



UNIVERSITY OF
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**HOUSTON HEIGHTS ROTARY
SUCCESSFULLY MANAGING DISASTERS
FIRES AND FLOODS
by
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1. Objectives:

- Understand how fire & flooding can impact your business
- Real life examples of disasters
- Locate potential areas of concern before issues occur
- Tips & tricks for low-cost restoration

2. Prevention always the best:

Floods:

- Obviously, avoid locating in flood zone if at all possible
- If in a flood zone, build as “flood-proof” as possible – even a 12” Elevation may make a big difference. Check flood plain maps and heights.
- If you cannot build up, build better – ceramic floors on concrete for first level. Consider using first floor for parking or utilities only.
- A flood risk that may be missed is the back-up of sewer lines into drain lines in a house, particularly one with a bathroom at grade.
- Make sure power lines are well marked and elevated to avoid electrocution.

Fires:

- The National Fire Protection Association (NFPA) Reports:
 - Every 65 seconds a fire occurs in a structure
 - Every 85 seconds a fire occurs in a residence
 - Every 2 hours 49 minutes a fire-related death occurs
 - In 62% of residential fire deaths, there was no smoke alarm or non-working alarms
- Have all HVAC, gas lines and electrical work done by licensed professionals.
- Follow common sense directions regarding space heaters and other heat or spark-creating devices

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- Safety upgrades may be required. Just one example, gas hot water heaters in garages used to be at grade.
 - Now, gas hot water heaters must be elevated per *The National Fuel Gas Code (Z 223.1 – 2006, Section 9.1.10.1)*
- It is crucial that smoke and CO detection devices be installed in as many locations as required, and in many cases, more locations. Local codes vary quite a bit, so be sure to check state and local codes before building, remodeling
- Location of fire extinguishers should also be done to code. Note that there are many variations and if the code does not stipulate, be sure to use the type designed for the location of use – garage, kitchen, general household, etc.
- Smoke detectors save lives. Consider switching 10 year no-battery replacement units. Note, some codes require wired smoke detection systems.
- For multi-story houses, providing window-mounted portable ladder units may be in order. Code for multi-unit property may require fire escapes.
- Special issue: Older persons, children and persons with special needs. Persons over 65 have twice the likelihood of dying in a fire.
- If you have a power gate, does the Fire Department have the key or code?

3. Preparing for Disaster:

Fire and Losses other than Flood - Insurance:

- Rebuilding a property or part of a property is a lot more than you think
- Especially for business or investment property, are you working with an agent who understands the difference between residence and investment?
- Does the policy cover loss of income?
- Code compliance coverage?
- Will the policy's contents coverage provide enough to actually replace the contents?
- What are the various deductibles? Should you buy down the deductibles?
- Temporary living expenses, locations? Temporary office coverage?
- Available discounts?
- Drain backup covered?

Flood Insurance:

- Many of the same purchase considerations as fire/casualty coverage. In flood zones, the coverage will be required, not optional
- In non-flood zones, the coverage may still be available, but hard sell for some owners. Recent floods in non-flood zone like the Woodlands are an example of non-flood areas flooding.
- Flood insurance coverage is more limited. Basements and crawl spaces are generally excluded. Vehicles are excluded.
- Flood insurance may not cover contents that might be covered under other casualty loss policies
- Always a 30 day notice. Cannot buy on eve of storm/hurricane
- Outbuildings limited to 10%. Occupied out-buildings like a garage apartment will need their own flood insurance policy. (I found this out the hard way.)

Preparation Other than Insurance:

- Special high-value items may need to be protected/insured separately.
- Put valuable papers in safe deposit box at your bank.
- Consider specialty items like fire-proof safes and gun safes.
- Take photos of each room to record possessions.
- Try to keep an electronic copy of most records/receipts and then do cloud back-up for those records and your computers. This includes your insurance policies.
- Have a notification plan, alternative locations, if the worst happens.

4. The Worst Happens:

- Preserving human life.
- Do not be afraid to call 911 early.
- Deal with emergency personnel from the fire department, police or civil services.
- If anyone is injured, tend to that first.
- Watch for “Vultures!” Take cards, but you have far more important things to do. Sign no contracts until you talk to your insurance company.
- If damaged property is your residence, find shelter, hotel, etc. Be sure that your coverage applies to the type you select.
- If rental property, you may need to find shelter for the tenants.
- Subrogation – what it means and why you care.
- Big losses and the difference between fire/casualty and flood damages.
- Generally, you will need to secure the property, but you may want to allow your insurance agent to provide vendor to secure property only and then work on clearing the property and remediation.
- Rebuild or tear it down? Suppose it is historical? Suppose there is just not enough insurance?
- What happens if the property is under contract at the time?
 - Sale subject to insurance proceeds.
 - Some policies will not pay full value if the property is not restored.
 - Or, take the proceeds and sell property “As-Is.”
- Rushing to get back on line may be more costly than just dealing with things on a normal timetable. Everything will take a lot longer than you think!
- Rebuilding:
 - Get multiple bids if at all possible
 - You cannot be required to use a contractor picked by your insurance company.
 - Consider parceling out the work – picking your own sub contractors.
 - Hard to be your own GC unless you have a lot of experience and time.
 - Consider buying materials directly – quality control and savings.
 - Your mortgage company or bank will be your rebuilding partner.
 - Your opportunity for efficiency and energy savings improvements.

5. Questions??