

LESSONS FROM HURRICANE KATRINA: LOOKING BACK, PLANNING AHEAD

The screenshot shows the Marsh website interface. At the top, there's a navigation bar with 'MARSH' logo, 'INDIGHTS', 'INDUSTRIES & SERVICES', and 'CLIENT SEGMENTS'. The main content area features a large background image of a storm. The title 'ENTERPRISE VOLATILITY' is prominently displayed, followed by the subtitle 'Ten Years After: Learning From Hurricane Katrina and Other Disasters'. Below this, there's a paragraph of text: 'Every disaster leaves an indelible imprint on people and places. Ten years ago this summer, Hurricane Katrina left its mark as one of the costliest storms to make landfall in the US. Here we take a look back at the lessons we've learned from Katrina and other disasters so that you can look ahead — and be better prepared for the next Katrina, the next catastrophe.' A photo of sandbags is shown. To the right, there's a profile for Duncan Ellis, US Property Practice Leader, with a 'CONTACT US' button. Below that, there are sections for 'WEBCAST' and 'LATEST INSIGHTS' with links to various articles.

ENTERPRISE VOLATILITY
Ten Years After: Learning From Hurricane Katrina and Other Disasters

Every disaster leaves an indelible imprint on people and places. Ten years ago this summer, Hurricane Katrina left its mark as one of the costliest storms to make landfall in the US. Here we take a look back at the lessons we've learned from Katrina and other disasters so that you can look ahead — and be better prepared for the next Katrina, the next catastrophe.

Before a disaster strikes, there typically are dozens of things your company can do to help protect your balance sheet, operations, people, and, ultimately, your future. Some planning can be defined through simple checklists; other measures require enterprise-wide planning.

Inevitably, some events will be so extreme that they require you to adapt as they occur. Then, following an event the size and scale of a Katrina or a Superstorm Sandy, the checklists and plans will need to be revisited and the lessons learned incorporated.

"Katrina was indeed the catalyst behind the rigor we see in today's CAT models, which are now used across the insurance

Duncan Ellis
US Property
Practice Leader

CONTACT US

WEBCAST

Register for Lessons From Hurricane Katrina: Katrina: Looking Back, Planning Ahead

LATEST INSIGHTS

Don't Let the Next Catastrophe Fracture Your Bottom Line

As Hurricane Season Begins, Experts Urge U.S. to Reinforce Its Dike

Don't Let Below-Average Hurricane Preparedness Plans Limit Your Options

10 Steps to Reinforce Your Catastrophe Response Plan

Direct to You

Ten years ago this summer, the costliest hurricane ever to make US landfall battered New Orleans and the Gulf Coast. Marsh is producing a variety of material that looks back on Hurricane Katrina — what it meant at the time and how lessons from it and other disasters can be used to protect your operations, your bottom line, your people, and your future.

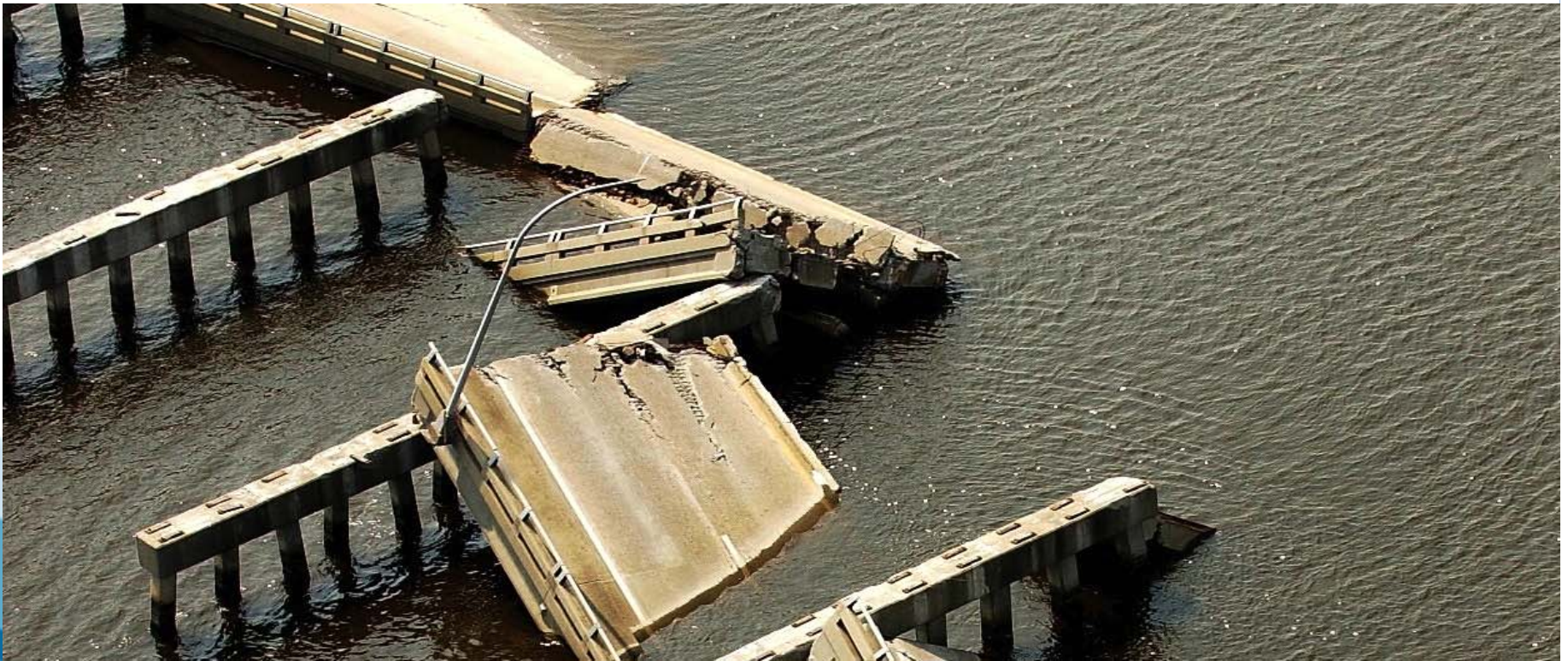
Sign up at marsh.com to receive email alerts when we release new content in the coming weeks and months.

