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Preparing for the Unexpected

Bombings at the Boston Marathon. Explosion at a fertilizer plant in Texas. Violent tornadoes in Oklahoma.

While we already had plans for the summer issue of *Impact* to focus on the industry's response to Superstorm Sandy, these three occurrences reminded us that catastrophes, whether natural or manmade, just keep on happening.

Preparing for the unexpected will always be a challenge, but hopefully these stories will show you how insurers rose to the occasion and stepped up their operations—even though many companies and agents themselves were located in the hardest hit areas.

Before, during and after Superstorm Sandy, insurers were on the ground in full force to help their policyholders. Cat vans and claims teams immediately sprung into action. Even without electricity, checks were drawn up on the spot. Some claims people even handed out water and stuffed animals. Generous financial contributions were made and many fund-raising efforts were established.

Specifically, we feature: Allstate, Chubb, ERIE, Fireman's Fund, GEICO, The Hanover, The Hartford, IBHS, Liberty Mutual, MetLife, Nationwide, Selective, State Farm, USAA and Zurich North America. We will let the stories and photos speak for themselves.

In its 2013 Atlantic hurricane season outlook issued recently, NOAA's Climate Prediction Center is forecasting an active or extremely active season this year. And we are proud to know that the industry will be there for its policyholders to pay claims, hold hands and help rebuild property and lives.



Robert P. Hartwig, Ph.D., CPCU
President, Insurance Information Institute

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There When You Needed Us

Hurricane Sandy wreaked havoc along the Eastern Seaboard, forcing the evacuation of hundreds of thousands of residents and causing widespread power outages and massive dis-

ruption to public transit systems. Approximately 1.3 million USAA members live in the areas affected by Sandy. Within 24 hours of landfall, USAA had issued more than 1,000 claims payments — an illustration of

our commitment to help members such as Bill and Margaret Long put their lives back in order as quickly as possible. Here, the Longs hold family members' dog tags discovered amid the ruins of their home. ■

Photo courtesy of USAA.



Moment of Truth in Challenging Times

As forecasters were making predictions about the power of Sandy and its projected path, Allstate Insurance Company was forming a virtual war room, bringing together all the teams that need to respond before, during and immedi-

ately after the superstorm.

Prior to Sandy making landfall, Allstate's National Catastrophe Team moved into place at various locations up and down the East Coast and Mid-Atlantic Region, including Raleigh, North Carolina, and Harrisburg,

Pennsylvania. "Staging allowed us to get our national catastrophe team members and units positioned in safe places, but close enough to areas that may have been impacted by Sandy," said April Eaton, Corporate Relations Manager, Allstate National Media. "Once the hurricane made landfall, and authorities allowed us in, we were able to move from the staging area or holding pattern and go into the heavily damaged communities to help Allstate customers begin the claim process."

During the height of their response, Allstate dedicated more than 4,000 claim personnel and two dozen mobile claim vehicles to assist policyholders with claim needs.

Teams of Allstate adjusters canvassed neighborhoods by foot looking for affected customers and helped them begin to pick up the pieces. Using their newly created Catastrophe Response Teams (CRTs) with their Catastrophe Response Vehicles (CRVs), Allstate was able to quickly assemble and deploy a coordinated customer response effort. The CRVs complement the National CAT Team's established response effort, are smaller vehicles and can easily maneuver city streets to get to devastated communities. The vehicles are stocked with supplies including customer care items, water and even teddy bears for kids. Positioning the CRVs throughout the East Coast and having claim personnel on the ground walking through heavily damaged neighborhoods was especially important in Sandy's aftermath, particularly as gas shortages left



Photos courtesy of Allstate.

Allstate Catastrophe Team members at work at a mobile claim center.



many people stranded.

Senior Claims Service Adjuster Jared Stock noticed a puzzled expression on the face of one customer as he approached her New York home. He identified himself as a member of Allstate's National Catastrophe Team, and explained he was in the storm-ravaged neighborhood to "reach out to our customers to ensure they are safe, find out if they have any immediate needs and assist them with the claims process if needed."

The customer had several downed trees in her yard and the widespread power outage not only left her with no electricity, but also forced her agent's office to close. With no cell phone service, she'd been unable to call Allstate herself. "We walked to the backyard, sat down and filed a claim," Stock said.

"Claim adjusters sat down with our customers and answered questions, took them through the claims process and in some cases, even provided a check," said Cathy Mayo, Communication Manager from the Florida Region who was deployed

to Connecticut and Pennsylvania to work alongside the disaster teams stationed in those areas. Responding to catastrophes is Allstate's "moment of truth" with policyholders. It is important that the company provide the best possible service all the time, but also during challenging times.

As the catastrophe team worked with customers to get them back on their feet, the company also turned its attention to helping entire communities rebuild. Allstate and The Allstate Foundation donated more than \$1.2 million to nonprofit organizations dedicated to Sandy recovery efforts. One grant, in the amount of \$5,000 was awarded to the St. Bernard Project, Inc. Allstate Agent Colleen Torpie nominated the organization to receive funding and then volunteered to clear debris from a flooded home in Far Rockaway, New York. "We had such a great day volunteering with the St. Bernard Project," said Torpie. "We were in hazmat suits wearing filtered face masks and got an orientation on what we would be doing in the house.

St. Bernard Project is truly a very special organization."

Allstate was a primary sponsor of NBC's national Hurricane Sandy telethon. Additionally, more than 1,200 Allstate employees donated to the American Red Cross to assist those impacted by the storm. Through organizations such as Feeding America, Operation Hope and countless local nonprofit organizations, the company continues to help families rebuild after the storm.

Rebuilding continues today and recently The Allstate Foundation, Allstate New Jersey and the Coastal Habitat for Humanity announced the three groups would join together to help 40 Manasquan, New Jersey, residents impacted by Superstorm Sandy. Thanks to a \$125,000 grant from The Allstate Foundation and volunteers from Allstate New Jersey Insurance Company agents and employees, Coastal Habitat's Neighborhood Revitalization Initiative will lead the charge in repairing and restoring ten homes on the Jersey Shore. ■

Paying Claims and Restoring the Shore

Storm Sandy struck areas where the Chubb Group of Insurance Companies has significant market presence — the states of New York, New Jersey and Connecticut — with devastating wind and water damage and lengthy power outages. Chubb's losses from Sandy resulted in by far the largest number of claims from a single event in the company's history. And it left Chubb's Warren, New Jersey, headquarters and scores of company employees who live and work in New Jersey and throughout the storm's path without power and with their own property damage.

Despite the challenge, Chubb and its employees — many working remotely from home as they tried to personally recover from the storm — put business continuity plans into effect to continue to provide seamless service to personal and commercial insurance customers, agents and brokers. As the calls began to pour into Chubb's claim centers, Chubb employees responded personally to customers. They spoke to those customers for as long as they needed to talk and with great empathy. Adjusters and damage mitigation and restoration services stood at the ready, and headed into communities as soon as authorities permitted access. The end result: 98% of personal lines claimants responding to a survey were "highly satisfied" by the claim service Chubb provided.

In addition to honoring their obligations to their personal and

commercial customers, Chubb and its employees engaged in a variety of fund-raising and volunteer efforts to help storm victims. Shortly after the disaster, The Chubb Corporation announced that it had established a \$1 million fund for relief efforts related to Storm Sandy. Of that amount, the company contributed \$500,000 to the American Red Cross for disaster relief. The company also said that it would match on a two-for-one basis, up to \$500,000, contributions made by employees worldwide to any disaster relief organization that is a qualified U.S. 501 (c) (3) tax-exempt organization. If total employee donations exceed \$250,000, Chubb would continue to match those dollars on a one-for-one basis.

Chubb branches from across the country, as well as business units and home office departments, also took it upon themselves to create their own efforts. The Chicago branch, for example, raised about \$1,000 for the Red Cross immediately after Sandy, and then ran three events in which jeans, Paid Time Off (PTO) days and baked goods were sold to raise an additional \$1,705.

The Accounting Department in Warren, New Jersey, also made the American Red Cross Hurricane Sandy Relief Fund the beneficiary of its second Penny Wars Challenge for Charity. The 100-member department was split into five teams, and each team collected money and deposited their

collections into the five-gallon water bottles. Pennies deposited in each team's own bottle were counted as positive contributions and non-penny coins and paper money and checks that teams deposited into their competitors' bottles were counted as negative contributions. The bottle with the highest net contributions was deemed the winner. The Penny Wars generated \$3,340, before matching gifts, for the Red Cross.

