

SUCCESSFUL RESPONSE & RECOVERY IS A PROCESS PLANNED FOR IN ADVANCE.



Your Resource.
Your Advocate.
Your Partner.



WHAT'S YOUR PLAN?



Public Entities Are Being Challenged To Do More With Less:

- Greater Risks
- Tighter Budgets
- Expanded Roles & Responsibilities
- Staffing Adjustments



What's Your Plan?



- 1. What Is Your Risk & Know Your Plan**
- 2. Budgeting for the Cost of Recovery**
- 3. Maximize Eligible Funding Opportunities**
- 4. Become a FEMA-OLOGY 101 Expert**
- 5. Know What You Need Before You Need It.**



No Elected or Public Official Can Afford the Consequences...

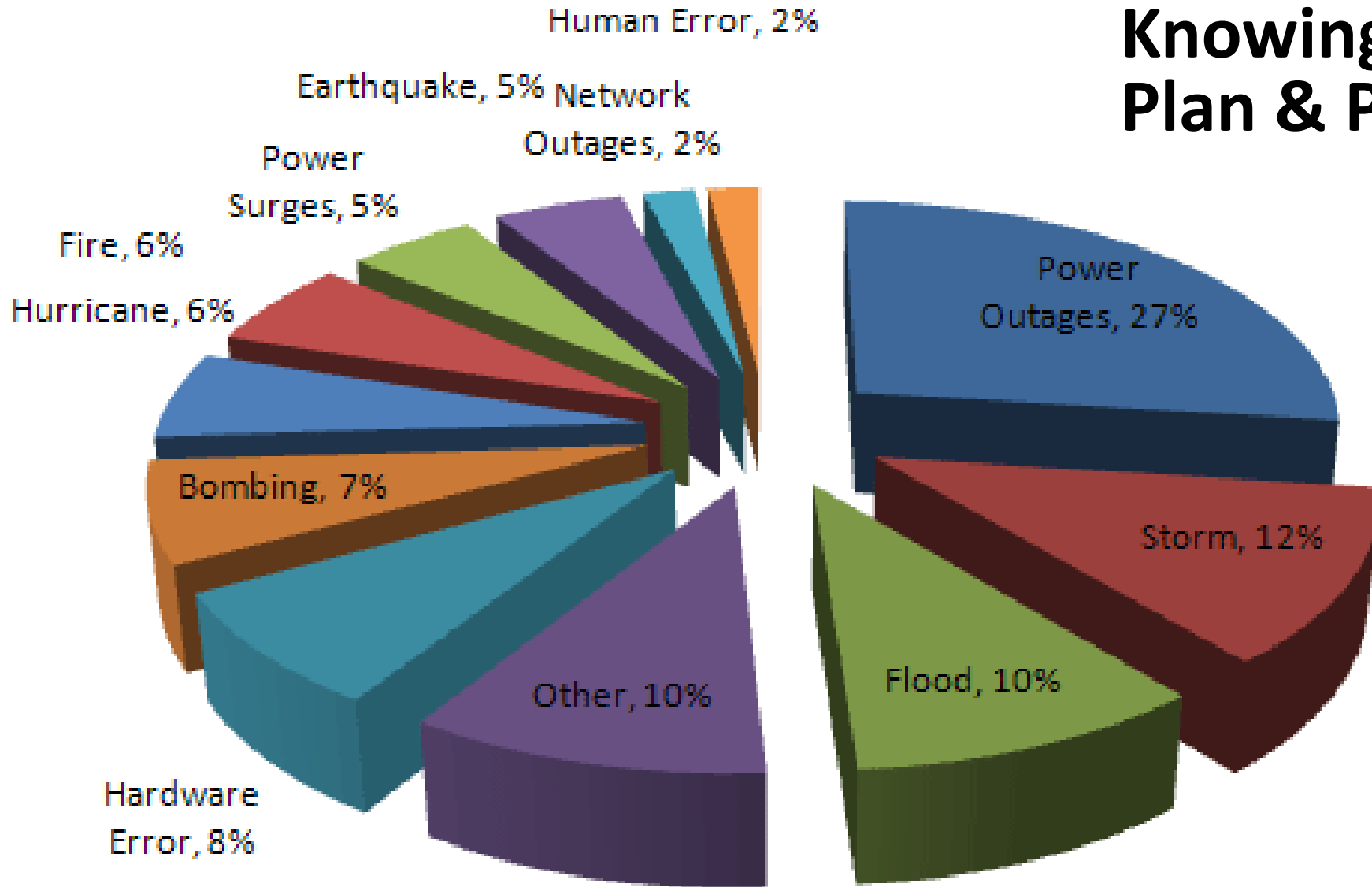
- Confusion, Conflict and Avoidable Delays will Occur. (Costs will increase!)
- Essential Activities of Local Government are Turned Upside Down.
- Staff Frustration, Negative Moral & Fatigue Set In.
- Recovery Funding can be Jeopardized. (Insurance & FEMA)
- Public Relations Nightmare for Public Officials & Administrators. (Negative Impact)

WHAT'S YOUR ORGANIZATION'S RISK &/or EXPOSURE?

