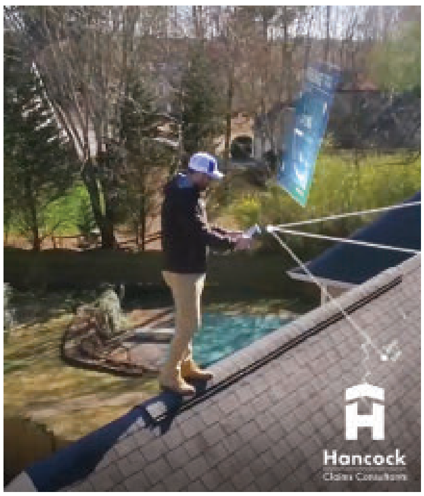
2020 WAS ONE YEAR NO ONE WILL forget. Sure, property inspections were a well-known part of the home buying process, but not until the last decade or so did a few companies begin exploring how to utilize their expertise to support the clams adjusting process.

Back in the day adjusters roamed the countryside ready for any challenge. They drove trucks, carried ladders, crawled, climbed, photographed, measured and wrote estimates by hand, returning to the office each day to pick up and turn in assignments. Eventually, laptops, cell phones, software and the internet entered the scene and the industry evolved.

With this evolution, and claim volume steadily rising, carriers began looking for new and faster solutions to the claims crunch. Unprecedented weather events like Hurricanes Katrina and Sandy showed the industry that there can indeed be times when there just aren't enough resources available to respond to their policyholders, even in the time of their greatest need. It was during this time that a small company in Atlanta, Georgia, Hancock Roofing, turned their attention to the carrier community and offered a simple service – the Ladder Assist.

It started as a means to help adjuster productivity. Hancock inspectors would meet the adjuster on scene and provide a Ladder for the adjuster's use when adjusting a roof claim. Without the need to carry multiple sized ladders around, adjusters could move from property to property more easily, spend more time with policyholders and write more estimates.

Before long, the Ladder Assist evolved and Hancock Inspectors began climbing roofs, taking photos, measuring, documenting and providing all the necessary physical information for adjusters to remain on the ground and write estimates. As the demand for this service grew so did the scope of services Hancock offered.



The Direct Inspection was a game changer when Hancock introduced the service. Carriers were now utilizing Hancock's Inspectors to conduct roof inspections without an adjuster present. For the first time an independent inspector was gathering evidence from the roof, photographing, documenting, summarizing and sending a report package to the carrier for an adjuster's use. Carriers began building teams of inside property adjusters while at the same time utilizing their experienced field adjusters for more complex claims. Estimating software, aerial imagery and other application providers all joined in and before long, carriers were reducing cost, claim cycle times and in the process, improving the policyholder experience.

Virtual Inspections are now taking the policyholder experience to all new levels. The introduction of live streaming video to the claim process now gives the adjuster the ability to inspect many more properties in a single day, even interacting with the policyholder via video feed. Whether streamed live or recorded, video is proving to be a useful and powerful tool in gathering and preserving claim information.

By adding live video interaction to the property inspection process and expanding the scope of our services to include interior inspections, Hancock continues to be at the forefront of claims process change. To date we have completed over 150,000 Virtual Inspections and well over 1.5 million roof inspections in our history. Our mobile force of 400 engineering certified inspectors now covers 42 states and continues to grow. We are SSAE 18 SOC 2 certified and all data is secure in transit and at rest. Over 150 customer experience team members support our field force to ensure that every day, each inspection is scheduled and completed based on carrier need and not inspector availability.

Today we are Hancock Claims Consultants, the market leader in the roof and property inspection services industry, where we continue to reduce cost, improve claim cycles and improve the policyholder experience. Always Climbing, Always Ahead.

Hancock
Claims Consultants

Adapting to 2020 and Beyond

OUR INDUSTRY COULD HAVE NEVER predicted the obstacles we'd face throughout all of 2020. With every new challenge, we saw our members working together as an association. Through collaboration, innovation, and coordination, we rose above each challenge. We are NAIIA strong. Hear what our members have to say about adapting their business.

