

Risk Insights: Senior Living & LTC

Episode 13

Disaster recovery – What's your game plan?

Welcome to the *Risk Insights: Senior Living & LTC* podcast, hosted by Tara Clayton with Marsh's Senior Living & Long-term Care Industry Practice. Tara, a former litigator and in-house attorney, speaks with industry experts about a variety of challenges and emerging risks facing the industry.

Tara Clayton:

Hello, and welcome to *Risk Insights: Senior Living and Long-Term Care*. I'm your host, Tara Clayton. In today's episode, episode I'm joined by an industry expert to discuss important steps providers can take now to help mitigate ultimate cost of a disaster should one strike your community. I'm going to jump right in and introduce my guest, Wade Miller, who's the President of OneRallyPoint. Hi Wade. Thanks for joining today.

Wade Miller:

Nice to be here, Tara. Thanks for inviting me.

Tara Clayton:

Yeah, of course. Wade, before we get into this very critical and important topic, can you talk a little bit more about just who you are for the audience and a little bit about OneRallyPoint?

Wade Miller:

Yeah, certainly. So, we've been around for 11 years now. OneRallyPoint's an owner's representative firm working for the insured on that side of disaster recovery. So we help the owners and oversee the contractors and everybody else involved on a disaster

recovery site. Kind of similar to what a construction manager might do on a new build, we do on disaster recovery. Help them interface with the insurance adjusters where needed, gather data, make sure that's all, all standard for, and kind of start to finish loss recovery. We talk about it from vendors to lenders. We take care of the whole package for everybody, try to make it easier and more cost-effective really.

Tara Clayton:

I know that background and the client experience that you guys have at OneRallyPoint's going to be really helpful for the discussion we're having today.

We're moving into 2024. We've had really cold, cold and freezing temps, even here in Kentucky which is a bit unusual for us. And it got me thinking, the cold weather, hearing about frozen pipes, we're not that far from heavy rain season and storms. Kicking off the year, providers are starting to re-look at existing policy and procedures and their overall risk management plan, and I can't help but think, disaster recovery and emergency preparedness are kind of those top things we need to be revisiting right now because I think being prepared in advance is probably for the best.

And knowing, again, a lot of the work that you and OneRallyPoint do, I can't help but think you all have some, some tips and some important information that really can help guide a provider in how to kind of prepare in advance for that ultimate disaster recovery process. As a big picture, you know, if you were to sit down, you know, with the provider saying, "Wade, how do I go about even like thinking about getting my arms around having my disaster recovery process? What's that kind of big, top priority for me to look at?" What are some of the tips that you have there?

Wade Miller:

Yeah. So we look at that as a, as a process. So really, it's having a system in place, and I look at it like there's kind of four pillars, or four legs to a table. You need all four really to make this work. To have your table stand up properly, you need them all.

So first is having a qualified vendor team. Now this includes your disaster recovery contractor, it may include industrial hygienists, engineers, and the like

where you need them. But have that group pre-selected, also signed under your own master service agreement. You're hiring them. And so, you remember that. You should be directing those contracts.

Second would be having a dedicated adjuster. So that's somebody that's familiar with your policy, your building, your needs and somebody that, and most insurance companies allow for that, that you can select a dedicated adjuster. If you don't have one, it's worth selecting one. If you have one that you're sure they're working right for you, talk to the brokers. I'd talk to Tara's group and see if you can help find another one.

Third would be a project management team. That could be internal, or it could be an external company like ours, but somebody whose going to be able to stay focused on the job from start to finish. It's kind of like a coach, where the first two groups are like the players. You put them out on the field; they're all playing a game. If the coach only peeks in occasionally to see if the game's being played, you're not going to really direct things. So you really need to be able to direct, coordinate, anticipate things. So a coach needs to be there full time. So that's kind of like what that project management team would be doing.

Finally, fourth is to have standard operating procedures, or SOPs for all of these groups. Think this through because coming in with that plan and knowing how you want your contractors, your adjusters, your project management team, even your internal groups, to operate during disaster recovery goes a long way so people aren't caught off guard. You never know when these things are going to strike.

You know, Tara, you mentioned these, this freeze event, they have hurricane seasons or earthquakes in different parts of the country, but these disasters are going on all the time. We probably, and I think most contractors would agree, there's more work that are non-major weather event going on throughout the year, but the weather events bring this to the forefront. Like, oh, yeah, I better be prepared. So preparation's key.

Tara Clayton:

I want to dig a little bit, Wade, on a couple of the four legs of the table that you mentioned. One, I think, very important point about the project team that you mentioned that, I like your analogy with the coach and the role that the coach plays. Can you talk a little bit

more on really why that's such an important piece, particularly for the provider, to make sure that either they have that internal or external team to kind of, not just push it off to let somebody handle it, but have that extra set of eyes on things?