SAVE THE DATE

Join Marsh's *New Reality of Risk* on July 22, 2015, for a look at insurance market conditions at midyear. Register at www.marsh.com.

LESSONS FROM HURRICANE KATRINA: LOOKING BACK, PLANNING AHEAD

JUNE 2015





BRIAN ELOWE
MARSH GLOBAL RISK
MANAGEMENT

LOOKING BACK, PLANNING AHEAD

POLL QUESTION #1

“My organization has run a drill or exercise in order to understand how our property insurance policy would respond to a major catastrophe.”

And your choices are:

- **Yes, within the last 2 years**
- **Yes, in the last 5 years**
- **No**
- **Not sure.**

LOOKING BACK, PLANNING AHEAD

TODAY'S PANELISTS



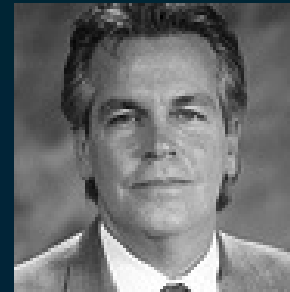
JAMES "BO" LABORDE
MARSH NEW ORLEANS OFFICE
HEAD



DUNCAN ELLIS
MARSH'S US PROPERTY
PRACTICE LEADER



STEVE PETTUS
DICKIE BRENNAN & COMPANY
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PRACTICE LEADER



SUSAN MORTON
MARSH RISK CONSULTING
CRISIS MANAGEMENT &
REPUTATIONAL RISK
PRACTICE SVP

LOOKING BACK, PLANNING AHEAD

- CBI coverage rates determined from underwriting information from suppliers and receivers of an insured's products.

LOOKING BACK, PLANNING AHEAD

“There are people who make things happen, there are people who watch things happen, and there are people who wonder what happened. To be successful, you need to be a person who makes things happen.”

– *Jim Lovell, Astronaut*

LOOKING BACK, PLANNING AHEAD HURRICANE KATRINA

“It took up the entire
Gulf Coast — and it
wasn’t turning.”

– *Steve Pettus, Dickie Brennan
& Company*



Source: National Hurricane Center

LOOKING BACK, PLANNING AHEAD AHEAD OF THE STORM

“We never evacuate.
But this time we did.”

– *Steve Pettus, Dickie
Brennan & Company*



LOOKING BACK, PLANNING AHEAD EVACUATION

“It took about 7 hours
to drive 70 miles.”

– *Steve Pettus, Dickie
Brennan & Company*



LOOKING BACK, PLANNING AHEAD AFTER THE DELUGE

“There was a mandatory evacuation called for the city of New Orleans. And you had to have a pass to get in.”

– *Steve Pettus, Dickie Brennan & Company*



LOOKING BACK, PLANNING AHEAD REBUILDING

“The challenge was that all of the resources were being consumed.”

– *Steve Pettus, Dickie Brennan & Company*



LOOKING BACK, PLANNING AHEAD OPEN FOR BUSINESS

“On October the fourth, we were able to open our first restaurant. We opened with an all-star team.”

