Boots on the Ground
Lessons learned from the tornado aftermath in Moore, Oklahoma.

By Jay Straughan

The Moore, Okla., tornados of 2013 were the most damaging cluster of storms to strike Tornado Alley since Joplin, Mo., in 2011. Early estimates of insured property losses from the devastation in this suburb south of Oklahoma City range from $2 billion to $5 billion. Enservio’s Jay Straughan, a veteran of superstorms since 1992’s Hurricane Andrew, offers several takeaways from the time inside his company’s RV at “Insurance Village,” a parking lot filled with 15 insurance companies, FEMA, Oklahoma Emergency Management, and other service providers immediately following the disaster in late May 2013.

Insurers and most service providers have established catastrophe plans in place. After every event, we learn, iterate, and update these plans for the next catastrophe. One of the lessons that came out of this experience with Tornado Alley dealt with employee safety. It became a critical life and death issue due to the second set of tornados that hit Moore.

We learned the hard way that we had to develop better contingency plans. Safety training is core to what we do in our employee education: teaching claims pros to make good, safe decisions around hazardous job sites. For instance, it’s often the case where we find ourselves in structurally damaged buildings. We have to stay vigilant about stepping into unsafe environments and, in this instance, may not have been as prepared as we should have been. When the second set of tornados came rushing through, team members staying in our RV had to leave and seek shelter in hotels. In another instance, we had a team in the field that was forced to leave the site and seek safety. The takeaway is, when responding to a catastrophe, be in close touch with the weather and be very responsive, proactively, to any future and ongoing risks.

Another lesson we witnessed in Moore is that not all tornados produce the same kind of devastation. Different from what we found in Joplin two years ago, here there was more physical inventory for us to inspect on site. In Joplin, we frequently visited homes and businesses to conduct inventory and found nothing left to inventory. There was little actual physical inventory. In Moore, it was common for assignments to involve both physical inventory of remaining items and working side by side with the policyholder to reconstruct items that were blown away. We had initially expected to use the RV and other meeting sites to just sit down over a cup of coffee with the policyholder and reconstruct the lost items, but it wasn’t that simple.

A third lesson learned from Moore was gleaned from testing a set of big data applications. We had a hypothesis we wanted to test, which was to use an existing contents estimating tool to determine the value of contents inside a home. Input a name, an address, and a few variables from the policy, and the data-driven tool produces a contents list and dollar amount by item category.

Using predictive analytics, the software is based on data collected from conducting $2 billion annually in processed claims. Its purpose is for the underwriting function of determining the proper amount of contents coverage, or insurance to value. The hypothesis was that if we took a tool helpful on the insurance-to-value side for underwriting purposes and applied it to the claims side, we could conceivably predict the amount of a loss and verify this prediction with our actual findings.

We ran the tool on total losses and near-total losses to see if that gave us a strong indication of which claims were very likely to have losses in excess of the contents limits and which claims were likely to be under the contents limits. In the course of handling these large losses, we found a way to conduct an initial triage and assessment of the claims that are likely to exceed policy limits as well as those
unlikely to exceed policy limits.

The last lesson is one that is learned with every catastrophe. With every new storm, we are reintroduced to the human suffering caused by these events. Everyone who responds to catastrophes expects to listen to stories of loss because everyone’s story becomes a part of their lives. It’s part of our job as claims professionals to be there, to listen, to express sympathy, and to share the experience with them.

In this profession, we learn about the resilience of people and the power of communities to respond with goodness and solidarity after a catastrophe. We’re reminded, too, about what a privilege it is to be a part of the insurance industry that helps communities recover from devastating events. This is work of which we can all be proud.

A solid steel safe door, most likely from a commercial storm shelter at least a few miles away, is shown in the doorway of an insured’s master bedroom. The door had flown through the roof of the insured’s home and couldn’t be budged by three men. All Photos courtesy of Ensenvia SOS Contents.
A sheet of plywood measuring 4 feet by 8 feet flew through the insured’s exterior brick wall at such a force that it sliced through an interior wall of sheetrock, becoming lodged. The nearest construction site that would have had plywood was at least two miles away.

A large, commercial chemical tank measuring 12 feet long and 8 feet in diameter found itself sitting in an insured’s front yard. It came from a chemical cleaning facility located seven miles away.
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