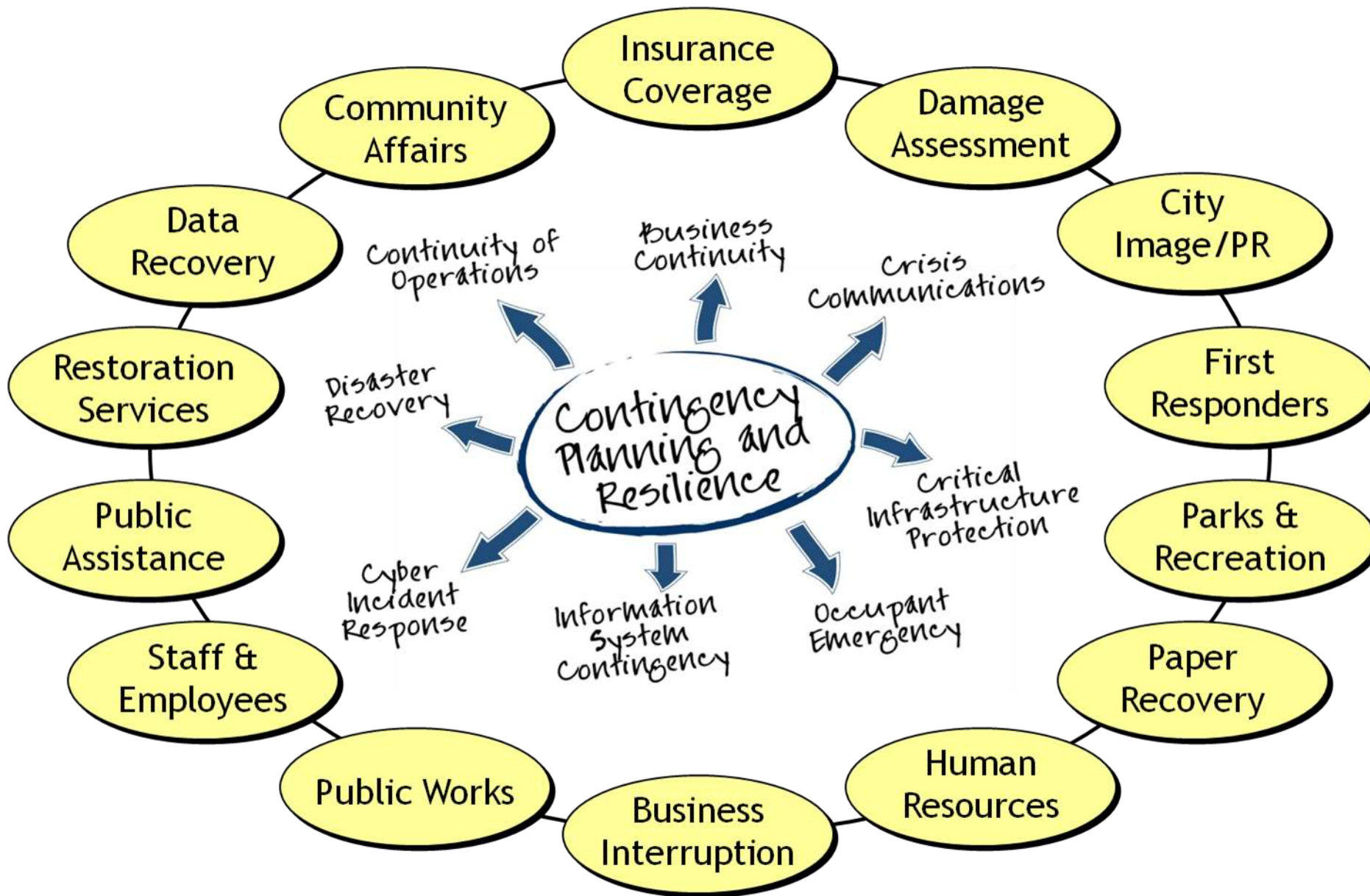


Knowing What to Plan & Prepare For.

- Has Your Team Identified Your Critical Point of Failure(s)?
- What Impact Would Damage Have on Your Organization?



KNOWING HOW A LOSS CAN IMPACT DAILY OPERATIONS?



Does the PLAN Address these Operational Components?

Does Your Team Understand Your Expectations or Direction?



Planning for Response & Recovery Can Feel Like an **UNREWARDING** Task.

- Difficult to PLAN for every Scenario.
- Every Event Will Have its own Unique Set of Circumstances.
- Challenging to Find the BUDGET & TIME to Plan.
- What Can Go Wrong...Will Go Wrong.
- The PLAN Will Always be Second Gussed!
- In a Crisis, People Shut Down & Will Expect You to Be There to Solve Their Problems.

