

USI's Property Resources Assist Clients Impacted by Wildfires



Over the past two decades, climate change has significantly contributed to the increased risk and extent of wildfires, according to the National Oceanic and Atmospheric Administration (NOAA). Factors such as higher temperatures, prolonged droughts, and a more arid atmosphere have played a crucial role in this escalation. Wildfire season now runs the calendar year and includes Canada, Mexico, and the U.S.

As drought conditions spread, wildfires have become an increasing threat to organizations. The impacts of these fires extend beyond immediate physical damage, affecting operations, supply chains, and employee safety. Organizations must adopt proactive measures to mitigate risks and ensure resilience in the face of this growing threat.

This guide aims to provide comprehensive strategies for preparation and recovery, helping organizations navigate the complexities of wildfire management. From developing robust emergency plans to implementing effective communication protocols, the following sections will equip you with the tools needed to safeguard your assets and support your community during wildfire events.

What Insureds Can Do

Timely claims reporting is a requirement of all insurance policies, and its importance cannot be overemphasized.

Here are a few basic but critical tips from USI's property experts:

- Contact your broker and carrier as soon as possible to discuss how the fire is impacting your operations.
- Coverage is driven by details, but these can be hard to come by and are constantly changing during natural disasters. Document those details (i.e., specifics driving evacuation orders, etc.) as they will impact coverage application during the adjustment process.
- Set up an internal cost code to track all expenses tied to the event, including any efforts to mitigate potential damages.
- Take photos of property (pre- and post-loss).
- Prepare an inventory of damaged items and include quantities, descriptions, and values.
- Retain damaged property until a claims adjuster approves its disposal.
- Notify police if theft or looting is suspected.

Wildfires are fast-moving and extremely unpredictable. Efforts to mitigate damage should be conducted only if the area is deemed safe by local authorities. Stay informed and comply with all civil orders, such as evacuations.



How USI Can Help

USI works with carrier partners and adjusters to facilitate the claims process and offers technical resources to assist clients affected by wildfires. The initial effort is aimed at helping clients through existing contingency plans, such as operating out of alternate locations or putting other operational mitigation plans in place.

For most insureds, an immediate coverage review will be necessary to determine which individual policies may apply to specific loss scenarios. Matching the policy against the specific/documented details driving losses will determine coverage response. Many claims have the potential of grey areas where coverages merge. Direct physical damage claims (i.e., fire, soot, smoke, ash, etc.) are usually straightforward. However, some time-element losses may result from a combination of both direct physical damage and the non-direct physical damage triggers noted below. A detailed review needs to be conducted to determine policy response.

Policies **may** include non-direct physical damage coverage extensions that could be triggered during events, such as:

- Protection of property
- Civil authority orders
- Ingress/egress coverage
- Service interruption
- Contingent time element
- Attraction property
- Extended period of indemnity

It's important to note that each extension has limitations, triggered by specific requirements. For example, coverage may or may not trigger when there is a mandatory evacuation order in place and the applicable policy has civil authority coverage. Civil authority coverages differ between policies. Almost all forms require damage in the vicinity of the insured location, while some have specific distance and time qualifiers that must be met before coverage is afforded.

In many cases, if the damage has significantly affected continuing operations, USI will work to secure partial or advance payments and expedite the claim process.

With a catastrophic (CAT) event of this magnitude, USI is warning insureds to beware of common fraud schemes. If resources such as emergency response contractors are needed, USI claim advocates can provide contact information for appropriate vendors that will respond on a priority basis. Consult a broker or property specialist before making any decisions about hiring someone to handle your claim.

For additional information or individual assistance, contact your local USI property team or visit www.usi.com.

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