Wade Miller:

Sure. And it's, because that project management team, whether it's internal or external, is to be looking at the entire loss, meaning from the point of incidence through the work, through the data gathering, through the, the payments and all these things that, they're the only party looking at it from start to finish. The contractors, the adjusters, they have component parts within that timeline, but you want someone who is seeing everything so they can help make sure that the goals and objectives are being communicated to everybody and then adhered to so you don't get people who get tunnel vision.

It's kind of like that. You can get a star running back let's say, to go back to a sports analogy, and somebody could be really good, but if you don't also have the rest of the team in place, they only perform, you know, occasionally well because they need the rest of the team, they need a coach and you know, everybody. So having that whole team together makes a big difference.

And that group talking to each other periodically throughout the year to know this is what you, the client wants, the insured. We try to take this perspective as, the only reason any of us are here are because you have a business and a loss that hires any, you know, from the insurance side to the contractor side to the brokerage side, it's because of your business that we're here. We're trying to support you, but we need you to kind of be the leader and show us the vision so we can all rally around that and get you to the end goal which is to get your building back up and running as quickly and safely as possible for the right price.

Tara Clayton:

Thanks, Wade. One of the, the other legs you mentioned was the important role of standard operating procedures and how you really need to have them with every group that you're working with. For those who maybe don't know what that is, can you just talk a little bit about, what is the standard operating procedure and why are they so important to this relationship?

Wade Miller:

Sure. Again, it's going back to what are your goals and objectives as a company, and what do you need to have done? So, you have a building that has a group of occupants that may be renting or, at some point, or you have your own staff. How do they need to operate? When a contractor comes on, how do you want them to communicate? What do you want done first? What information flow do you want? How do you want it, to receive that information? How do you want them to interact with each other?

And, you know, we always try to put something back to make sure that the centerpiece of communication comes through the insured, the clients. We don't want people talking amongst themselves and coming up with a solution, which they will, you know, barring nobody else there, they're going to get to the end of the road, and you can have your contractor and your adjuster work something out for you, or you can be part of it. So we try and keep those procedures in place so everybody knows the rules that the client wants.

And so help develop them with the client and give some tips from things because we work cross-industry and, and it helps to just gain knowledge from other points of view and try and bring best solutions to the table. But the same thing goes for your insurance adjuster. You should have some SOPs for how do you want them to communicate? How do you want them to operate? They have a job to do. They report to the carrier but they're still working on your property with your losses and you want them to do certain things.

So having that forethought and some planning goes a long way. Then when people, when the disaster hits, there's already a game plan. Nobody's caught off guard. And so you can run the play, and if somebody is new, let's say the contractor has a new project manager on their side, they've already come with a game plan. You got some, you got something to lead them with. They're not trying to get up to speed because how people talk. You've got something written that they can follow.

Tara Clayton:

One of the things I know you've talked with a number of our clients in the past, the importance of having this, I think you called it a comprehensive checklist, and that makes me think a little about a game plan, this game plan in advance. And I know communication, I think is one of those boxes on that checklist. But can you

maybe expand a little bit more about this overall checklist?

Wade Miller:

Sure. And we'll set these up and have them set up for the type of building it is. So let's say in senior living, you could have a standalone independent living, you could have a building that has mixed use with assisted living, maybe memory care, skilled nursing. And we'll have, we'll have things that we want to check off and place what, what do you need to do? Because there's, if you have a secured area like memory care, you have to operate a little differently.

So we have a checklist like, are these going be components of the job? And what's exterior versus interior? What's an environmental concern versus non-environmental concerns? We go through that with every job to make sure when we're scoping and when scheduling's being done, that we're not missing something. And we kind of liken it to what, like a, I don't know when it started, somewhere in the '40s, they had these pilot checklists is, the things you do routinely, you sometimes know you always do, but it's easy to skip a step because you know you always do them.

The checklist, it ensures — that's why the pilots use it — like ensure that you, you've checked all these key components. And it could be things like, you know, how is the mechanical system operating? If you had a fire, what, where did smoke get pulled through? Like, we'll ask these types of questions so we can see what cleanup is going to need to be taken care of. What experts might you need to bring in, you know? If there's certain types of damage, it may require a structural engineer. You don't want just somebody's best guess. You want to say, what needs to be done? So we'll go through these and make sure that we can be as comprehensively accurate as often as possible.

Tara Clayton:

We've talked about communication and how important that is just amongst the different parties involved in this overall, I'll call it disaster recovery team. So it's not just the provider, but all the vendors that are coming in, as well as the insurance adjuster. But what are some of those other bullets that you would recommend and talk with providers to have in this game plan checklist outside of the communication, but just to be thinking about now and having ready in their toolkit?