"Adapting our business in 2020 meant working in a remote environment - quickly. We were able to establish a secure remote environment for all file information and create new processes for file reviews and training new employees."

– Douglas Bentley

President, Friedline & Carter Adjustment, LLC

"Our business had slowly incorporated changes over the past decade to lower overhead, which included remote work and virtual offices wherever possible. Making small changes over time was a big help in facing the obstacles throughout 2020."

– Peter Crosa

Peter J. Crosa & Co.

"We put more intentional focus and dialogue toward emotional intelligence, stress management, and gratitude. Our workforce adapted quickly to going remote and maintaining continuity of service."

– Susan Daniels

President, Northern Adjusters

"Since most of our clients could not meet in-person, we did extra marketing via email. We also sent clients "care packages" as a reminder that we were there for them."

– John Dotson

Owner/Claims Manager, Dotson & Associates, LLC

"Flexibility and technology are what got us through 2020. We were willing and able to change not only how we processed files, but where the work was being done. Our team learned new depths to the technology we were currently using, which provided more value to our company and the way we worked."

– John Henderson

Wickizer & Clutter Multi-Line Insurance Adjusters

"We immediately sought out and used technology to remotely inspect via smart phones. We embraced alternate avenues within the industry to offer additional means of revenue."

– Kelleen Killough

Owner/Director of Operations, AFG Claims Service

"From the beginning of the pandemic, we emphasized open/honest communication. We had also implemented an annual review of our Disaster Recovery and Continuity plans, which enabled us to be more prepared to respond to offices shutting down, working from home, and the other obstacles we faced."

– Don Lederer

President, Johns Eastern

"I think it's more important than ever to communicate with each other and stick together. We have been in business since 1957 and our firm knows that we are stronger together as a national association."

– Todd Mahoney

A.E. Mahoney & Company, Inc.

"We refocused staff to make every claim a marketing opportunity. We showed each client the pride we took in our work to give them a reason to stay - not a reason to look or price shop."

– Michael Marsh

President, Midland Claims Service, Inc. and Industrial Injury Claims

"We were able to review and curtail some expenses during the initial months of the pandemic, from March to May. Keeping overhead low was key until our claims volume increased in late summer."

– Francis Marx

President/CEO, Curley Adjustment Bureau, Inc.

"We have been paperless for 12 years, so we were able to make a seamless transition to remote work. Our web-based program that we previously developed was a great help for continuing our claims work."

– Robert Serafin

Robert Serafin Investigators

"We had to find ways to diversify and duplicate at the same time. We opened new offices in order to attract competitive talent. It took capital and time, but the outcome has been worth it."

– Mitch Whitman

President, Primeco Claims Group

"We quickly determined that new protocols would need to be implemented on how to handle claims in-person for the safety of policy holders and staff. Once developed, we communicated these protocols to the carrier and the client so we could safely carry out the work they needed."

– Charles Witt

President/CEO, Roanoke Valley Claims Service

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NATIONAL ASSOCIATION INDEPENDENT INSURANCE ADJUSTERS
DEDICATED TO SERVICE

Rising above the challenges created by 2020

WE ARE NAIIA STRONG!

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DEDICATED TO SERVICE

NAIIA

National Association of Independent Insurance Adjusters

Local • Loyal • Leaders

Let NAIIA handle your claims throughout the U.S.

The National Association of Independent Insurance Adjusters is an association of independently-owned property and casualty claims adjusting companies located throughout the United States.

Our mission is to promote the highest standards of claims excellence and professionalism of its members through education, training and leadership engagement.

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Considering joining NAIIA?
Visit **www.naiia.com/join**

Combining Multiple Insurance Lines of Business into a Single Company Solution Delivers Consistency, Efficiency and Capital Savings

A FRONT-LOADER WORKING A DIG outside of Yuma, AZ gets vandalized and needs an inspection. A tractor trailer skids off the interstate near Sioux Falls, SD damaging the trailer and all its contents. Heavy snow collapses a policyholder's garage roof in Burlington, VT, crushing vehicles and personal items.