Your Organization & Community are Depending On You...

- to Have a Plan.
- for Support & Assistance.
- to Return a Sense of Normalcy.



REACH OUT TO YOUR PARTNERS...



**KEEP
CALM
AND
TAKE THE
NEXT STEP.**



Encourage Your Team To Work With Your Insurance Provider &/or Consultant to Develop & Share the Plan...

- What is Your Risk Appetite?
(Is it a Recipe for Disaster?)
- Identify Financial Exposure.
(Deductible, SIR).
- Understand Insurance Coverage & Provisions (Maximize Funding Opportunities)
- Ensure Accurate Schedule of Values
(All Property & Assets).
- Discuss Response & Recovery Expectations (Review Loss Scenarios).
- Take Advantage of 3rd Party Services & Resources (Insurance Programs).





FMIT Provides COOP Educational Resources & Plan Development

simpliCity by SynergyID

Home Users Member Activations Member Profile

Marketplace Home **Marketplace Home** You've made **Save as report**

SETTINGS REPORTS & CHARTS

FILTERS

Document Section

- 2010 Hurricane Preparedness Symposium
- 2011 Disaster Preparedness Symposium
- COOP PLANS (Continuity of Operations)**
 - FEMA Documents
 - FEMA Public Assistance Grant Support
 - FMIT Member Documents
 - FMIT/Synergy Presentations
 - FMIT/Synergy Response & Recovery
 - Industry Presentations: Planning, Response & Recovery

Type

Florida Municipal Insurance Trust

Your Resource. Your Advocate. Your Partner.

Better Faster Cheaper

TURNKEY RECOVERY

Continuity of Operations Plan (COOP)

City of **[INSERT NAME HERE]**

[INSERT DEPARTMENT NAME HERE]

FLORIDA LEAGUE OF CITIES, INC. SPONSOR OF THE FLORIDA MUNICIPAL INSURANCE TRUST

simpliCity Complex Needs | Simple Solutions

+ New ★ Favorites 🔍 Search ? Help

Activities SOV-Equipment FLC Underwriting Employees

Grid Edit Email More Customize this Page

Document Section is 'COOP PLANS (Continuity of Operations)'

Document Section	Pro Access Required?	Member Basic Message
Continuity of Operations Business Resumption		Access to this file is limited to simpliCity Pro Members. To upgrade, call 888.852.4485, ext. 2.
Continuity of Operations	✓	Access to this file is limited to simpliCity Pro Members. To upgrade, call 888.852.4485, ext. 2.
for the Arizona Planning Committee	✓	Access to this file is limited to simpliCity Pro Members. To upgrade, call 888.852.4485, ext. 2.
for the City Management	✓	Access to this file is limited to simpliCity Pro Members. To upgrade, call 888.852.4485, ext. 2.
Template		Access to this file is limited

MEMORANDUM

TO: Department Heads
FROM: Frank Babin, Risk Manager
THROUGH: Joseph M. Safford, Finance Director
DATE: September 23, 2009
SUBJECT: Processing of Hurricane Claims



The purpose of this memorandum is to advise you what your department would need to submit to Risk Management in order to process a hurricane claim:

- Proposal/Estimate for repair work to include repair description
- Loss location (i.e., City Hall, ESD, Parks Maintenance)
- Address of loss location (i.e., City Hall, 100 NW 1st Avenue)
- Department/Division name (i.e., Parks Maintenance, ESD)
- Picture of specific damage you are requesting be repaired
- Original invoice upon completion of repair work
- Include your departmental/division account code when submitting a claim. No deductible will be charged, however, this information is required for tracking purposes

Please do not enter any requisitions. Risk Management will work with Purchasing to get requisitions entered and will forward purchase orders to the requesting department.

Any questions regarding the processing of hurricane claims should be addressed with Robin Cox at extension 7151.

/rc
hurricanes.doc

NO ONE ENTITY IS THE SAME

Identify YOUR ORGANIZATIONS Expectations & Overall Recovery Plan

- Plan Support & Understanding Between All Involved Parties.
- Accountability & Transparency (Documentation)
- Clear & Concise Directions (Don't Assume).

DEFINING RESPONSE EXPECTATIONS & PROCEDURES.



City of Delray Beach - Desk Procedures Post Hurricane Damage & Insurance Claims

INITIAL DAMAGE ASSESSEMENT:

1. Florida Municipal Insurance Trust (FMIT) will assign to the City an FMIT field adjuster representative who will coordinate activities through Risk Management (RM):
 - a. FMIT will do the initial assessment of insured damage within 72 hours of the barring local travel complications. Priority will be given to scheduled location "critical assets" on the FMIT/Synergy developed "simpliCity" database.
 - b. RM will arrange for FMIT to meet with department/division personnel as needed.
 - c. FMIT will provide the initial claim damage assessment report including pictures from the "simpliCity" database within 14 calendar days of the initial damage assessment.
 - d. FMIT will be responsible to place respective reinsurers on appropriate notice claim(s).
 - e. FMIT will be responsible to coordinate all insurable claims processing and will maintain direct contact on insurable claims status.
2. The City will provide an assessment of all hurricane damage (insured and non-insured) including only property damage but debris removal and "emergency protection".
 - a. Community Improvement will do an initial damage assessment for the City within 72 hours of the hurricane's end, barring local travel complications.
 - b. Such reports and pictures will be provided by Community Improvement to the City and to the County who in turn would notify the State, who would notify the Federal Government.