Wade Miller:

Sure, so we, we'll look at different things like, what's, how's the building laid out schematically, internally and externally, so there's logistics of how you want to have ingress, egress to the buildings with your workflow, with your work team? Where is debris going to be removed from? An occupied building and in operation works differently than if you have a fully evacuated building obviously. So the logistics become a key component for either one, and they're different.

When you get to the scope, you'll know what kind of level of workforce skill you need. So let's make sure the contractor's aware of that, they bring the right skilled people in and when. We'll look at scheduling efficiency. So we take jobs, our rule of thumb is, anything that's going to take longer than three weeks, we want to put it into a Gantt chart. You start laying out what your critical paths are in all production. If you need inspectors or something, when do you schedule them? Like, we put all these things in place, we can look at it and say, all right, there's critical junctures. What efficiencies can we gain, what can we, what do we need to be aware of and when? So that we don't lose time and don't get caught off guard, and now we're waiting on some material or some inspector that's going to hold up production. So we'll look at that.

We'll also work with the adjusters and the contractors to make sure at the end, somebody's going to review an invoice, what data's needed. Let's make sure we're documenting appropriately on the front end. And so we try to answer what are all the things that could slow up production or slow up money getting to the client and to those things on the front end as best we can to be preparing for that.

Tara Clayton:

The last point you made, Wade, resonates with me just in some of the disasters that, you know, we've seen throughout the years, the kind of understanding up front what's needed through either invoicing or accounting of the damages. The importance of understanding what that is now versus, as we know, after the disaster occurs, it's really hard to find things that you need. Memory fades very quickly. I...

Wade Miller:

Yeah.

Tara Clayton:

I can even hardly tell you what I did last week myself, and that's not even dealing with (laughs) a disaster, right? So, I really appreciate that important point of be thinking through and understand now what it is under your policy as well as with vendors, what you need to be capturing from a documentation standpoint.

You talked about workforce and understanding the scope of the project up front. That can lead you to the workforce training and expertise. We've talked a little bit, Wade, at some other times, about the role of an industrial hygienist and when and how maybe one needs to get involved, and I know you've got some thoughts around that. Can you talk to me just a little bit about how you see the role of an industrial hygienist?

Wade Miller:

Yeah. I think they should be on almost all jobs to some degree. So, first, and if the building doesn't have a history of this you'll need one, somebody to pull asbestos samples, or pull samples of materials to see if there's asbestos-containing material, or ACM, in that before demolition. That's one reason. But then, if you have water damage, which is most losses, they're the best person to set the contamination level of the water because it starts to direct things like how, what level of cleanup needs to be done, what type of personal protective gear people might need to wear, or respiratory protection, and then they will do the clearance. So what are the clearance criteria?

So we have all of these items that are coming into play that we want to make sure that an expert's there because I look at it like, if it were to go to a court situation, who needs to be on that stand? And I think if we look at it from that standpoint and protect for that, it probably never goes to court. It's so rare because you're planning for this to go the right way. You have the right people making decisions.

We're very big on clarity. If there's report whether from the hygienist, from an adjuster, from a contractor, that's ambiguous, we want to make sure these things get cleared up. There's no, contractor could do this or do that. We'll give the criteria, what makes sense, because the adjuster's going to read it one way, the client's going to read it one way, and the contractor's going to read it one way. Let's clear this up. So we try to take out ambiguity; you use a hygienist to help clear some of those matters, those matters up on the front end.

Tara Clayton:

Wade, do you have any examples of where you've seen kind of the negative side of where maybe it hasn't been so proactive on the front end and, because of that, maybe the, the cost went higher?

Wade Miller:

Yeah. For sure. Where a contractor came in and decided it was a category three level water which is a higher contam- you know, like a sewer water level water, and they clean and treat that way. They do a lot of removal of materials. The adjuster comes in and says, "What validates that? We think it's a category one. We think it's clean water." And we'll get in a, there'll be an argument ensuing and, and there's no real, there's no expert. The contractor doesn't have maybe the credentialing, typically doesn't have the credentialing an industrial hygienist does. And so, a hygienist to be in on the front end would have cleared that up. When it happens on the back end, it just becomes an argument and there's usually in the end, there's a compromise and the problem is, in the end it's the owner of the building that ends up paying more for a contractor or not getting as much as coverage as they thought because of those disagreements.

We try and keep that clear in the front end where a hygienist can just say, "This is it," and if there's a disagreement early on by the insurance team, we can have a discussion and change it then versus after the fact. So we try and keep anything that can be an open-ended question on the back side to try and get those answered or get enough data and evidence in the front side to make that clear.