For multi-line insurance carriers and adjusters, receiving claims which span the country – and their book-of-business – is just a typical day. Each policy needs to be managed quickly and correctly by an expert in their field. If an adjusting company services only one or a few lines the insurer writes, policy claim resolution requires a handful of independent adjusting resources due to both skillset and proximity.

A company that provides multi-line adjusting services allows for all claim types with damage to be handled through a singular resource.

In this ideal scenario, insurers and adjusters no longer need to keep multiple phone numbers or emails based on location. No longer is it necessary to ensure the multiple service providers involved understand company guidelines and are setup with accounting.

Whether it's property damage, auto damage or specialty vehicle services, insurance carrier adjusters can benefit from turning to a single supplier to professionally, efficiently and cost-effectively handle the appraisal and adjusting services needed to assist the adjuster in resolving the claim.

SCA, for instance, has a nationwide managed and franchised network of professional damage appraisers. This means APD claims are handled by local resources with years of auto claim appraisal expertise. Specialty claims are assigned to adjusters knowledgeable about the unique category of commercial vehicle or heavy equipment. And only licensed property adjusters are estimating property damages.

By using a single nationwide resource, insurers can rest assured any service provider assigned has a local grasp on the nuances of the geography where the claim occurred, applicable state law, and all the necessary resources. Also, working with a partner like SCA with nationwide capabilities and local market experts promotes faster and more accurate claims resolution.

Single-sourcing adjusting services adds value to the entire process by:

1. Streamlining the assignment process
2. Significantly reducing overall cycle time
3. Reducing added costs of having multiple adjusting resources engaged
4. Fostering a singular customer service channel

"With more than 40 years of service to the industry, SCA is the industry leader in managing franchise and independent resources on a national basis," says Timothy Davis, Jr., president of SCA. "Our goal is to provide maximum value to our clients by providing administrative support to engage a variety of resources, whatever the claim type. We help adjusters spend more time adjusting and less time administering."

Partnering with a single-source provider of adjusting services like SCA who can assist whether the damaged property drives, flies, rolls, floats, lifts, crawls, digs, or provides shelter, saves insurance and their adjusters time, money and resources while delivering greater value.

Visit SCA at SCAclaims.com or call 800-572-8010. Let us put our four decades of nationwide adjuster network management at your service.

SCA
CLAIM SERVICES

SCA
CLAIM SERVICES

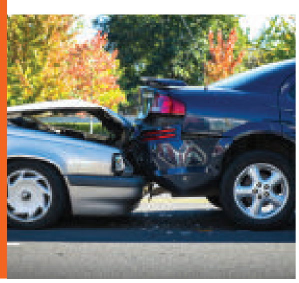
Property Damage Adjusting by the Trusted Leaders in Nationwide Adjuster Network Management

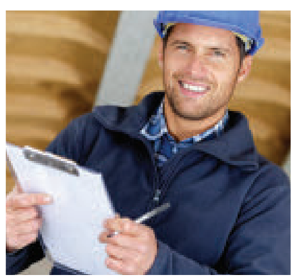
- **Property adjusting expertise by real property adjusters**
- **Claims handled by adjusters with specific peril experience**
- **Residential and commercial property claims**
- **Non-weather and weather claims**
- **Daily claims and catastrophe teams**
- **Quality Assurance for accuracy and adherence to guidelines**
- **Same SCA quality, consistency, and speed**

SCA Appraisal Company is a name you trust when it comes to adjusting and appraising damages – no matter the cause and no matter the location.

SCA now brings its 40 years of national adjuster network management leadership to property damage adjusting. We want to partner with you to deliver a high level of service that produces value for both you and your policyholders.

Vehicle Claims, Specialty Claims, Property Claims, make one call for it all!