FINANCE AND CLAIMS:

1. Each City department/division is to evaluate ALL hurricane related damage and costs and report to the Finance Director and RM, respectively departments/divisions.
 - a. Formally assess and report on damage and related costs.
 - b. Include pictures of damaged property.
 - c. Prioritize #1.a. above.
 - d. Obtain contractors and begin recovery operations. "simpliCity" will list certain contractors approved by FMIT, and other FMIT approved contractors should City contractors are not available (e.g., damaged by hurricane, unable to provide adequate service).
2. Report as required to Finance Director and RM.
3. Finance Director will be responsible to make sure ALL hurricane-related damage and costs are summarized in a spreadsheet for administrative purposes, and for referencing of specific claims which are insured, or self-retained by the City, or covered under Federal Emergency Management Agency (FEMA), or otherwise.
4. Finance Director will determine if contractors will be paid directly by the City, or directly by FMIT for "simpliCity" approved contractors.

RISK MANAGEMENT AND CLAIMS:

1. RM will be responsible to make sure INSURANCE claim related damage and costs are summarized in a spreadsheet for administrative purposes, and the information is as needed by RM, Finance, FMIT, and/or FEMA.
 - a. RM will distribute correspondence to Department Heads which will list departmental requirements for filing an insurance claim (see *attached* memo).
 - b. On insurance claims, requisitions/purchase orders will ONLY be issued through RM, not by the department.
 - c. RM will coordinate with Finance Director on all matters relating to insurance claims.
 - d. RM will maintain a spreadsheet (see *attached*) which will correspond to the more detailed, more comprehensive spreadsheet maintained by Finance.
 - e. RM will reconcile all insurable damage and costs.
2. RM will be responsible to make sure reports, pictures, and other information are provided from the following as necessary for proper claims processing. If a claimant who is having difficulty with another party must contact the City, the contact should be made immediately.
 - a. FMIT, Orlando
 - b. FMIT assigned adjuster/Synergy
 - c. Finance Department
 - d. Gallagher Bassett Services
 - e. The Plastridge Agency (RM expects broker to be used)
3. Deductibles (actual FMIT policy will govern; the following are general guidelines):
 - a. "Coastal waters" per FMIT is defined as the area within 1/2 mile of the ocean.
 - b. The 5% wind deductible applies separately to the scheduled building's contents values.
 - c. A location within 1/2 mile of the ocean (applies to buildings) has a deductible which is the greater of 5% of each building's scheduled value (5% x \$2,000,000 MINIMUM building value (5% x \$2,000,000 = \$100,000 deductible) or the \$100,000 deductible.
 - d. Locations greater than 1/2 mile of the ocean, each location has a deductible of 5%.
 - e. The FMIT insurance limit for each building is typically the scheduled value. If an ordinance or law applies, then the limits are no greater than 125% of the scheduled value.
 - f. Flood insurance limits are \$4,500,000 per annual aggregate excess of the maximum amount of coverage available from the National Flood Insurance Program (NFIP), whether purchased or not, of \$250,000 per location not in a Flood Zone and \$500,000 per location in a Flood Zone, whichever is greater." FMIT Flood coverage mirrors NFIP definitions of "covered structures".
 - g. Otherwise, the all risk property damage deductible is \$50,000 per occurrence.
 - h. The original FMIT insurance policy is maintained in the Finance vault; a working copy is kept in RM; electronic copies are available from RM upon request.

FMIT, SYNERGY & "simpliCity":

1. The City will coordinate with FMIT, Synergy and the "simpliCity" database to resolve all claims matters.
2. The City will provide the claim management necessary to recover after a major disaster. The City will present the proper insurance damage claims to FMIT through in-house financial documentation and also through the "simpliCity" database.
3. The City will ensure damage assessment and reporting, identify repair contractors and procure cost-justified bids, obtain damage repairs, and then report as required such data and information to either FMIT or FEMA.
4. The City has elected not to incur the charges related to Gallagher Bassett Services contract with Custard Insurance Adjusters.
5. FMIT and Synergy will monitor damage costs above the deductibles and be available to meet regularly with RM or a City department, as requested, to provide updates or advise on the status of insurance claims.

