

OPINION PIECE

David Herranz, Senior Loss Adjuster, RTS International Loss Adjusters

First-hand experience: Hurricanes Irma and Maria in the Caribbean



David Herranz leads the team of specialists from RTS International Loss Adjusters that went to the Virgin Islands in the Caribbean after hurricanes Irma and Maria landed there in September 2017. After working in the area for four months, David explains what happened and the current situation in the area from his point of view as a loss adjusting expert.

Hurricane Irma devastated the Caribbean, where approximately 1.2 million people live, between September 6 and 10, 2017, with sustained winds of 297 km/h for over 33 hours, thus becoming the longest-lasting hurricane of that intensity.

Irma left behind significant property damage in Florida, Cuba, Virgin Islands, Anguilla, Puerto Rico, Haiti, Barbuda, Turks and Caicos. Fifteen days later, another category 5 hurricane, Maria, followed Irma's path and unleashed its fury mainly on Puerto Rico and the island of Dominica.

After these hurricanes landed, they left large areas uninhabitable; on the island of Barbuda, for example, 99% of the property was destroyed and almost the entire population was evacuated.



Magens Bay on the island of St. Thomas, before and after the hurricanes Irma and Maria

Insurance context: extraordinary incidence rate

Especially important were power and water cuts affecting hundreds of thousands of people for months. As far as insurance is concerned, the incidence rate was extraordinary, with the passing of the hurricanes impacting an extremely high percentage of insured parties.



Completely uninhabitable homes after the strong winds associated with Irma and Maria.

Since we predicted here at RTS that the RTS Miami office and principally our American partner VERICLAIM would receive a high volume of loss-adjusting commissions, we decided to implement the protocol for catastrophic risks (RTS CAT). We were then able to organize and send a team from Spain formed by 13 loss adjusters specialized in this type of event. They were already working on the ground a few days after Hurricane Maria landed.

Urgent specialized attention

The work of the RTS team focused on the US territories affected by these hurricanes: the state of Florida and the US Virgin Islands (St. Thomas, St. John and St. Croix). Most of the damaged property was primary homes and shops, the majority with serious structural damage requiring urgent specialized attention given that these properties were in an uninhabitable state.

An additional factor making the loss adjusting more complicated was the precarious condition of the infrastructures in the areas impacted by the hurricane: closed roads, phone and Internet not working, lack of supplies, etc. These problems were solved by the **local and central RTS and VERICLAIM offices working together in coordination**. To date around 1,000 losses have been fully processed, of which 80% have already been settled.

Speedy loss adjusting work made it possible for the RTS team to process each of the assigned losses more efficiently. In most cases we managed to check the extent of the damage on site before the clean-up and debris removal tasks began, and, therefore, we could precisely quantify the damage the property had sustained.

This also facilitated tasks to protect and repair the damaged property (mainly roofs) and prevent the damage from worsening, principally due to the rainfall after the loss, which, as we discovered, was almost daily at this time of year.

Loss-adjusting procedure

Given the nature of the claims the team was dealing with in the area, and as we wanted to process the losses as quickly and consistently as possible, we produced specific report and damage appraisal templates and a loss-adjusting procedure guide or protocol before we began our work.

We also provided all the participating experts with a detailed list of construction and content prices for the areas they were working in. Consequently, the process began with the commission being sent to the RTS Coordinator in the area, who assigned the loss to one of the experts, based on the location and characteristics of the work involved, and obviously after considering the expert's workload.

Major importance was placed on contacting the insured immediately and also on being meticulous during the damage inspection, specifically to ensure

measurements, photographs and quantification of the damages to the affected risk were complete, including access to roofs.

The expert was thus able to produce a detailed damage repair quote and then apply the policy conditions. Next, the conclusions were explained to the insured and/or the contractor the insured had appointed. In most cases, a settlement agreement was reached and signed by the expert and the insured.

The loss-adjusting process ended with sending the report and the agreement to the insurance company, which then proceeded settle the loss by issuing the insured with a cashier's check, which was received within an average period of around 15 days.

Although the loss-adjusting periods varied greatly depending on the circumstances of each claim, we always tried to minimize delays attributable to the experts' processing by keeping the loss active and being in constant contact with the insured.

Current situation - Conclusions

Most of the insured parties have already returned to their homes and the repairs of their properties are at an advanced stage. Similarly, the power and water supplies have been re-established in over 90% of the islands, and the populations have gradually begun to return to their usual routines.

Anecdotally, the plants on the islands affected by the hurricanes have recovered surprisingly quickly and the characteristic greenery of the islands that had been lost has virtually all returned.

After witnessing the devastating effects of these hurricanes on infrastructures and properties, David Herranz believes the state authorities are right to have a policy prioritizing efforts to implement measures to keep the population

safe when this type of event occurs (evacuation protocols, construction of safe refuges, etc.).

However, the expert from RTS International Loss Adjusters thinks that post-hurricane recovery measures need to improve considerably, principally reaction times and preventing shortages (food, medicine, etc.) impacting on the island's population, and minimizing the time it takes for basic utilities, such as water and power, to be re-established.



David Herranz is a graduate in Insurance and Business Studies from the Pontificia University of Salamanca. He is also an APCAS and UNESPA qualified loss adjuster and recognized as a FUEDI NLAE and ELAE. His career includes 17 years as a loss adjuster specialized in atmospheric hazards and he has participated in losses for the CCS (Spanish organization for insuring extraordinary risks) for over 10 years. He has performed loss adjustments worldwide.

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