Another event, which occurred more than a month before Storm Sandy struck, also helped to provide assistance to Sandy victims. Five hundred employees at three Chubb Claim Service Centers in Chesapeake, Virginia, Phoenix and Simsbury, Connecticut, donated 5,744 disaster-relief items and assembled them into 400 comfort kits for the Red Cross to distribute to disaster victims. They also contributed \$2,400 to fund additional kits.

Chubb employees are continuing to support victims of the storm. Beginning this past March, employees from Chubb Personal Insurance (CPI), one of Chubb's three major strategic business units, have been organizing a series of "Restore the Shore" events in New Jersey. Some 100 employees from CPI, as well as Chubb Commercial Insurance, Chubb Specialty Insurance and departments in the Warren headquarters, and family members already have logged more than 800 volunteer hours in helping tear down storm-ravaged homes and removing sand

Chubb employees pose in their protective uniforms and gear while taking a break from helping remove damaged walls, other materials and possessions from a home on the Jersey Shore.

from and rebuilding other homes on the Jersey Shore. In one case, some employees helped a single mother with a seven-year-old son construct temporary living quarters while the woman continues to seek funds to raise her home 12 feet and reconstruct the entire interior. The employees and family members also have planted dune grass, and have provided other assistance to affected residents, including the collection of more than 50 prom dresses for high school girls.



Photos courtesy of Chubb.

With summer coming, these employees are concerned that fewer people will be volunteering to help affected residents rebuild their homes,

and they are planning more Chubb employee volunteer events. They are planning to continue these events for as long as they are needed. ■



Chubb employees and family members help a homeowner dig out from Storm Sandy.

Stepping Up After the Storm

From Hurricane Katrina to the Haitian earthquake to the Japanese tsunami, Erie Insurance has a history of helping areas affected by natural disasters. That commitment, however, took on a new sense of urgency after Superstorm Sandy whipped through seven states in which the Pennsylvania insurer does business.

Whether it was through fast, fair and compassionate claims handling or targeted charitable outreach to affected areas, ERIE and its employees stepped up to help customers and the larger communities in which they reside get back on their feet.

Superstorm Sandy was the fifth most costly weather event for ERIE. Even still, the company was able to efficiently process more than 36,000 Sandy-related claims, courtesy of investments in the latest technologies and comprehensive advance preparations.

Among the first technologies to come into play were sophisticated new mapping tools. "These predictive modeling tools let us watch the superstorm's path and see how it matches up with where our customers are located," explained Matt Myers, senior vice president of Corporate Claims at ERIE. "Once the storm hit, we could then use mapping software to make organized and efficient assignments for our claims handlers."

Those predictive modeling tools also helped ERIE deploy claims handlers even before the storm hit. "We carefully tracked the storm and

deployed claims reinspectors and dozens of claims handlers to a staging area just outside the areas that were about to be affected," said Mark Dzuricky, an inside claims supervisor at ERIE who served as a Catastrophe Coordinator during Superstorm Sandy. "From there, we waited until the storm passed before we headed to our heavily affected Allentown and Philadelphia offices." The company also consulted a well-crafted disaster recovery plan prepared jointly by specialists at ERIE's field and home offices.

In order to live up to the company's promise to be "Above all in Service," ERIE maintains a special roster of claims handlers at each of its 17 branch offices who can be called upon during catastrophic events. More than 100 claims handlers from other territories traveled to the affected areas, where they typically worked 15-hour days for two weeks or longer.

Claims handlers faced numerous challenges in their efforts to help. Storm debris and water initially blocked many roads, power outages that lasted a week or more plagued many areas and temperatures remained chilly. Two other complicating factors were Daylight Saving Time, which set crews back an hour, and the threat of a nor'easter that thankfully never materialized.

When catastrophic weather events strike its territories, ERIE regularly deploys special vehicles known as Claims Response Units (CRUs). These technologically equipped vans serve a

dual purpose: They allow claims handlers to perform administrative tasks and act as a visible reminder of ERIE's presence in the affected areas.

After Superstorm Sandy struck, ERIE sent five CRUs to heavily affected areas in eastern Pennsylvania, Maryland, Virginia and West Virginia. Deployments are fast since ERIE's nine CRUs are strategically located no more than three hours from any area that could be affected in its 11-state footprint.

There's no doubt technology and preparation played an important role in meeting the needs of ERIE customers. Still, Myers gives the most credit to the commitment of ERIE's claims handlers. "While technology is important and we can use it to respond better, it's our people who go above and beyond who make the difference," he said.

Stepped-up efforts were also in play at the home office. There, specially trained employees from Claims and other departments of the company helped customer advocates process a heavy influx of calls. "In the first day after the storm, we took close to 10,000 loss reports," said Myers. "Some employees were responsible for taking claims over the phone while others called back customers who needed immediate attention."

The Community Outreach Department also kicked into high gear after the storm struck by facilitating a \$100,000 donation to six American Red Cross chapters operating in the

most devastated areas within the company's footprint. Branch managers from ERIE's field offices personally presented oversized checks to:

- American Red Cross of the Greater Lehigh Valley
- American Red Cross of Susquehanna Valley
- American Red Cross of Southeastern Pennsylvania and Philadelphia
- American Red Cross, Washington County Maryland Chapter; American Red Cross of the National Capital Region
- American Red Cross, Greater New York Region

ERIE also sent information to employees about how they could assist disaster victims via personal donations to the American Red Cross. As

an added incentive to give back, Erie Insurance sponsors a Matching Gifts program that matches employees' donations to qualified nonprofits like the American Red Cross dollar for dollar up to an annual maximum of \$5,000 per employee.

Employees were also encouraged to get involved with the Erie Insurance American Red Cross Volunteer Network, an initiative that currently connects approximately 1,000 ERIE employees with the volunteer needs of local American Red Cross chapters.

"ERIE has partnered with the American Red Cross for a very long time, and we know they do good work," said Ann Scott, vice president, Community Outreach at ERIE. "Whenever there's a catastrophe, there's always an outpouring of sup-

port from ERIE and ERIE employees. This time, there was an added urgency since so many friends and neighbors in the ERIE footprint were affected."

The road to recovery for many people and communities is still long. Luckily, we can all do our part to

make it a little shorter every day. ■



Bruce Peterson (center), Erie Insurance Hagerstown Claims Office, presents a check to Julie Barr-Strasburg, assistant regional executive of the American Red Cross, Washington County Maryland Chapter, and Robert Carder, Jr., the chapter's chairman of the board.



An Outpouring of Giving

Employees of Fireman's Fund Insurance Company were eager to help after Superstorm Sandy devastated the east coast. Within ten days of the company announcing it would match employee donations to the American Red Cross up to \$10,000, employees exceeded the match and Fireman's Fund and its employees together donated over \$25,000.

The lives of so many employees on the east coast were impacted with losses of homes and power outages that this spurred an outpouring of giving from all across the company. Partnering with The American Red Cross only makes sense since they are out there on the front lines after natural disasters.

"There are so many ways to help after such a severe catastrophe," said Lori Fouché, CEO of Fireman's Fund. "Employees gave donations, helped with workloads of impacted offices and reached out personally to victims and their families. It is heartwarming to see

such camaraderie among employees in difficult times."

Examples of compassion from businesses and their employees have been widespread. It is the company's business to respond immediately with claims adjusters ready to help displaced policyholders find housing and start the repair process. The claims adjusters leave their families and forgo holidays and weekends for long periods of time after such an event as Sandy.

The whole company chipped in to backfill and finds ways to help. Displaced employees spent nights at the office when their power was out and displaced agent offices were offered space in Fireman's Fund buildings. "It's what we do," said Fouché, "we are in the business of restoring people's lives back to normal as soon as possible."

"In almost 25 years of field claims adjusting, I have never had a moment that has made me feel so satisfied help-

ing people in need as I did wearing the Fund's logo while working Superstorm Sandy claims," said Trent Gillette, a general adjuster from Chicago, Illinois. "One incredible moment was boating out to Liberty Island to inspect the damage there and on Ellis Island. I was able to help a man whose family business, which has been on Liberty Island for over 81 years, was devastated. I was able to reassure him and leave him with a sense of security because he was dealing with an insurance company that has stood the test of time for 150 years like the Statute of Liberty has. That was probably the most moving claim I have handled in my entire career."