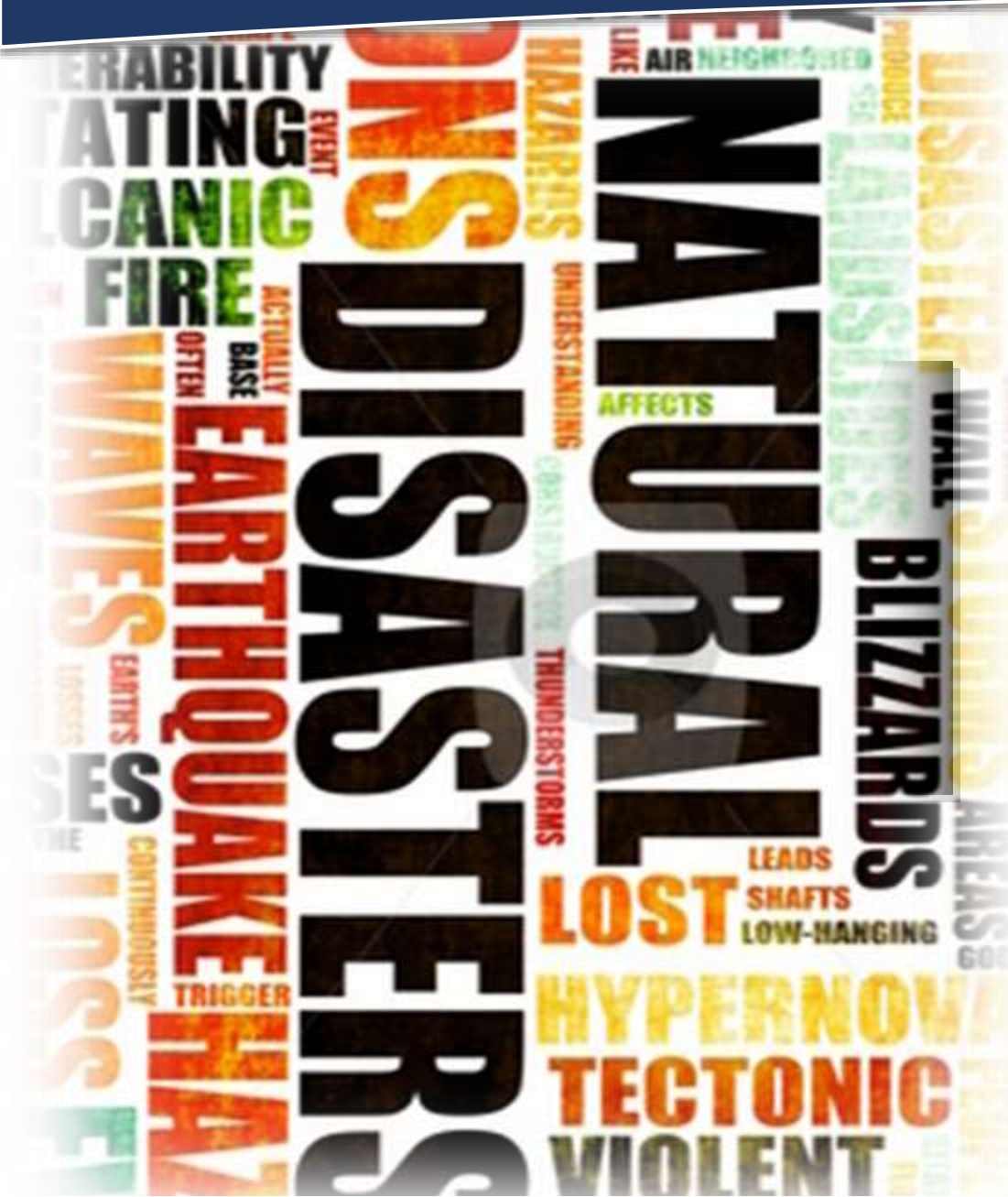
Hurr Desk Proc FMIT (6)

BEING PREPARED IS ALL OUR RESPONSIBILITY...



KNOW YOUR FINANCIAL GAP

Budgeting for the Cost of Recovery



Public Entities Must be More RESPONSIBLE in Budgeting for the Cost of Recovery...



- Insurance Deductible & FEMA Cost Share Amounts
- Extra Expense & Business Interruption
- Costs Associated with Uncovered Claims
- Upfront Recovery Costs &/or Vendor Retainer Fees
- Additional Payroll Expense

Don't Be Afraid to Have That Discussion with Your Team & Insurance Provider.

WHERE DOES THE MONEY COME FROM...

Is Your Organization Maximizing All Available Funding Opportunities?



**Property & Casualty
Insurance**



**Primary & Excess
Flood Insurance**



**FEMA Public
Assistance**

Waiting Until Your Organization Has Been Affected by an EVENT is to Late...



- Have Your Team Model Various Loss Scenarios to Better Understand Available Insurance &/or FEMA Public Assistance.
- Consult Your Insurance Provider, 3rd Party Professionals or Recovery Vendors for Additional Support.

Your Insurance Provider Should be Your Resource, Advocate & Partner!

ARE YOU SWIMMING WITH SHARKS?