Tara Clayton:

And I assume then tying it back to that comprehensive checklist, that's, some of that's kind of included in the scope and protocols and the standard operating procedures that we talked about.

Wade Miller:

And our feeling is if a hygienist comes in and says, "Yeah, this is all category one, potable water. You're going to clean it up in this timeframe," you don't need the hygienist there anymore. They did their job, they made the declaration. But if it's contaminated levels at a higher degree, they may need to perform clearance and make sure the building doesn't have fungal growth or bacterial infection or something that's been spread.

They'll do some testing and do some, put procedures in place for the cleaning protocol so the contractor that it followed will make sure that the building's protected, therefore, their occupants are protected.

Tara Clayton:

Just thinking through the actual disaster and when it happens, how do you work with providers and maybe it's part of this comprehensive checklist but, how do providers know when they've been hit and how it's going to be protected from the start?

Wade Miller:

Yeah, I think I did skip over that on the front end, but cause and origin is part of that checklist so we want to discover what that is. Let's say a hurricane hits the building. You still need to find out, was it, wind-driven rain penetration, did it break something in the building where water found a path? If it's a fire, what caused the fire? If it was a sprinkler pipe burst, what caused that pipe burst? We want to find out what the cause and origin is so you can, while you're cleaning up the building, you need to remedy whatever that is and know that it's not going to happen again. So, we'll look for those cause and origin items and keep track of that separately.

There are times when that cause fix will not be covered by the insurance, but the ensuing damages will. So we try and be real clear on that and work with the adjuster team to make sure everybody knows what's to be expected. But let's say people didn't put proper trimming around some part of their windows, and that's how water got in. The interior damages might be covered, but the fix to do what should've been done in the construction phase wouldn't. Easy example, but those are the kind of things we'll look for and make sure they're corrected.

Tara Clayton:

I know in, in some situations, there's a lender who may have some ownership interest in the actual physical property itself. And does that, is there any other components that providers need to think about when they have that kind of lender arrangement?

Wade Miller:

Yeah. That's a great point, Tara, and not many people think of that. Buildings that are owned by somebody else, there, there's a bank mortgage, there's a, there's

some type of lender group whether it's a REITs or a private equity or venture capital or something like that, that owns the building and they may have additional requirements above and beyond what the insurance company is looking for, and you need to make sure those are being satisfied too. And, and I've seen that. We'll try and keep independent checklists on those if there's a lender involved so we can gather data along the way, the people need.

But, yeah, a good point. It should be kept in mind because that can hold up a company getting their final payment.

Tara Clayton:

There's so many complexities it sounds like between lender requirements and needs and knowing the insurance requirements, even just from a provider's standpoint to your point, you want to remedy the disaster as quickly as possible because these are resident homes.

Wade Miller:

And as we come across one, we're always keeping growing our pick list of what's, you know, what does this bank require, what does this group require? So that when a client has that, we can say let's ask these questions before we have a disaster, going back to your earlier question, in the planning phase. Let's see what we need to do so that we're not caught off guard or we're not scrambling at the last minute and saying, "If I only knew this 90 days ago, I could've had this done." Let's try to know it today if we can.

Tara Clayton:

Yeah. And to me, all, everything that we've talked about, Wade, just really drives home the importance of how this pre-planning is really critically important for ultimately mitigating cost and exposure when a disaster happens. So I really appreciate you walking through some of these bullets that providers need to be thinking about really now, before that disaster strikes.

Wade Miller:

Yeah, for sure. It does help speed up production and workflow as well as the data flow and it keeps costs where people know. I mean, I think with the added planning, added transparency, people know what their exposures are, and it may not be fun. You still have to go through it, but at least you have knowledge and it's

not, things aren't catching you off guard or unexpected things aren't coming up as often. You can plan and work through them a lot easier.

Tara Clayton:

Well, Wade, I really appreciate you hopping on today. I have a feeling we'll probably have you back on.

Wade Miller:

Sure. Well, thanks for having me. Yeah, it was fun.

Tara Clayton:

This was fantastic, and for those listening, you can learn more about OneRallyPoint and the solutions that Wade talked about, as well as other solutions around pre-disaster recovery at their website which will be linked in our show notes. And be sure to subscribe so you don't miss any future episodes. You can find us on your favorite podcast platforms, including Apple and Spotify. And as always, I would love to hear from you. If there's any topics you'd like to have addressed, any questions that you have for Wade that you'd like to have on a part two conversation, send me an email at the email address linked in the show notes. We're always happy to hear any feedback and, as always, thank you all so much for tuning in, and I hope you will join us for our next *Risk Insight*.