An agent commented on how proud he was of his affiliation with Fireman's Fund. The proactive call-out efforts were impressive. Letting the policyholders know that claims adjusters were in the area through social media and text messages and providing mobile



Claims Adjuster Suzanne Atkins inspects the total destruction of homes after Superstorm Sandy.



Photos: Mike McLaughlin Photography.



apps helped them tremendously. He also shared some feedback from one of his clients. "The policyholder said his Fireman's Fund Claims Professional was amazing, very patient, empathetic and that he went the extra mile to make him feel a sense of normalcy. At the closing of my call with the client he had tears of happiness."

Fireman's Fund awarded many grants to affected fire departments in the tri-state area. Agents and brokers were thrilled to award the grants which included \$10,000 to Point Breeze Volunteer Fire Department, \$9,000 to Mantoloking Fire Company, \$2,500 to FDNY, \$5,000 to the Easton Volunteer Fire Company, and more. Thermal imaging cameras, forcible entry simulators, communications

equipment and training equipment were all purchased with these grants. Since 2004 Fireman's Fund has awarded grants through agents and brokers in the tri state area totaling more than 3.5 million dollars. The Easton Volunteer Fire Company in Easton, Connecticut, lost one of their volunteers, Russ Neary, while responding during Superstorm Sandy. The grant in his memory for communications equipment was a tribute to his dedication to the community and the communications project that was near and dear to him. ■



Fireman's Fund General Adjuster, Trent Gillette, worked claims in Union Beach, New Jersey, Liberty Island and Ellis Island.

Mobilizing for Superstorm Sandy

Soon after Superstorm Sandy struck the Northeast, GEICO, the largest auto insurer in New York and New Jersey, was on the move.

The company quickly began moving in 350 company field adjusters, worked with its salvage vendor and its own towing network to relocate 32,000 flooded cars, established a strong presence throughout the five boroughs and plugged in some 2,000 associates around the country to assist with loss reports, claims and salvage operations. By the end, GEICO had handled close to 47,000 claims.

In addition, GEICO associates became very adept at managing gas shortages, handling cell phone outages and wading through flooded streets in hip deep currents.

"This is what we do," said Bill DeGrocco, assistant vice president of GEICO's auto damage operations. "Our

associates have a lot of experience when it comes to handling catastrophes. They're extremely nimble. We were able to move people right into troubled areas and set up appointments for them so they could complete the paperwork and issue checks to policyholders almost immediately. Then these same associates moved on to the next area and the next."

While the rugged pace continued on the frontlines for days, hundreds of GEICO associates around the country also took on critical support activities. In Virginia and Georgia, they packed up emergency supplies and sent trucks rolling to the stricken areas in the north. There, other GEICO associates went door-to-door to shelters and gas stations passing out items like flashlights, hand-warmers and water to grateful residents. GEICO associates in other parts of the country collected clothing, pet supplies and household

goods for Sandy victims.

When employees learned that some of their GEICO colleagues in New York and New Jersey were personally affected by the ordeal, GEICO associates opened a Sandy Relief Fund for their friends and neighbors, even when those "neighbors" were thousands of miles away.

"We certainly would never want our customers to ever go through that again," said John Pham, GEICO's vice president for New York operations. "What it did show us, however, is that we could react fast under the most difficult circumstances and bring our policyholders some sense of relief.

"I think we demonstrated by being on the scene so quickly and handling losses so professionally that we had a sincere interest in how our customers were doing following the storm. And we could tell people really appreciated that." ■

Below: A GEICO adjuster helped calm down one policyholder's 6-year-old boy by letting him draw a goodbye note on the family's flooded vehicle.
Right: Supplies for Superstorm Sandy victims were sorted and shipped quickly to GEICO policyholders along the Atlantic Coast.



Photos courtesy of GEICO.



In the Line of Claims Duty

After Storm Sandy slammed 24 states in October 2012, The Hartford made a \$250,000 contribution to the American Red Cross disaster relief efforts. But The Hartford's claims teams did the heavy lifting, responding to thousands of customers in the wake of the storm. Claims teammates went above and beyond in this time of need to exceed customers' expectations.

Since Storm Sandy tore the roof off the Nuovo Pasta production building in Stratford, Connecticut, owner Carl Zuanelli has been impressed with the timely claim response from The Hartford.

Soon after receipt of the Nuovo Pasta claim, Mike Kenney, an associate general adjuster from Phoenix, Arizona, was up on the roof inspecting the damage. Kenney was one of a number of adjusters from around the country deployed to the East Coast to help deal with the significant volume of Sandy claims and ensure quick

response to the needs of customers. Within days of that first visit, Kenney prepared an estimate for payment on the roof repair and handed the case over to David Moses, a Connecticut-based general adjuster.

"The customer has been very pleased with The Hartford and how quickly we've helped resolve his issues," said Moses. "I was actually able to process the payment for the roof repair before I was technically assigned to the case."

In December 2012, The Hartford CEO Liam McGee toured the newly repaired facility and learned more about the impact of Sandy on this business. The first thing Zuanelli said to McGee was how impressed he was with The Hartford's handling of his claim.

Outside Claims Representative Tim Johnson and Team Leader Daryl Holmes were each complimented by personal lines customer Bernice Lewis, whose Staten Island, New York home was damaged by the storm. Lewis left a voicemail for Matt Monahan, assistant vice president of the catastrophe claims operation, praising Johnson and

Holmes.

Lewis described the claims process as a "very moving experience" for her compared to people who have still not heard from their insurance companies. She went on to say that the service she received has been wonderful, prompt and has operated like clockwork. "I have been awed every step of the way, because everything that was said was actually done, above and beyond my expectations." With all of the devastation in her borough, Lewis said The Hartford provided sunshine during a very dark period of time. ■

The Hartford CEO Liam McGee with Carl Zuanelli (left), owner of Nuovo Pasta Production, and David Moses (right), general adjuster.



Photo courtesy of The Hartford.



The Hartford announced it will make a \$10,000 contribution to the Boston One Fund to assist the families of the victims who were killed and the victims who were most seriously injured as a result of the Boston Marathon bombings on April 15 and related events on April 18 and 19. The company will also make a \$10,000 contribution to the West, Texas Disaster Relief Efforts Fund to benefit the victims and relief efforts of the West, Texas Fertilizer Plant explosion that occurred on April 17.

Rising to the Occasion

With Superstorm Sandy bearing down on the Northeast, The Hanover's people braced for the worst— both as insurance professionals and area residents. Several days before the giant storm would hit, they sprang into action, demonstrating the experience, determination and responsiveness that have distinguished the company for more than 160 years.

Ultimately, the storm would be the second most costly natural catastrophe event for the insurance industry and for The Hanover — second only to Hurricane Katrina. Since 1852, The Hanover has helped businesses and homeowners recover from some of the nation's worst disasters, including the Great Chicago Fire, the San Francisco earthquake and Hurricane Katrina. And, Sandy would prove to be one of the biggest tests of all.

Sandy's brute force resulted in a wide range of claims, including structural damages to homes and commercial properties, losses due to power interruption, and water damage due to rain or backup of sewers. In addition, Sandy also caused an unusually high number of auto losses. The company's U.S.-based operations already have paid Sandy-related benefits of approximately \$160 million.

Before Sandy made landfall, The Hanover mobilized its dedicated catastrophe team, as well various cross-functional teams specially trained and prepared to respond to the exceptionally high volume of anticipated claims in a fast and productive manner.

"We believe that every claim is a moment of truth for our company, when we have to be ready to deliver on our promises," said Mark Welzenbach, senior vice president and chief claims officer for The Hanover. "In the case of Sandy, we called 'all hands on deck' and our people responded, managing a barrage of claims that more than doubled our typical intake while, at the same time, improving on our typically excellent service scores."

To facilitate an efficient response and ensure a positive customer experience, The Hanover took a multi-faceted approach. A "fast track" team managed routine claims by phone, which often were resolved in a single call. A special inquiry call center was established to answer customer questions. Another team proactively reached out to policyholders in heavily affected areas who had not yet filed claims, to see if they had experienced losses and needed help. Still another team focused exclusively on auto losses, helping policyholders obtain documents needed to resolve losses on totaled vehicles, and working to remove cars as quickly as possible from areas where access was still difficult at best.

On the ground, The Hanover's claim adjusters worked creatively to overcome the many logistical problems, which included a lack of water and electric service, and countless road closings that limited access to impacted areas. With gasoline rationing in effect throughout New Jersey,

some Hanover adjusters waited in line for hours to fill their gas tanks in neighboring states before driving into the hardest hit regions. They logged long hours and made many personal sacrifices to get the job done.