- **Have You Set Expectations with Your Insurance Provider?**
- **What Are Timing & Funding Needs?**

IT'S NOT FEMA'S SOLE RESPONSIBILITY TO BE...



Responsible to Maximize Your Funding Eligibility



FEMA

HOW IS FEMA PUBLIC ASSISTANCE DETERMINED?



News > World news > Natural disasters and extreme weather

Fema uses 'Waffle House index' to take stock of Oklahoma tornado disaster

Head of US federal emergency agency devised three-level system as informal way of measuring impact of natural disasters



*You Just Can't Make
This Stuff Up!*

After an Area-Wide Disaster and a Declared Event, Public Entities may Qualify for FEMA Funding to Assist with their Recovery Effort.

- Title 44 of the Code of Federal Regulations (44 CFR) sets forth the Administrative Requirements, Policies and Procedures that Govern the FEMA PA Program.
- Each Declared Event can have its own Unique set of Circumstances that can Affect Conditions of Eligibility
- SubGrantees should Adhere & Make Decisions Based on their Own Recovery Procedures & COOP Plans, regardless of whether 3rd Party Funding (Insurance or FEMA) is Available.
- FEMA can **Giveth & Taketh** based on Final CloseOut Audits.

ADDITIONAL FUNDING OPPORTUNITIES...

POST-DISASTER MITIGATION

<p>406 Hazard Mitigation (HM)</p>	 <p>Hazard Mitigation Grant Program (HMGP)</p>	 <p>Non-disaster (competitive HM grants on annual funding cycle)</p>
<p>Post-disaster</p>	<p>Post-disaster</p>	<p>Non-disaster</p>
<p>Funding through FEMA PA Program</p>	<p>Funding through FEMA HMGP Program <i>Funding is limited.</i></p>	<p>Funding through Hazard Mitigation Assistance (HMA) Program</p>
<p>Incident-specific Grants</p>	<p>Multi-hazard/Area-wide Grants</p>	<p>Muti-hazard/Area-wide Grants</p>
<p>Funding available for Disaster-damaged Elements of Facilities Only</p>	<p>Funding available for Damaged + Non-damaged Facilities</p>	<p>Funding available for Non-damaged Facilities</p>

SANDY RECOVERY IMPROVEMENT ACT (SRIA)...



FEMA

Fact Sheet

Sandy Recovery Improvement Act of 2013

On January 29, 2013, President Obama signed into law the Sandy Recovery Improvement Act of 2013 (P.L. 113-2) (SRIA). The law authorizes several significant changes to the way the Federal Emergency Management Agency (FEMA) may deliver disaster assistance under a variety of programs. FEMA is currently developing specific implementation procedures for each new authority and will provide further guidance through a combination of rulemaking and the development of policy or other guidance documents. These implementation procedures will detail the applicability of each provision, provide further guidance as to how the authority will be implemented, and may include metrics and other assessment tools and procedures.

Public Assistance Alternative Procedures

- FEMA is authorized to develop alternative procedures that an applicant may elect to use for Public Assistance permanent work and debris removal projects.
- FEMA may expeditiously implement this authority as a pilot program until such time that the Agency promulgates implementing regulations.
- Once implemented, FEMA may apply these alternative procedures to future emergencies and major disasters, but may also do so in current declared events for projects where construction has not yet begun.
- These alternative procedures will, at minimum, include the following specified procedures:

Permanent Work Alternative Procedures

- Permits permanent work grants to be based on fixed estimates, with applicants accepting responsibility for any actual costs above the estimate—this will significantly accelerate the distribution of grant funds and significantly reduce administrative costs associated with grants based on actual costs.
- Permits FEMA to accept the mutually agreed upon certified cost estimates prepared by applicants' licensed engineers.
- Applicants may request to utilize a FEMA-funded, independent validation of project estimates for permanent repair projects with an estimated federal share of at least \$5 million.
- Allows applicants accepting grants based on fixed estimates to use any cost savings for activities that reduce risk in future disasters and other activities to improve future PA operations.
- Permits applicants to consolidate multiple permanent work projects.
- Eliminates the reduction in awards previously required by law for applicants who determine that the public welfare would not be best served by restoring a damaged facility or its function to the pre-disaster design (so-called "alternate projects").

- Grants to be based on Fixed Estimates by Applicants' Engineers...
- Applicant will Accept Responsibility for Costs Above Estimate...
- Cost Savings to be Carried Forward on other Eligible Projects...
- No 25% Reduction for Alternate Projects...
- Reimburse Eligible Straight-Time Force Acct Labor Costs Performing Emergency Protective Measures...
- Applicants have 24-months to Expend Obligated Funds...
- Revised Dispute Resolution...

FEMA PA Unfortunately is Not a Perfect Process; Don't Compound It By Putting Your Organization in a Position to Fail!