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Thinking About Tomorrow Today

By Howard S. Shafer, President, Your House Counsel®

YHC NEXTGEN *CO-CHAIRS*

Chenee Castruita
Mazanec Raskin & Ryder
OHIO

Marc Tolliver
Touchstone Bernays
TEXAS

Tommy Wright
Anderson Crawley & Burke
MISSISSIPPI

A SENIOR CLAIMS MANAGER AT A major international insurer recently observed that there was a shortage of capable young insurance defense attorneys. While we do agree with that comment, we are confident that at YHC we are bucking that trend. The YHC Webinar Series and our YHC NextGen Attorney Group are proof of that.

In the third quarter of 2020, about 28.6 million Baby Boomers - individuals born between 1946 and 1964 - reported that they were out of the labor force due to retirement. This total represents 3.2 million more Boomers than the 25.4 million who were retired in the same quarter of 2019. Closer to our profession's home, nearly 400,000 employees are expected to retire from the insurance industry workforce within the next few years, according to the U.S. Bureau of Labor Statistics.

Law firms require both mentoring of young attorneys and a continuity plan – who will be there to continue the firm into the future and service its clients. Your House Counsel®, the National Consortium of Highly Regarded Insurance and Corporate Liability Defense Law Firms, along with our law firm members, is thinking hard about tomorrow, every day. Our YHC NextGen Attorney Group is a primary way for our firms to help meet the challenge of mentoring and executing a continuity plan. Each YHC Member Firm selects a young attorney to participate and this group pairs young insurance defense attorneys with seasoned attorneys across the country.

The YHC Webinar Series is a program of our NextGen Attorney Group. Working with seasoned attorneys, the group puts together webinars of interest to Claims Professionals and Risk Managers. Some of the topics have included: National Trends in "Bad Faith" Litigation; Reservation of Rights; Bling, Kicks & Threads - Wearable Technology and its Use in Personal Injury Litigation; Fear of Impending Death, Pre-Impact Terror and High Verdicts; and more.

In our travels around the country we meet and interact with many Claims Professionals. Many have seen our live presentations and participated in our Claims Roundtable 2nd Opinion Program. The YHC Webinar Series - a Program of our YHC NextGen Attorney Group - gives us the opportunity to bring the learning right to you, to interact with Claims Professionals across the country and to share presentations across all of our industry practice groups.

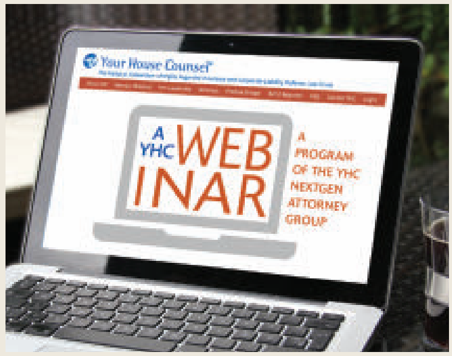
Our YHC NextGen Attorney Group is Co-Chaired by three more than capable young insurance defense attorneys. They are Marcus L. Tolliver, of Touchstone Bernays in Texas, Chenee M. Castruita, of Mazanec Raskin & Ryder in Ohio and Thomas M. Wright, Jr., of Anderson Crawley & Burke in Mississippi. Debbie Champion, of Rynearson Suess Schnurbusch and Champion in Missouri, has taken the group under her wing.

In speaking about the NextGen Group, Debbie said: "Change is hard and breaking old habits is not easy. Clients have different needs now than they did in the 90's and YHC started NextGen to invigorate the group and to allow more senior Trial Warhorses to pass on their collective knowledge and experience." Together they are leading the way for their firms and the rest of our YHC Member Firms. Be sure to visit them and to see what other webinars we have to offer at YourHouseCounsel.com.

Howard S. Shafer is the President of Your House Counsel ® and a Partner in the downstate New York and New Jersey firm of Shafer Partners, LLP.

Your House Counsel® MEMBER FIRM

See all that's happening with important claims industry topics by viewing *Your House Counsel®* Webinars.