– Steve Pettus, Dickie Brennan & Company

SPORTS
For complete sports coverage, see **PG. C-4**

LIVING

Upbeat Dickie B
At a meeting in Baton Rouge, Dickie Brennan maps out a strategy to revive his three French Quarter restaurants, and help his employees rebuild their lives

CHRIS ROSE
The more things change
... the more some things in New Orleans stay the same

By Brett Anderson
Special rate

Dickie Brennan's three French Quarter restaurants had been shut down for over five weeks. Two of them, Palace Cafe and Dickie Brennan's Steakhouse, suffered damage in Hurricane Katrina and Hiva; the latter was flooded and won't be ready to reopen for months.

Met at a meeting of Brennan's management at Huffin's restaurant last Monday in Baton Rouge, where the restaurant had set up a satellite office of Dickie Brennan and Co., the prevailing feeling was one of abundant good fortune.

Brennan felt lucky to have one of his restaurants, Bourbon House, nearly ready for business, with hopes that the Palace Cafe would soon follow. His staff was help, too, and not just because Brennan's company had the wherewithal to keep all full-time employees — roughly 300 people — on the payroll, including tips for waiters.

Soon after the meeting started, the arrival of Eric O'Hay, Palace Cafe's kitchen manager, was met with applause and hugs.

By ROSE, C-4

CHRIS ROSE
The more things change
... the more some things in New Orleans stay the same

You hang around New Orleans long enough these days and you begin to absorb what is new and what is returning to normal.

For instance, I was sitting on my front stoop and an RTA bus marked MAGAZINE's passed by. I thought, Well, how about that? That's a good sign.

Never mind that the bus was empty; at least it was running and that's a sign of normalcy. And it was driving way too fast and there was another bus-er of the same-ol', same-ol'.

Then, about 10 seconds later, another RTA bus marked MAGAZINE's whizzed by, shaking my house to its foundation. It, too, was empty, but it was the realization that there were probably only two buses running the entire Magazine Street route and here they were, one right after the other and I thought, 'We're back!'

What could be a better indication of a return to the old ways than the colonial transportation system? I don't know about you, but I will sleep better tonight, at least, that is, until an RTA bus blows by the house at midnight at Category-3 speed and does more damage to my gutter eavings than Katrina did.

Of course, a common joke around here — one I've made for five years — is that when the mayor got around to being off three salary workers, will anybody notice? I believe he, or some other public official, misled them non-essential employees and I'll let you fill in your own punch line here.

I just hope it's not the two guys who've been assigned to cut the grass on the neutral grounds for the past 10 years; man, things would really be

Mike Cobb, Michelle Benoit and Eric O'Hay get the first post-Katrina order of food out of the kitchen and onto the tables of customers at Dickie Brennan's Bourbon House restaurant in the French Quarter.

PHOTO BY BRET ANDERSON

Even with most of the city unpopulated, many of the tables inside Bourbon House were filled at lunchtime Wednesday.

LOOKING BACK, PLANNING AHEAD

POLL QUESTION #1: RESPONSE

My organization has run a drill or exercise in order to understand how our property insurance policy would respond to a major catastrophe.

And your choices are:

___% **Yes, within the last 2 years**

___% **Yes, in the last 5 years**

___% **No**

___% **Not sure**

LOOKING BACK, PLANNING AHEAD

TEN TOP TRIP WIRES IN YOUR PROPERTY POLICY

What are some of the issues that typically arise following a major loss such as Hurricane Katrina or Superstorm Sandy or an earthquake, tornado, or flood?



LOOKING BACK, PLANNING AHEAD TEN TOP TRIP WIRES IN YOUR PROPERTY POLICY

10. Loss management plans: What are your communications protocols?



LOOKING BACK, PLANNING AHEAD TEN TOP TRIP WIRES IN YOUR PROPERTY POLICY

9. Flood: Definition of special high-hazard flood zone?



LOOKING BACK, PLANNING AHEAD

POLL QUESTION #2

“I am confident that my organization is fully prepared to manage the financial consequence of a business interruption loss.”