In one such moment of truth, in Mullica Hills, New Jersey, Sandy sent an 80-foot tall tree crashing through the roof of the Schanne family home.



Photos courtesy of The Hanover.



Hanover volunteers rebuild after Sandy.

Thomas Schanne worried as he called The Hanover the next day. “I was a new customer,” he said. “They had only received one premium payment from me. I didn’t know what to expect.”

Within 48 hours, The Hanover had arranged to remove the felled trees, and within a week, the damage to his home was repaired.

In addition to delivering on its

promises in its business, Sandy also inspired The Hanover and its people to build on their proud tradition of making a difference in the communities where they live and work. Immediately following Sandy, the company made a special charitable contribution to the American Red Cross, just as it has following other major natural disasters. The Red

Cross leveraged The Hanover’s grant to help provide shelter, supplies and referral services to victims of the storm.

Lisa Piehler, regional chief executive officer of the American Red Cross of Central and Western Massachusetts, said The Hanover’s generous dona-

tion “helped families start over in a new place to live, clean out mold from their water-logged homes and get the emotional and financial support they needed to put their lives back together. Their contributions provided shelter, food, water and supplies right after the storm, and funded boxes of food that were delivered to people in need, and are still helping people recover,” said Piehler.

On Staten Island, New York, which bore the brunt of Sandy’s fury, Hanover field and home office employees came together to help. Working in teams, they supported a variety of relief efforts. One team volunteered its labor in a warehouse set up by a local non-profit organization to provide groceries, cleaning supplies, baby items, pet food and free demolition services to local residents.

Another Hanover team volunteered to do home repair work, helping to remodel a home that was

heavily damaged by Sandy’s flood waters. Other Hanover employees worked rakes and shovels to help beautify a residential neighborhood and, in the process, help restore a sense of order and pride among its residents. Still others volunteered at a local call center, reaching out to affected families to help assess their ongoing needs.

“This is a company whose employees each year raise more than one million dollars to aid United Way, and our response to Superstorm Sandy is consistent with that deep level of commitment and concern,” said Jennifer Luisa, assistant vice president, corporate community relations. “Our



employees’ responsiveness — in our business and in our home communities — is one of the things that makes ours such a special company.” ■

Above: Hanover adjusters help policyholders recover. Below: Hanover employees volunteered through Guyon Rescue to help the families of Staten Island affected by Super Storm Sandy.



Using Building Science to Help Guide Critical Aspects of Post-Sandy Recovery

Since Sandy roared ashore in October 2012, the Insurance Institute for Business & Home Safety (IBHS) has been working to provide technical guidance and insights based on the latest building science to help individuals in the Northeast rebuild, repair and retrofit to create stronger, safer communities. The Institute has worked with public policymakers, media outlets, grassroots organizations, insurance organizations and others to share valuable information about post-Sandy recovery. Additionally, the Institute has participated in discussions with thought leaders in New Jersey and New York, who have been tasked with incorporating disaster resilience into the recovery process.

"While everyone is anxious to get back into their homes or resume business operations as quickly as possible, it is imperative that people also focus on how to prevent damage and destruction from the next big storm — because, unfortunately, there will be another one," said Julie Rochman, IBHS president and CEO. "Strengthening buildings now will help ensure properties are better able to withstand the next extreme weather event."

Although the Northeast was most recently hit by Irene and Sandy, both of which were largely flooding events, such storms are often accompanied by high winds, which also wreak havoc

on property. Conducting research to identify stronger, safer construction practices that will help reduce property damage related to natural and manmade catastrophes is the focus of the unique IBHS Research Center in South Carolina. The Institute uses results obtained from realistic, full-scale research testing conducted at the facility to develop clear guidelines for the design, construction, repairing and retrofitting of residential and commercial structures, so they can better withstand the effects of high winds and wind-driven rain, in addition to other hazards, such as wildfire ember storms and hailstorms.

In the case of Sandy, IBHS' building science expertise is relevant to three parts of the recovery process: repairing and rebuilding; business recovery and continuity planning; and the role of building codes in creating a resilient environment.

"We need to think of buildings as systems and take a holistic approach toward repairing and rebuilding. It only takes one weak link in the system for an entire building to fail," Rochman said. "Fortunately, some of the most beneficial and valuable property

protection techniques are cost-effective, particularly when measured against the terrible human losses and financial costs of heavily damaged or destroyed homes and businesses."

With regard to repairing and rebuilding, the Institute is working to focus residents in Sandy-affected areas on four key questions, providing specific guidance about how to address each of these areas:

1) Is the roof strong enough? IBHS research found that the use of certain fasteners, including 6d common nails and staples, will not provide adequate attachment during high winds regardless of the spacing. These fasteners are inadequate to keep a roof from lifting up during high winds. This is particularly true along trusses and rafters in the middle of the roof sheathing panels, where it has been common practice to space fasteners 12 inches



apart. To strengthen an existing roof when re-roofing, IBHS recommends adding 8d ring shank at 6 inches on center. Re-nailing the roof deck will increase the strength of the roof and will add no more than a few hundred dollars to the cost for a typical 2,000-square-foot home. Learn more about creating a stronger roof at disastersafety.org/roofs.

2) Are the structural elements of the building tied together properly, so that it can stand up to extreme winds? When building a new home or when remodeling an existing property includes re-roofing and replacing siding, take the time to add straps between the roof trusses and tops of the walls, connect the inter-story walls and strap the bottoms of the walls to the foundation. This creates a continuous line of protection that will help the property perform much better during high winds and will help offer better protection against lower level tornadoes.

3) Are doors and windows protected? One of the best ways to prepare for hurricanes is to choose permanent protection for the openings in your home or business by installing shutters. It should be your top priority. Watch the IBHS Research Center test video to see how a door blowing open can compromise the structural integrity of a house. The IBHS Shutter Guide is intended to help homeowners by offering a comprehensive list of shutter materials, cost estimates and pros and cons to consider when choosing the right type of protection.

4) Is the building properly elevated to avoid flooding? Most elevated coastal homes are wood frame structures, and the evidence is clear that it only takes a few feet of water above the Base Flood Elevation (BFE) to

wipe out homes built at or below the minimum National Flood Insurance Program requirements. There essentially is no safety factor for homes in surge-prone areas other than additional height. Once a home has been elevated on properly anchored piles, it is likely that the incremental costs of raising the structure a few more feet would not be that significant. IBHS recommends homes be elevated an additional three feet above BFE. It is critical that home foundation design follow the American Society of Civil Engineers (ASCE) 24 requirements, with a proper accounting for wind, surge and debris loading. Special inspections of the foundation systems also should be mandated in coastal surge areas.

One cautionary note — it is virtually impossible to guarantee that a structure will not be destroyed if it is directly impacted by the eyewall of a major hurricane. Experience has shown that certain types of property, such as barrier islands and peninsulas, can literally be cut in two by a hurricane. Anything in such a storm's path certainly will be devastated, regardless of foundation type or elevation.

IBHS has encouraged both New Jersey and New York to focus on breaking the cycle of destruction as they move forward with recovery plans, and provides specific guidance in *Rebuilding and Repairing Safer and Stronger Post-Sandy*.

"In general, the traditional path in this country has been to allow residents and businesses to repair and rebuild in the same places and in the same ways," Rochman said. "However," she added, "this approach does little to advance the safety and security of homes, businesses and families in vulnerable areas. New Jersey

and New York have a unique opportunity to get it right by repairing and rebuilding their communities to be more resilient the next time Mother Nature strikes."

One key to strengthening new structures involves enactment and enforcement of strong building codes. In its paper, *Status of Building Codes in New Jersey and New York: The Future of Resilience in a Post-Sandy Environment*, IBHS examined current building codes and standards in New York and New Jersey, and provided critical information and recommendations to help increase resilience against future storms.

When Hurricane Katrina ravaged Louisiana and Mississippi, it exposed the woefully inadequate building codes in those states. New Jersey's building codes, on the other hand, already provide a solid foundation on which to stand. The good work New Jersey has done establishing strong building standards resulted in the state receiving 93 out of a possible 100 points in IBHS' 2011 study of building codes in hurricane-prone states along the Gulf and Atlantic coasts.

"Unfortunately, many of the homes and businesses that Sandy damaged and destroyed along the Jersey Shore were older buildings that were not in compliance with current codes," explained Rochman. "This is why it is so important to use strong building standards when repairing and retrofitting existing buildings."