- Follow Specific Federal Procurement Requirements
- Avoid Duplication of Benefits
- Record Keeping & Documentation
- Don't Try to "Beat-the-System"
- There is Never Really Free Money



Homeland Security

AUDIT TIPS FOR MANAGING DISASTER-RELATED PROJECT COSTS

Department of Homeland Security
Office of Inspector General
September 2012

Finding 3: The subgrantee claimed \$1 million for materials withdrawn from its existing inventory to repair its electrical distribution system. The subgrantee had a listing of material items reportedly used for repairs and a listing of the value of such items. However, records reflecting the withdrawal of items from the inventory did not support the listing. Therefore, the OIG allowed the material costs associated with the actual repairs but questioned the \$1 million the subgrantee claimed to have taken from its existing inventory.

C. Poor Project Accounting

Criteria: Federal regulations (44 CFR 13.20 and 206.205) require grantees and subgrantees to maintain a system that accounts for FEMA funds on a project-by-project basis. The system must disclose the financial results for all FEMA-funded activities accurately, currently, and completely. It must identify funds received and disbursed, and reference source documentation (i.e., canceled checks, invoices, payroll, time and attendance records, contracts, etc.).

Finding 1: The subgrantee did not account separately for the costs of each project. The subgrantee accounted for five distinct FEMA-funded projects but accounted for project expenditures under one cost center. As a result, the OIG could not verify the subgrantee's claim by project.

Finding 2: The subgrantee's journal of project expenditures did not contain references to payroll or activity reports that supported the payroll expenditures charged to the FEMA project. Therefore, the OIG could not systematically trace expenditures for labor to supporting documents to verify the claimed costs.

Application of Benefits

Section 312 of the Stafford Act prohibits duplication of benefits. In other words, a grantee cannot receive disaster funding for activities covered by insurance benefits, other Federal programs, or any other source.

Finding 7: The subgrantee claimed and received \$200,000 to repair a fence, replace dirt, and construct a retaining wall at a baseball park facility. However, the subgrantee had insurance coverage for the same activities that it had not disclosed to FEMA, and received \$220,000 from its insurance carrier for the same activities. Therefore, the OIG questioned the \$200,000 of FEMA funding received for activities covered by insurance.

The subgrantee claimed and received \$100,000 of FEMA funds for road repairs and the construction of a chain link fence at a Head Start facility. However, the subgrantee also received funding from the U.S. Department of Housing and Urban Development and the U.S. Department of Human Services to carry out the same activities. Therefore, the OIG questioned the \$100,000 of FEMA funds received for activities covered by other Federal programs.

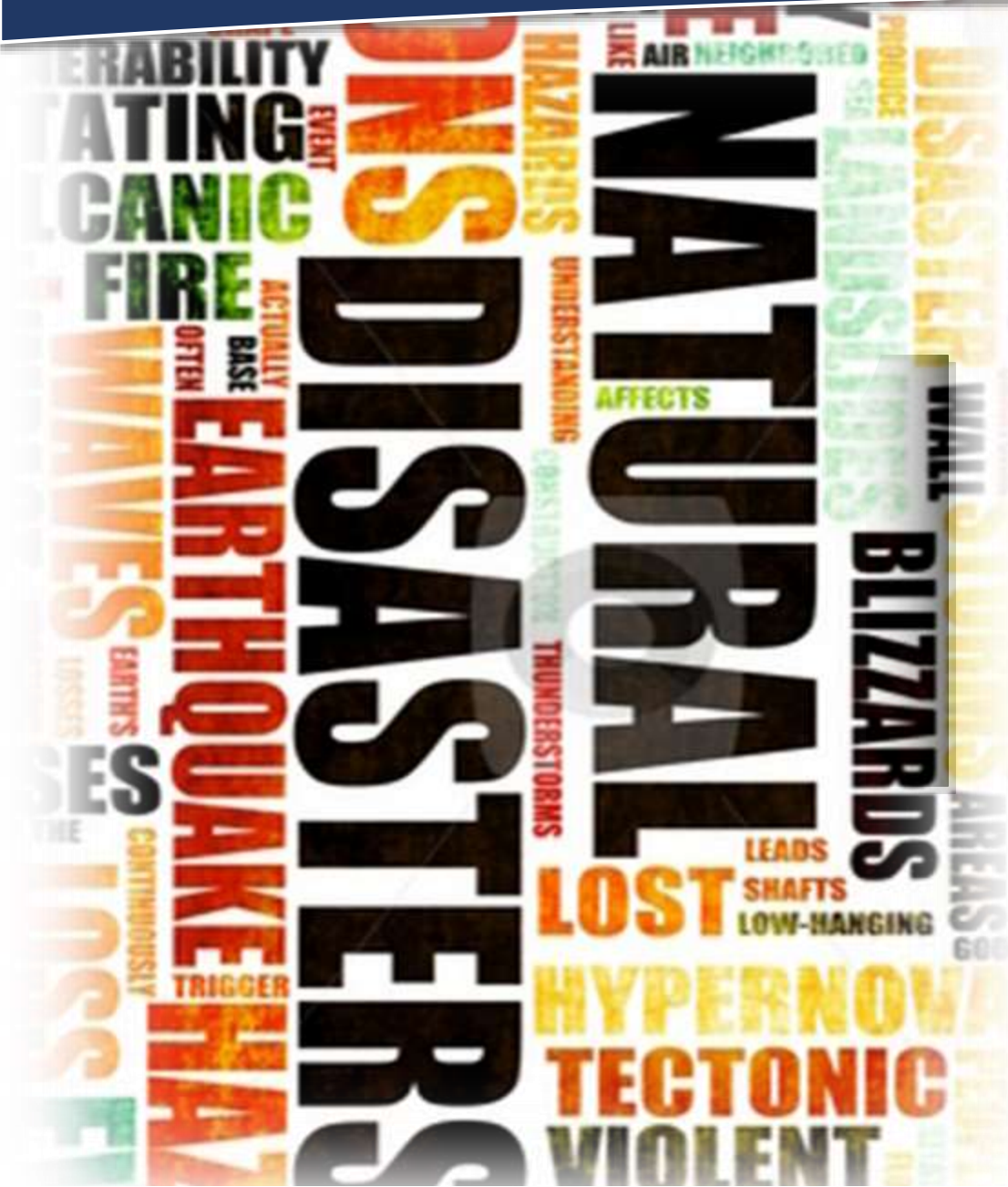
Equipment Charges (applicability may vary with hazard mitigation projects)