And your choices are:

True

False

Not sure

LOOKING BACK, PLANNING AHEAD TEN TOP TRIP WIRES IN YOUR PROPERTY POLICY

8. Critical policy definitions: Was it named windstorm or flood?



LOOKING BACK, PLANNING AHEAD TEN TOP TRIP WIRES IN YOUR PROPERTY POLICY

7. Civil authority, ingress/egress: How does this typically trigger insurance coverage?

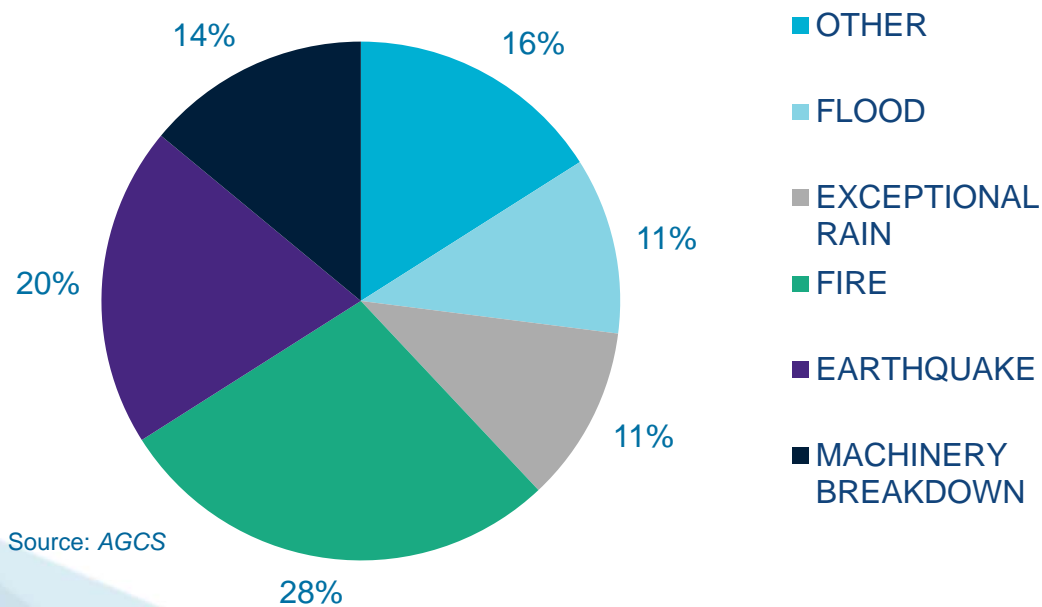


LOOKING BACK, PLANNING AHEAD

TEN TOP TRIP WIRES IN YOUR PROPERTY POLICY

6. Wide area impact or idle period: What does it mean to you?

TOP CAUSES OF GLOBAL PROPERTY LOSSES 2009-2013 (BY VALUE)



LOOKING BACK, PLANNING AHEAD TEN TOP TRIP WIRES IN YOUR PROPERTY POLICY

5. Contingent business interruption (CBI) suppliers or customers: Direct or indirect?



LOOKING BACK, PLANNING AHEAD

POLL QUESTION #2 RESPONSE

“I am confident that my organization is fully prepared to manage the financial consequence of a business interruption loss.”

And the results:

___% True

___% False

___% Not sure

LOOKING BACK, PLANNING AHEAD TEN TOP TRIP WIRES IN YOUR PROPERTY POLICY

4. Service interruption: What is the scope of the coverage?



LOOKING BACK, PLANNING AHEAD TEN TOP TRIP WIRES IN YOUR PROPERTY POLICY

3. Deductible applications: Occurrence? By location? Separate deductibles for PD and TE?



LOOKING BACK, PLANNING AHEAD

POLL QUESTION #3

“My company has a plan in place that will help our employees manage the personal impact of a major disaster while at the same time rebuilding our business.”