Taking the next step to rebuild better in New Jersey will require training in proper construction practices and building techniques for optimal disaster resistance, and providing safeguards to ensure improvements are made. This is the most effective path

Six months after Superstorm Sandy, a destroyed home sits on the beach in Mantoloking, New Jersey.



Photo courtesy of I.I.I.

for breaking the cycle of destruction, Rochman said.

In New York, there may be more work to be done on codes. According to the IBHS building code study, New York scored 60 out of 100 possible points. While the state has adopted the 2006 International Residential Code and requires mandatory enforcement, New York City is exempt from the state requirements and has its own code, which is not as strong. Despite the metropolitan area's hurricane risk, the Institute found New York City has weakened several important wind protections that are in the state code. At the state level, other wind provisions have been weakened, which is another source of concern. IBHS has been consulting with policymakers in the state about different ways to improve their current standards.

The widespread damage to the small business community from Sandy prompted the Institute to review business protection lessons from the storm

and outline how to embrace these lessons to ensure buildings and operations are better prepared to withstand the next major storm.

"One in four businesses that is forced to close because of a disaster never re-opens. Recognizing the urgent need to provide guidance for small businesses before the next storm hits, the Institute issued *Mitigation Lessons from Sandy: How to Protect Your Business from the Next Storm*," said IBHS Business Resiliency Manager Gail Moraton. "By taking the right steps, even the smallest business owner can stay open or re-open quickly after a disaster."

Sandy is on track to be among the top three costliest storms in U.S. history, according to the Insurance Information Institute. IBHS has offered its building science expertise to the states that were hard-hit by Sandy in an effort to shore up at least part of the built environment before the next major storm hits. The Institute's work there continues even as the 2013 Hurricane Season began on June 1.

For more information about IBHS Post-Sandy recovery efforts and proven ways to prevent disaster-related property losses, please visit www.disastersafety.org. ■

Find additional details about IBHS's focus on repairing and rebuilding, business continuity and codes post-Sandy at:

- <http://tiny.cc/RebuildAfterSandy>
- <http://tiny.cc/BuildingCodesNYNJ>
- <http://tiny.cc/LessonsfromSandy>

Watch video of the IBHS Research Center wind test to see how a door blowing open can compromise the structural integrity of a house, visit: <http://vimeo.com/17764719>

Superstorm Sandy — Record Claims; Record Response

The numbers related to Superstorm Sandy, when viewed in isolation, are daunting — Liberty Mutual Insurance Group experienced a single-storm record of 100,000 claims, impacting net income by \$576 million. Within days, nearly 18,000 Liberty employees — 36 percent of its global workforce — were focused

Personal and Commercial customers with highly complex claims, Liberty Mutual partnered with renowned mediator Kenneth Feinberg to offer an Alternative Dispute Resolution program — helping customers avoid a potentially long legal process.

In addition to the company's focus on helping customers recover,

were hungry, tired and weary, Liberty Mutual also delivered thousands of free meals in New York — a first-ever effort for the company.

“Responding to the devastation of Superstorm Sandy, we once again demonstrated that, when things are at their worst, we are at our best,” said President and CEO David Long.

Before, during and after the storm, Commercial Claims senior managers hosted several conference calls with agents and brokers to discuss communication procedures, claims volumes and Liberty Mutual goals with respect to key metrics, such as inspections completed. The first call — attended by 200 to 250 people — also outlined how Liberty would assign 75 percent of its employees to Sandy recovery efforts, its largest Commercial Insurance nationwide claims mobilization.

Another key communication to agents and brokers focused on the methods of routing claims. Traditionally, claims are faxed — which could lead to delays during a catastrophe. The company devised a new plan — directing agents to the company's call centers and staffing up significantly to handle the volume. “If an agent had 20 claims, we'd take every claim in one phone call,” said James Wheeler, vice president, Commercial Insurance Property Field Claims. That, in turn, ensured the adjuster could get the claim quickly.

And, knowing that obtaining fuel for adjusters could be a significant issue, in the days before Sandy, Liberty



Ten days after a tree crashed into the home of Liberty Mutual policyholder Andy Zevon, he received a new roof.

on helping policyholders recover.

By leveraging its scale, communicating frequently with customers and adapting quickly to feedback from the field, the company was able to deliver exceptional service, despite the extreme claims volume. And, for the small percentage of

the Liberty Mutual Foundation made a \$250,000 contribution to the American Red Cross and announced plans to match employee donations. By December 3, Liberty employees had given nearly \$72,000, leading to another \$80,000 donation by Liberty Mutual. And, realizing that customers

Mutual partnered with fuel companies and obtained fuel trucks to keep field staff on the road.

For the company's Personal Insurance operation — which includes the Liberty Mutual and Safeco brands — Superstorm Sandy brought its highest single-event claim volume ever, leading to the deployment of its 7,800-person Claims team. Hundreds of adjusters flew into the region from around the country, while the Catastrophe Response Vehicles arrived in high-impact areas, giving customers the opportunity to speak face-to-face with representatives, start the claims process and get their questions answered.

Personal Insurance's new Field Resource Management team (FRM), also worked to address a common and critical issue when a catastrophe hits — local offices can quickly reach their limit with available resources, causing delays. The team mobilized to quickly triage each claim based on its location and severity, while assigning an adjuster drawn from a database of Liberty staff adjusters nationwide.

The company also committed itself to continuous improvement — even in the aftermath of a storm.

During Sandy, "We were receiving a steady influx of information and feedback from customers, and we needed to fix any workflow process issues early on," explained Kristen Madzik, a senior property loss specialist. Madzik and other Continuous Improvement "coaches" spoke to adjusters and listened to their calls throughout the aftermath to find out what they needed, prioritizing these needs. Thanks to these efforts, Property Claims implemented 60 suggestions made during the storm — and in some cases, overnight.

Andy Zevon of Lawrence Township, New Jersey, was one policyholder affected by Sandy, when a tree crashed into his home and destroyed his roof and attic. "Thanks to Liberty Mutual Insurance, we had a new roof within ten days," Zevon said.

A simple gesture announced via social media — that the company would be sending free food trucks to several New York locations — led to

the delivery of 9,000 meals in just three days.

"The stories we heard from people in Rockaway were heart-wrenching," said Mike LaBerge, manager of Personal Insurance Marketing Operations. "Many people had lost everything they own."

While the delivery of the meals was just one small piece of the overall relief effort, it reminded employees of the company's commitment to improving the communities it services.

"To see firsthand the destruction that the weather can cause reminds you of the great work we do as a company every day to help people in crisis," says Gary Bennett, area manager. "It not only makes you grateful for what you have, but it helps renew your commitment to help others, as we say, live safer, more secure lives." ■

Liberty Mutual adjuster Paula Pelletier meets with a customer shortly after Superstorm Sandy.



Helping Boston Recover

Immediately after learning of the tragic Boston Marathon bombings, Liberty Mutual Insurance's Emergency Response Team was activated to assess the situation and determine if employees were injured.

Liberty Mutual offices, located in Boston's Back Bay, were closed due to the Patriot's Day holiday which greatly diminished employee presence in the area. However, a few employees were in the near vicinity of the blasts and were injured — but none seriously.

"Employee safety is always our first priority — both determining their status and offering access to counseling and other services through the company's Employee Assistance Program (EAP)," said Christine

Lahey, manager of Employee Relations and HR Services for Liberty Mutual. The company provided EAP staff onsite for two weeks, as well as counseling services through a toll-free number.

Shortly after the terrible tragedy, the company also announced it would contribute \$1 million to the One Fund Boston to help the many people affected by the events.

In announcing the donation, President and CEO David Long said, "We are honored to support the many victims of this tragedy; and we are proud to stand by our beloved city."

In tribute to the people killed or wounded by the blasts, employees across Liberty also participated in a moment of silence exactly one week after the tragedy.



Tried and True Catastrophe Plans Led to Successful Storm Response

In the days following Superstorm Sandy, Nationwide Agent Ron Keats said donations started pouring in to his Floral Park, New York, office after he put a message out on Yammer — an internal Twitter-like feed — mentioning his clients' needs for blankets and flashlights on Long Island.

"I got calls from agents all over the country. Hundreds of flashlights, blankets, batteries and even food items came to my office. I was absolutely amazed by the response," Keats said.

One agent even called to say she was driving up to Long Island with gasoline and a generator so his office staff could continue working

though their homes and offices were without power.

"I was shocked how quickly everyone came together to help," Keats said. "I'm really thankful for the generosity of my fellow agents and how quickly Nationwide's catastrophe response kicked in."