The Your House Counsel® Webinar Series brings today's most relevant claims industry topics right to your desktop or any device, with concise, informative 50-minute sessions to help you sharpen your skills and broaden your knowledge base. They're all available for viewing at *YourHouseCounsel.com/webinars*.

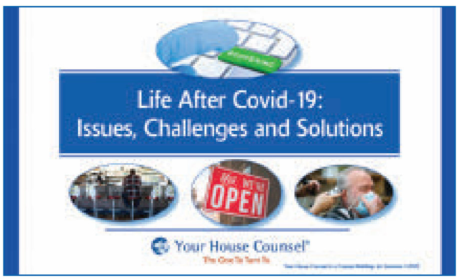
New Webinars are delivered live every month, so be sure to sign up to receive invitations delivered to your inbox. Just email *YHCWebsite@YourHouseCounsel.com*.

But as many claims professionals know, Your House Counsel® is more than an excellent source of information, because here is where you can find experienced, highly regarded and proven insurance and corporate liability defense firms. So, from our respected Webinar Series to our ability to provide you with vetted small to mid-sized insurance and corporate liability defense firms that understand your needs and expectations, Your House Counsel® is *The One To Turn To.*

PARTIAL LIST OF WEBINARS

Subrogation

Worker's Compensation Lien Recovery, Subrogation and PIP Interplay



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Resurgence of Lead

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Meet Allianz's Frank Sapio

By Patricia L. Harman

LIKE MANY WHO FIND THEIR WAY into the insurance industry, Frank Sapio had a very successful career in another arena. He spent several years in the Air Force, starting in medical administration and eventually ending up as an air traffic controller. While he appreciated his time in the service, it wasn't necessarily conducive to raising a young family, so he looked for other opportunities. He considered continuing as an air traffic controller and then fate backed into his life…literally.

"I got into insurance when someone backed into my car," he shares. "I spoke to the adjuster about what his job was like, it sounded interesting and the rest is history." Today, Sapio has been in the insurance industry for more than 30 years and is now the vice president, head of aviation & liability for North American claims at Allianz Global Corporate and Specialty.

MANAGING PRIORITIES IN A COVID WORLD

Sapio says that Allianz's top priority is to support their business partners. This means investing in upgrading leadership skills through programs such as their #lead program offered through their Leadership Academy.

In addition, they are upgrading their teams' technical skills, although this will be a little more challenging in a remote environment. "eLearning is fine up to a point," finds Sapio, "but the courses that really stand out are those that are highly interactive. With virtual learning, it's too easy to get distracted. In a classroom environment that doesn't happen as much."

When the coronavirus descended on businesses around the globe, Allianz was already in a strong position with 30% of its workforce working virtually full-time and others teleworking multiple days a week. "We were in the middle of several large IT projects that would have been easier to launch in an office environment," says Sapio. The biggest challenge involves onboarding new people, especially those without insurance experience. "It's harder for them because they can't watch a person's body language and learn from each other as easily," explains Sapio. "Some people also live in small spaces and that doesn't make it easy to work from home."

Allianz has a very robust training program that has been somewhat scaled back, leading the company to focus on more experienced hires and slowing down its efforts to bring new talent into the industry. However, Sapio believes the company has found they can work remotely and do it well. Going forward, some businesses will look at their real estate footprints and make decisions to scale back on real estate that has been sitting empty for a while. "The trainee program will go back to a physical office, but if you're experienced and have proven that you can work from home in this environment, we won't bring you back [into the office]."

Sapio maintains that one of the biggest changes the industry has seen over the last 10 years has been the sheer speed of business. "The norm is the expectation of an instant response to any query using any type of communication. Amazon is a great model with lots of lessons to learn from in terms of providing that level of customer service in a price-efficient manner."

He says the greatest advice anyone gave him was to "create an environment where your employees like the people they work with, what they do and can have some fun."

Patricia L. Harman (pharman@alm.com) is the editor in chief of Claims Magazine.