- Yes
- No
- Don't know

LOOKING BACK, PLANNING AHEAD TEN TOP TRIP WIRES IN YOUR PROPERTY POLICY

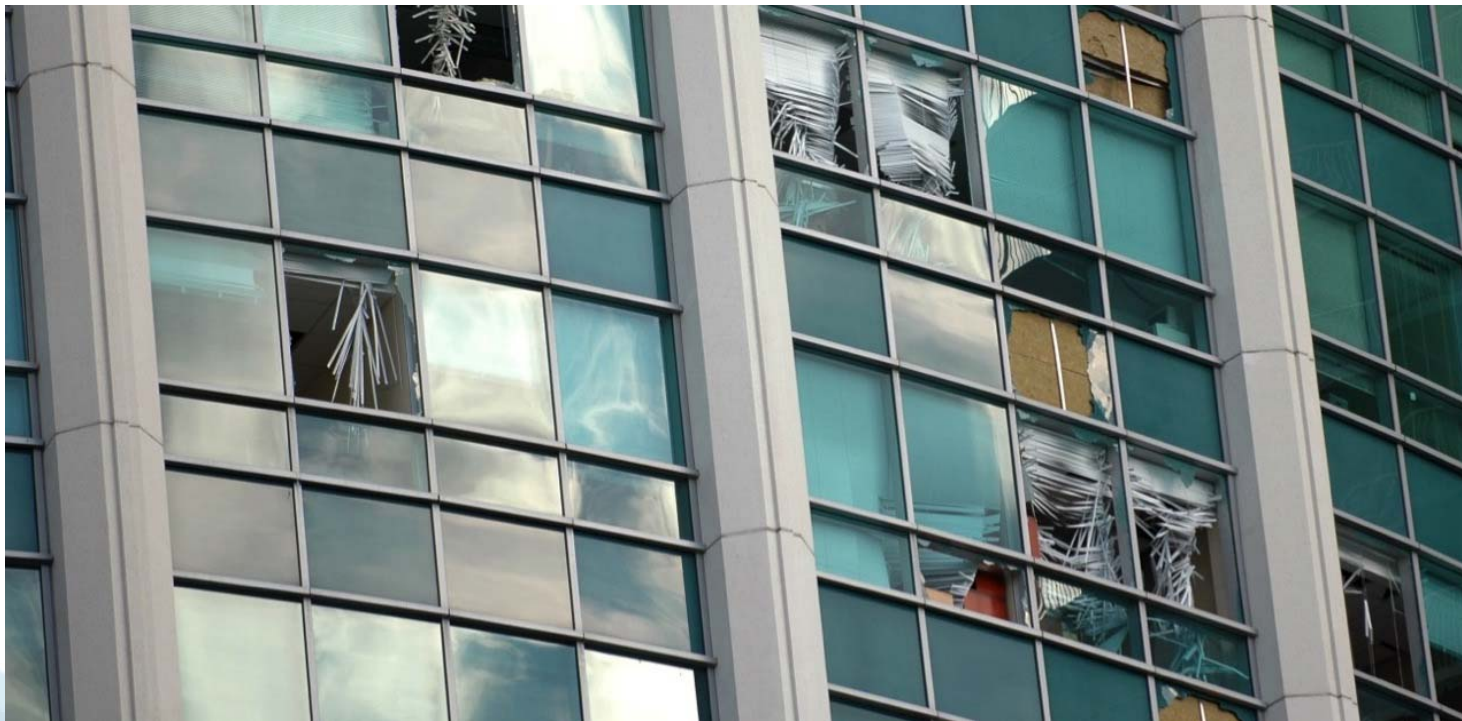
2. Sublimits: For example, flood, or expediting expense (EE)?



LOOKING BACK, PLANNING AHEAD

TEN TOP TRIP WIRES IN YOUR PROPERTY POLICY

1. Business interruption: What is and is not covered? How is it calculated?



LOOKING BACK, PLANNING AHEAD

TEN TOP TRIP WIRES IN YOUR PROPERTY POLICY

10. Loss management plans: What are your communications protocols?
9. Flood: Definition of special high-hazard flood zone?
8. Critical policy definitions: Was it named windstorm or flood?
7. Civil authority, ingress/egress: How does this typically trigger insurance coverage?
6. Wide area impact or idle period: What does it mean to you?
5. Contingent business interruption (CBI) suppliers or customers: Direct or indirect?
4. Service interruption: What is the scope of the coverage?
3. Deductible applications: Occurrence? By location? Separate deductibles for PD and TE?
2. Sublimits: For example, flood, or expediting expense (EE)?
1. Business interruption: What is and is it not covered? How is it calculated?

LOOKING BACK, PLANNING AHEAD

POLL QUESTION #3: Responses

“My company has a plan in place that will help our employees manage the personal impact of a major disaster while at the same time rebuilding our business.”

___% said Yes.

___% said No, and

___% said they don't know.

LOOKING BACK, PLANNING AHEAD

SOME KEY REBUILDING CONCERNS FOLLOWING A DISASTER

- Staff.
 - Personal issues.
 - Housing.
 - Communications.
- Physical properties.
 - Assess damage.
 - Construction needs.
- Customers and suppliers.

LOOKING BACK, PLANNING AHEAD NATIONAL RESPONSE FRAMEWORK

NATIONAL DISASTER RESPONSE NETWORK



LOOKING BACK, PLANNING AHEAD PROTECTING YOUR PEOPLE

1. Help your employees become personally prepared.
2. Help your employees prepare when a storm is forecast for the area.
3. Provide a means for employees to check in after the storm or during an activation.
4. Be creative and think about other ways to help employees get back on their feet after a severe storm.



LOOKING BACK, PLANNING AHEAD

“If you don’t prepare differently now than you did before, then you didn’t go through this.”

– *Steve Pettus*

QUESTIONS AND ANSWERS



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