The days leading up to Super Storm Sandy were critical for Nationwide's catastrophe response team. Associates worked 12-hour days, seven days a week, so they could hit the ground running after the storm hit.

Hotel rooms were booked before the storm made landfall and catastrophe response units hit the road.

Two catastrophe response units were deployed to Long Island and at the request of Harleysville Claims leadership, another response unit was deployed to New Jersey to assist Harleysville Insurance, the newest member of the Nationwide family of companies.

"Nationwide's catastrophe response units were among the first on Long Island, two weeks before New York set up the "insurance village," said Bob McCafferty, associate director of claims in Nationwide's Northeastern Region.

About 400 associates and retirees volunteered to help in Nationwide's call centers so policyholders could report their claims. In the week following the storm, Nationwide preemptively contacted members using automated calls to provide those in heavily affected areas with key contact information in case they needed help from Nationwide.

Regional Nationwide associates dispatched loaded trucks with bottled water to distribute in some of the hardest hit areas.



Photos courtesy of Nationwide.



Bottom: Nationwide associates in their Floral Park, New York, office with donated food and supplies. The items were donated to area food banks.



“Our first concern is getting in touch with our policyholders,” said McCafferty. “We want our customers to know that we’ve received their claim and are there to help them.”

Daily teleconferences kept everyone on the same page and allowed the organization to adapt quickly to the changes.

“When you have 400 adjusters out in the field, it’s important to have them all rowing in the same direction, so to speak,” said McCafferty.

Nationwide Agent Steve Cali, owner of Cali Associates in Lindenhurst, New York, said customers were pleased with Nationwide’s

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Meeting Sandy's Challenge

The morning after Hurricane Sandy made landfall, as stunned homeowners and business owners tried to wrap their minds around the damage to their properties, employees throughout Selective Insurance Company of America rose to the occasion. Though the Branchville office was closed and New Jersey was in a state of emergency, nearly 100 employees came to work so they could help keep the business running and assist storm victims.

Facing the challenge of handling nearly 19,000 claims, Selective's Flood team worked tirelessly after the storm, resolving claims and informing customers of the federally mandated National Flood Insurance Program's claims process. Commercial lines received about 5,000 claims related to Sandy and Personal lines received about 8,000 claims.

Customer Service Specialist Debbie Papanestor was among many employees who volunteered to take calls from Flood customers. "We talk to customers every day, but Sandy put it all into perspective — what insurance is really about. It was just a great feeling to be able to help out," said Papanestor.

In all, employees who didn't normally work in Flood or Claims spent 1,345 hours taking calls from flood victims. Employees in Selective's regional offices worked more than 3,000 hours on Sandy claims — the equivalent of 375 eight-hour days. Selective's Service Center remained open 24 hours a day to take claims.

To service the crush of claims, field staff set up mobile units in

agents' offices. Claims employees fanned out to visit customers in stricken areas and help resolve claims. One such employee was Kim Levitt, a senior learning management specialist in Insurance Learning Services and former claims management specialist. She was about two months into her new role when Hurricane Sandy struck. The former claims management specialist didn't hesitate. "I raised my hand and volunteered to do claims," said Levitt.

For 10 days, Levitt was out in Monmouth County, New Jersey, inspecting losses and handing out checks "to get people back on their feet." They were long days, she said, but other CMSs were working equally hard.

The field work was followed by a two-week stint in the Claims Service Center and two weeks in an accounting firm's office in North Carolina. She then returned to the Service Center for another week. In all, Levitt was away from home and family for five straight weeks. She shrugged off the personal sacrifice. "When I was in Monmouth County," said Levitt, "I saw how gratifying it was to help people in need. There were people who had lost everything and you were making a difference by writing a check on the spot."

In the days following the hurricane, many employees also devoted personal time and resources to helping victims. They took food and supplies to the affected towns, they cleaned up neighborhoods and they helped rescue strangers.

Kathy Babin, workers compen-

sation bill reviewer in Selective's Mid-Atlantic Region office, organized a collection for clothes and other household items to take to Staten Island, New York, where Babin's aunt lived. "We took a full-size pick-up, my SUV, and my dad's van pulling a U-haul trailer (all fully loaded) to three different drop-off sites in the badly hit areas of Staten Island," said Babin.

Bonnie Kikkert, vice president, Claims Automation & Strategic Projects, organized a drive in the company's corporate office in Branchville, New Jersey to collect new and gently used clothing for the New Jersey Shore victims of Hurricane Sandy. Selective's donations were among the 540 boxes delivered directly to local police and fire departments in affected shore areas.

Port Chester, New York volunteer firefighter Ed Quinn, senior safety specialist from the company's Northeast Region, saw it all during and after Hurricane Sandy's landfall — fires, roofs torn off, trees and wires down, partial and total building collapses. "We had 160 calls in those first five days. We were constantly out there, checking to make sure nobody was inside fallen buildings, getting people out of physical danger, securing structures and putting out fires. The first three days, I got only 10 hours of sleep," said Quinn.

Joann Huff, flood customer service representative, organized a drive that brought food and supplies to hundreds of storm victims in Breezy Point, New York, including Huff's sister-in-law's family. The first week-



Selective's Bonnie Kikkert loads bags and boxes of clothes donated by employees for New Jersey Shore victims of Hurricane Sandy. Left to right: Eric Braun, Selective's Joann Huff, Donna Braun and Colleen Egan (Joann's sister-in-law) delivering supplies to Breezy Point, NY.

end after the storm, Huff's group took \$2,500 worth of cleaning supplies and non-perishable foods to Breezy Point. Three weeks later, they took a vanload of material to Far Rockaway, New York and, two weeks after that, they rented a truck and delivered \$1,200 worth of toys to a fire station there.



The week before Christmas, her team delivered over 500 toys to Toms River, New Jersey.

As a Flood customer service representative, Huff often speaks with

victims of floods. When they describe their losses, "you hear it, but you don't truly understand until you see it. What we saw was hard to believe. It was really an eyeopener." ■

Sandy: Helping Customers Recover from the Unexpected

Sandy started swirling in the Western Caribbean on October 22 and was quickly upgraded to Hurricane status by the National Hurricane Center on October 24. It was weeks and months before then that State Farm began preparing for what would become the most destructive storm of the 2012 Atlantic hurricane season.

"The State Farm catastrophe team is always prepared. We prepare all year long for any kind of weather, severe thunderstorms, tornados, hail and hurricanes," said Nicholas Depola, Catastrophe Claims Team Manager. "We're always reviewing our catastrophe plans from past storms to see how we can improve for the next one."

As with all hurricane situations, State Farm's catastrophe team stayed in close contact with the National Weather Service as Sandy moved north, eventually making landfall on the New Jersey coast. Sandy knocked

out power to millions, destroyed thousands of homes and cars along the New Jersey, New York and Connecticut coasts, flooded lower Manhattan and uprooted trees from Maryland to Maine.

As the catastrophe team made their way to the most severely affected areas, local associates and State Farm agents — most of them having suffered damage to their own homes and having no power — were the first ones on the ground helping customers.

"Locally, we have claim representatives making contact with customers," said Depola. "In addition to providing claim information and setting claim expectations, they give customers things they can do before an adjuster can get to them. We also have local regional emergency adjuster catastrophe teams, who look at the most severe claims first."

In Wall Township, New Jersey, Complex Fire Claim Representative

Don Dicus and Mobile Assist Claim Representative Chris Lafaso worked together to assist a customer whose home sustained extensive wind and water damage. The customer was without electric and heat and was doing his best to care for his terminally ill wife who was bedridden with a feeding tube.

The customer was issued an advance to assist with immediate expenses, but declined an offer to be relocated to temporary living arrangements. Due to his wife's illness, the customer preferred to keep her at home where she most comfortable. Claim Rep Lafaso searched for an Emergency Service vendor and found one, who within a half hour had a generator to restore some electric and heat at the customer's home. When Claim Rep Lafaso called to speak to the customer, he tearfully expressed his gratitude.

Throughout New York, New Jersey



Photos courtesy of State Farm.

and Connecticut State Farm agents were doing their best to help customers, while also personally dealing with the aftermath of Sandy. Most of Long Island was without power for more than a week after Sandy. State Farm agents posted important information for customers on the windows of their offices including the locations of local shelters, recommended vendors, 1-800-SFclaim to report a claim, and how else they could be reached.