Federal regulations (44 CFR 206.228) require that subgrantees use the FEMA schedule of equipment rates or their local rates, whichever are lower. Applicants that do not have local equipment rates must use the FEMA equipment rates when claiming costs under a FEMA project.

BEING PREPARED IS ALL OUR RESPONSIBILITY...



Know What You
Need Before You
Need It!



Identify Special Needs Unique to Your Property &/or Departments Prior to an Incident.



- The Yellow Pages or Google should not be your Primary Recovery Reference Guide.
- What Resources &/or Equipment will be Necessary to Maintain Operations.
- Consider Alternate Locations or Workspace Requirements for your Department(s).
- Make Sure Your Team Includes this Information in Your Plan!

EMERGENCY SUBSISTENCE & STABILIZATION... (What Will You Need?)



City of Williston – Sink Hole Claim(s)

EMERGENCY SUBSISTENCE & STABILIZATION... (What Will You Need?)

Town of Bal Harbor Fire Damage to Police Maintenance Garage



Portable Structures & Equipment

**30x30 Low-Bay Structure, Fork Lift, 125KW Generator
& 12ton AC Unit**



Portable Structures & Equipment

12,000lbs Portable Hydraulic Vehicle Lift

EMERGENCY SUBSISTENCE & STABILIZATION... (What Will You Need?)

City of Cape Coral – Water Park Fire



Admin, Gift Shop & Signage



Food & Concession Trailers



Walk-In Cooler & Freezer



Guest Services & Shade Structures



Security Fencing



POS Equipment

EMERGENCY SUBSISTENCE & STABILIZATION... (What Will You Need?)

City of Gulf Breeze – Golf Club House Fire



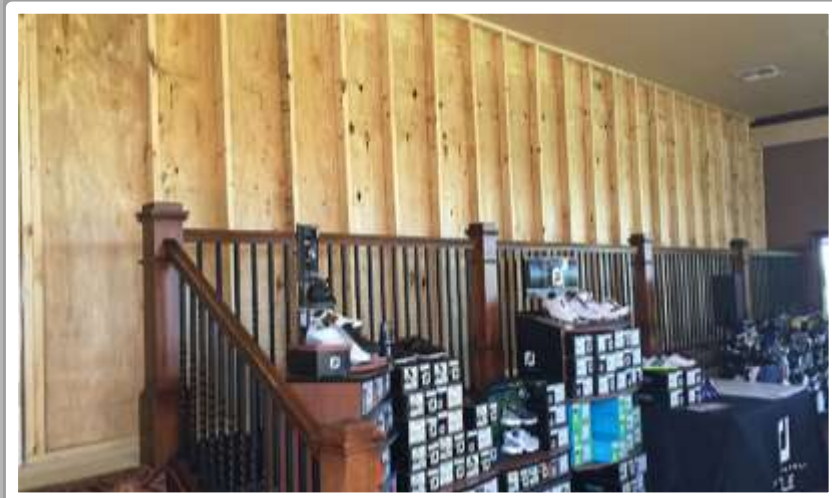
Food Services



Portable AC Restrooms



Walk-In Cooler



Power, HVAC & Board-Up



Pack-Out & Relocation



Temp Storage

EMERGENCY SUBSISTENCE & STABILIZATION... (What Will You Need?)

City of Plantation – Tennis Club Fire



Modular Building w/ADA Ramp



ADA Restrooms



Signage



Temp Power & Lighting

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