"My office was without power for a week, but the office was open. A lot of my customers were without a home, so we helped people find places to stay," said Baldwin-based Long Island State Farm agent Marty Connor. "If I didn't hear from my customers, I reached out to them to see how they were doing and offered whatever help I could."

As power was slowly restored, agents worked together to support each other and help customers.

"Our agent buddy program was in place. Agents who had power would allow other agents to come and work out of their offices," said Ed Borenstein, Long Island State Farm Sales Leader. "We even had one agent drive down from Maine with genera-

tors for other agents to use."

State Farm agents were also present at the Nassau County Mega Sandy Recovery Center at Cedar Creek Park in Seaford, New York starting on November 10, 2012. In addition to agents, claims professionals and Public Affairs were on-site to provide service to customers and others in the community who were impacted by Sandy.

"Our tables were set up with cleaning supplies, groceries and clothes to help those in need. Through the rain and cold State Farm was there to listen to everyone who stopped by our location. Most people wanted to know that we cared and we were happy to listen. It felt good to be there for our community," said Naomi Johnson, State Farm New York Community Specialist. "I remember a young married couple, who stopped by with their new baby. We fortunately had some new baby clothes that we were able to give them. They lost everything and that small act of kindness made a world of difference to them."

In 2012, State Farm provided \$1 million to the American Red Cross for its disaster relief programs. During NBC's "Hurricane Sandy: Coming Together" one-hour telethon hosted

by Matt Lauer, on Friday, November 2 at NBC's New York City Rockefeller Plaza studios, State Farm committed an additional \$500,000 to the American Red Cross to benefit the victims of Sandy.

On 12.12.12 State Farm was a Platinum sponsor of the fundraising concert held at Madison Square Garden, in which all proceeds went to the Robin Hood Relief Fund. Robin Hood, the largest independent poverty fighting organization in the New York Area, made sure all monies raised during the concert went to non-profit groups specifically helping people throughout the tri-state area affected by Sandy.

"State Farm's top priority in catastrophes is to help our customers recover from the unexpected. Sponsorship of events like the NBC telethon and 12.12.12 concert was a way to augment our claim response in the wake of Sandy," said Tim Van Hoof, Assistant Vice President, Marketing Communications. "It was a way to express solidarity and support for those affected by the storm. It let people in NY and NJ know that State Farm recognized their struggle

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**State Farm
Catastrophe
Services on the
ground in New York
and New Jersey.**



Employee Resiliency Proves Fruitful for Customers, Communities

“Concerts are rain or shine,” says the website for Nikon at Jones Beach Theater. “Barrier Island Beach weather is unpredictable.”

For the Long Island, New York, premiere summer music venue, rain and shine were hardly the concern. It was the 1,100 miles of Superstorm Sandy’s winds that left floods and devastation. In particular, it was the storm’s wake which left an entire season of music concerts in jeopardy. Months of planning and more than three months of live performances featuring approximately 35 events with more than 70 music artists could be cancelled. By the end of the storm, with quiet waters and stillness in the air, the storied facility was submerged under 12 feet of water, including the entire stage area, dressing rooms, lounges and several hundred feet of tunnels which housed 10 plastic electrical conduit piping filled with electrical wiring.

The loss was reported on October 31 to Zurich’s Claims Care Center halfway across the country in Colorado Springs, Colorado. Within minutes, the Catastrophe Claims team in the company’s North American Headquarters in suburban Chicago was notified. Soon after, the claim was transferred to the Large Loss Unit with a potential valuation of \$20 million. It was then that Zurich Claims Team Manager

Gene Silver pulled together a team to collaborate with LiveNation, the operators of the Nikon at Jones Beach Theater, to deliver the historic venue back to its original condition, all before a rather large and looming deadline: music fans would be gathering to hear Rascal Flatts headlining opening weekend of Friday, May 31, 2013.

If that deadline was missed, the 14,000 capacity crowds would be understandably disappointed and resigned to forgo their summer concerts.

Having made her mark on the Northeast, Superstorm Sandy left nothing short of inconvenience. As the winter months approached, communities were left with slowly receding flood waters, damaged homes and buildings as well as despaired parks and playgrounds. Time was of the essence and for Zurich colleagues across the Northeast and the rest of the country the post-storm inconvenience was just a fact of life. Their greater concern was getting those same communities back on their feet.

The “all-hands on deck” philosophy has been Zurich’s approach to natural catastrophe responses for some time. But the Sandy response demonstrated that refining the plan over time was paying off.

Leading up to the storm, team members from across the business and the country stepped up to prepare.

With business continuity plans in place, the work of 1,500 colleagues in 12 offices shifted to locations outside of the region to ensure their ability to meet customer needs. Social media delivered storm preparation advice to more than 150,000 brokers and customers. Human Resources deadlines for annual training and benefits enrollment were extended so that affected employees could focus on their own recovery. Emergency communications were updated at least daily and the company intranet was flowing with on-going updates of pictures and stories from the front lines.

“We’re constantly learning from our preparedness plans,” said ZNA Chief Claims Officer Steve Hatch. “We continue to improve over time, planning for the worst and scaling back when needed. In the case of Superstorm Sandy, I think our people showed that our plans are working. What is most impressive is our employees’ resiliency and their desire to be a part of the solution.”

The solution Hatch describes comes in spite of employee’s personal challenges associated with a storm’s destruction. Power outages from Sandy rendered some employees nearly unable to work, until their creative and enduring spirits kicked in. For Specialty Products Healthcare Underwriter Danny Edwards, whose family was directly impacted by the storm, this



Above: Zurich team members at the Rockaway, Queens Playground. Left: Zurich colleagues from New York City shovel sand from the Rockaway, Queens playground sidewalk.

meant getting into his car and driving to a place with strong enough cell service so he could join team calls designed to make sure no work fell through the cracks. Marketing Manager Elizabeth Woods spent hours in her car with her Blackberry charging from a cigarette lighter, just so

she could check email. Once the Manhattan office location was operable, Zurich Staff Legal team members headed back to work, minus heat and hot water, soldiering on throughout the day until 3 p.m. when their red noses, blue lips and numb fingers could take no more.

Opening that building, however, was not an easy feat. On the morning after the storm, Facilities Management Coordinator Laura Schmidt-Tweeddale and husband Rob armed themselves with headlamps, camera, water, cell-phones and the building floor plans and embarked on their journey from Brooklyn. During the four-mile walk, they passed many of the same scenes unfolding across the region: trees down, water-marked buildings and

neighbors with a “we made it through” look on their faces. Arriving at the building, they toured the six Zurich floors and surveyed the damage to understand what it would take to get the company’s largest field office back in operation.

“It was a feeling of relief to see that our floors had minor damage and could be opened without too much delay,” said Tweeddale. “At that point, it was just a matter of helping our team determine if, and how, they could get to the office.”

While Tweeddale was working to open the building, Samit Shah, Project Manager for Zurich Global Life in North America, was surveying his own situation for a resolution. From loss of power, water, gas and cell phone service to the relocation of his family to safer quarters with his cousin, he was inundated with tasks to get back on his feet.

However, it was three days after the storm that he was implementing his American Red Cross ‘Ready When the Time Comes’ training to help in a “Bulk Feeding” program for local communities in Nassau County on Long Island.

“The day was filled with unforgettable moments, including one with a local resident whose home had been flooded in a lower floor, but he was living on an upper floor with several family members,” Samit said. “He told me that when he came out of this crisis, he, too, wanted to volunteer his time with the Red Cross and give back all he could to help others in need. It was overwhelming to experience the care and compassion generated from helping communities recover from this disaster.”

Samit’s selfless commitment wasn’t an anomaly. Colleagues from

across the country wanted to know how they could help, amid the chaos and increased workload. Although the employee giving program raised an excess of \$134,000, it was the physical generosity of employees that showed Zurich’s heart.

Countless hours of support flowed from employees as they rallied themselves and colleagues to bring life back to the Northeast. In the Chicagoland area, four employees volunteered time taking donor calls during the “CBS Chicago Cares: Red Cross Sandy Relief” telethon on November 20. Out of Sarasota Springs, New York, four colleagues recruited and mobilized a Boy Scout troop and drove five hours with portable grills and food to feed hungry residents and volunteers. Asia-Pacific team members raised \$18,000 for the American Red Cross in just a few short days, showing support for their North American colleagues who had offered similar generosity following the Tsunami two years before. And, two Fridays after the storm, 88 New York City colleagues hopped on a bus and traveled to Rockaways, Queens to help clear piles of sand and debris from a local playground.

Zurich employees in the region and across the country raised the bar on their commitment to customers and communities, underscoring the determination and commitment one needs to make it in the industry. The passion and compassion with which they delivered resonated with all, helping to rebuild the once fragile expansive area, even when it seemed all hope was lost.

Back on Long Island, the past five months have been about rebuilding at the Nikon at Jones Beach Theater.

“In our experiences on losses like this one, it is critical to work in a part-

nership and combine the teams in a way that promotes our involvement in the decision-making process in real time and LiveNation were very good collaborators” said Silver, referencing the dozens of team members from Zurich and its external vendors who worked furiously to get the theater ready for the 2013 summer concert season.

Building evaluations, equipment inventories, environmental protocols for clean-up and restoration processes were just a few of the large tasks Silver and team had on their plates. The active collaboration and communication with LiveNation remained open throughout the winter months as the teams restored the theater back to normal and returned the historic venue back to the legion of fans who wanted it to happen.

“The process that emerged allowed the work to progress as quickly as the next step was identified,” he said. By the end of March, Zurich had presented numerous checks with one more on the way.

“The support and quick action of the team to rebuild not only saved the summer season — their only season — but also 400 seasonal jobs for ticket takers, ushers, stage crew and concession crew,” said Dan Riordan, CEO, Global Corporate in North America. “That’s what our commitment to sustainable communities is all about.”

While rebuilding will continue for some, the inconvenience of North America’s second-costliest storm is starting to fade away. In its place comes a much happier time during which a summer-long party on Long Island will celebrate more than America’s love for music. It also honors the hope and commitment to rebuilding that insurance provides. ■

Tales from the East Coast

At MetLife, customer centricity is at the heart of everything the company does, and this is especially true during a customer's time of greatest need. There is no better example of this than MetLife Auto & Home's claim handling efforts immediately after Super Storm Sandy hit the East Coast, wreaking havoc and interrupting the lives of millions of citizens, particularly in the New York and New Jersey area. Fortunately, MetLife's Catastrophe Response Team was up to the challenge keeping its promise—to be there for its customers

In fact, according to the claim "report card" issued by the New York Department of Insurance, of the 20,000 claims received by MetLife in New York State, the claim management team was able to resolve a claim — from the date of report to the date of payment — in just under ten days. Just one tenth of one percent of the reported claims—covered or not covered—resulted in a complaint. That's a number that is far better than most other major carriers.

"We are proud of the fact that less than one month after Sandy touched down, we were able to resolve 90 percent of the claims reported by our policyholders," said Tim Bowen, assistant vice president of claims, who has oversight for the Auto & Home Catastrophe Response Team. "That's a figure worth noting, especially because the intent is not simply to close claims—it's to provide each customer that called in to report a claim with a first-class customer experience from beginning to end, and to help get their lives back in order, as best as we can."

Beyond a solid grasp on the fundamentals, however, there are other factors that contribute to MetLife Auto & Home's winning formula:

- Fully investigate available coverage under the insurance contract. Although some things are clearly not covered under the standard homeowner's contract, such as flooding, there's a lot that is covered. MetLife's claim adjusters make it a point to review every claim thoroughly to determine what can be considered a covered loss. "Even in cases where the damage to the home was clearly the result of flooding conditions, there are other opportunities for coverage—for example, the wind could have caused damage to the roof, or there may be a food spoilage claim," explains Bowen.

- Special circumstances require special attention. There are a number of situations where special care is required, such as when the insured is elderly, and the loss of the home isn't simply inconvenient, it's potentially life-threatening. MetLife makes it a point to provide these customers with extra special care and attention.

One example of this involves a couple in Oceanside, New York, whose adult child was so impressed by the response of the team that he was compelled to write to the claim adjuster. "When my elderly parents returned to their home days after the storm, their grief was overwhelming. Their home of fifty years, personal belongings and cars were flooded and damaged. And yet, from the moment I shook your hand, my mind was put to ease," wrote this person, whose parents had a pack-age policy with MetLife Auto & Home.

"You arrived early, took a hands-on approach, and thoroughly explained to my parents what was covered and what wasn't. You patiently answered all of their questions. Finally, we were very pleased at how quickly the check arrived."

- Never underestimate the use of Snoopy as a brand ambassador. In many cases, especially where the insured has small children, MetLife's claim adjusters make it a point to arrive at the home inspection with MetLife's mascot in tow. "Under stressful situations, just the simple gift of a stuffed Snoopy can help break the ice and at least lighten the mood for a minute or two," said Bowen.

How much of an impact can such a little gesture make? "I just checked the mail and found your thoughtful gift," wrote one pleased insured from Plainfield, New Jersey, shortly after the loss. "Our son will love it! Your thoughtful attention is exactly the reason why we've been happy with MetLife for so long."

- It's the little things that count. Finally, there is no question that the details can often make the difference between a routine claim handling experience and one that really stands out in the customer's mind.

For customers in the Breezy Point, New York, area — one of the areas hardest hit by Sandy — the presence of the MetLife Auto & Home Catastrophe Response Vehicle (CRV) was a welcome sight. Senior Investigator Russell Tellier was assigned to help with the operations at the site and grew to know some of the MetLife customers who

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Tales from the East Coast

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stopped by the CRV.

"We had some MetLife customers who made it a point to visit the CRV every morning," said Russell. "I could tell that when I first met several of them that they were exhausted and hungry. We would routinely

provide these customers with food, and in some cases, helped people out by providing gasoline to help fuel their generators. They were just small tokens, but I think these families really appreciated the gestures."

"I am extremely proud of the way that MetLife Auto & Home handled this challenging storm," said Mike Convery, chief claim officer.

"The hard work of our Catastrophe Response Team, our agents and the many individuals who were busy fulfilling the day-to-day needs of our employees during this time of crisis shows once again that we are there for our customers when they needed us most. It's an outstanding example of what customer centricity is truly all about." ■

Tried and True

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claims response.

"We've had a lot of storms, but nothing has compared to Superstorm Sandy," said Cali.

Harleysville Insurance, a Nationwide company, experienced a significant number of claims. Many of its commercial and personal lines policyholders are located in Pennsylvania, New York and New Jersey in some of the hardest hit areas.

"From the moment the storm hit, our claims team worked around the clock, and we called on additional resources throughout the company," said John Mannato, vice president and catastrophe team leader for Harleysville.

As the landfall models developed before the storm reached the east coast, Harleysville recognized the potential customer impact and sought assistance

from the Nationwide claims teams.

The two groups worked together on the forecasting models and planned for Nationwide assistance to Harleysville with extra claims support, media outreach and other resources. Nationwide's catastrophe response unit was set up in New Jersey to further support the Harleysville claims team and its policyholders in the hardest hit areas.

A rented truck filled with humanitarian supplies such as blankets, water, hand sanitizer and basic toiletries headed for the East Coast days before the storm arrived. Once there, Northeastern regional associates manned humanitarian aid stations, handing out the needed items to storm victims.

Nationwide agents such as Cali and Keats joined associates going door to door in the hardest hit neighborhoods to hand out items and check in on Nationwide policyholders.

"In 20-plus years with Nationwide,

one of the proudest moments was to be able to provide needed essentials to people severely impacted by the storm," said James Kroeber, a Nationwide sales manager who volunteered at aid stations throughout Connecticut.

The Nationwide Insurance Foundation also donated \$300,000 to the Red Cross Disaster Relief Fund after the storm. In total, the Foundation donated \$1.5 million to the Red Cross in 2012. Additionally, the Foundation donated \$75,000 to the United Way of New York City to assist rebuilding and long-term recovery efforts.

"Nationwide's ultimate goal following Superstorm Sandy — and any catastrophe — is to help our customers get back to normal as quickly as possible," said Claims Manager Greg Koch.

"Our goal is to help our customers in a time of need," said Koch. "That's what we're here for." ■

Recover from the Unexpected

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and admired their courage in the face of adversity. It also helped our employees and customers in other parts of the country rally and show their support."

Sandy has long gone offshore but

the effects of the storm are still being felt. State Farm continues to work with its customers, having handled more than 100,000 fire and more than 16,800 auto claims.

"Six months later, we continue to receive claims and handle them with the same vigor as we did back in late October," said Depola.

State Farm also remains committed to Sandy recovery efforts through funding of its community partners and volunteer efforts of its associates.

"Our goal is to help our customers recover from this devastating storm while helping support their communities as they rebuild," said Jen Alvarez, Public Affairs Field Manager. ■