

GMBHA presents:

WEATHERING HURRICANE IRMA LOSSES: A GUIDE TO INSURANCE RECOVERY & CLAIM PREPARATION FOR IRMA INSURANCE CLAIMS

TUESDAY, SEPT. 26, 2017 AT 2 PM

SHORE CLUB

1901 Collins Avenue
Miami Beach

Encore
Presentation

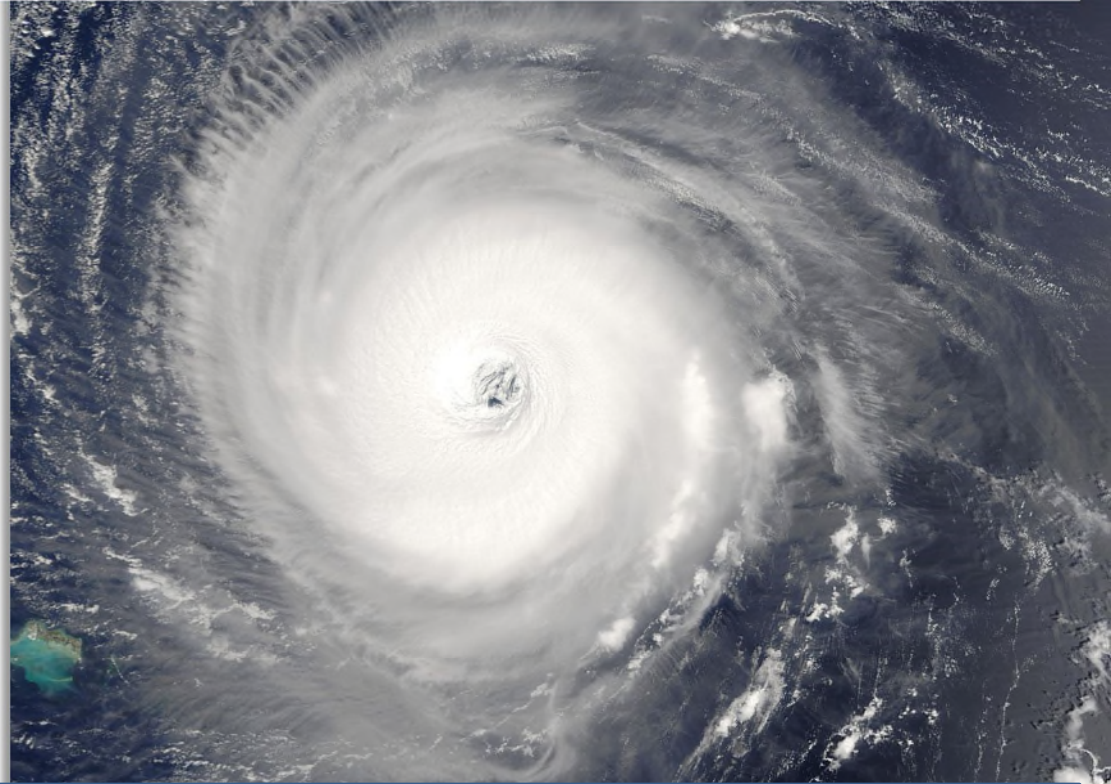
WEDNESDAY, SEPT. 27, 2017 AT 10 AM

HUNTON & WILLIAMS

Sabadell Financial Center

1111 Brickell Avenue, 25th Floor

Sabadell Financial Center is located on the northwest corner of Brickell Bay Drive and S.E. 12th Street. The parking garage entrance is accessible from S.E. 12th Street.



PANELISTS:

Walter J. Andrews, Hunton & Williams LLP

Andrea DeField, Hunton & Williams LLP

Isabelle Claver Dengra, PwC

John Petzold, PwC

Please RSVP to Faheemah, fkhan@GMBHA.com

HUNTON &
WILLIAMS  pwc
GREATER MIAMI & THE BEACHES
HOTEL ASSOCIATION

PARTNERS IN HOSPITALITY

Walter J. Andrews

- Partner and Practice Group Head of Hunton & Williams LLP’s Insurance Coverage Practice Group, Miami, Florida
- More than 25 years of experience managing insurance-related issues, including program audits, policy manuscripting, counseling, litigation and arbitration. Represented clients in connection with Hurricanes Floyd, Katrina, and Rita recovery efforts.

Andrea DeField

- Insurance coverage associate in the Miami office of Hunton & Williams LLP
- Chair, American Bar Association Insurance Coverage Litigation Committee’s Hurricane Task Force; experience in litigating Hurricanes Wilma, Charley, and Ivan claims.

Isabelle Claver Dengra

- Director in the Hospitality & Leisure Consulting Group of PwC based in Miami, Florida
- Prior to joining PwC, worked in luxury hotels in various operational roles in Europe, Asia and the United States. Today, she directs the day-to-day operations of the Hospitality & Leisure practice in Miami.

John Petzold

- Principal at PwC based in New York, New York,
- Forensic accounting services primarily involve the quantification of economic and physical damages resulting from catastrophic losses and maximizing recovery and/or distribution of funds from insurance companies, federal, state and local grant programs and other private funds.

- Property Damage Claims
 - Common Coverages
 - Duties After Loss
 - Perfecting Your Claim
- Claims for Lost Business Income
 - Common Coverages:
 - Business Interruption
 - Power/Service Interruption
 - Civil Authority Coverage
 - Contingent Business Interruption
- Tips for Claim Preparation and Presentation

Irma Claims Data: What We Know So Far



As of Friday, Sept. 21:

- Over 451,627 residential property claims filed
- Almost 20,000 commercial property claims filed
- Over 1,100 business interruption claims filed

Total estimated Insured Losses (so far): **\$3,247,007,917**

Property Damage Claims: Common Coverages

- Property Damage
- Debris Removal
- Mitigation Costs
- Law and Ordinance
- Business Personal Property
- Replacement Costs
- Loss Adjustment Expense
- Other coverages

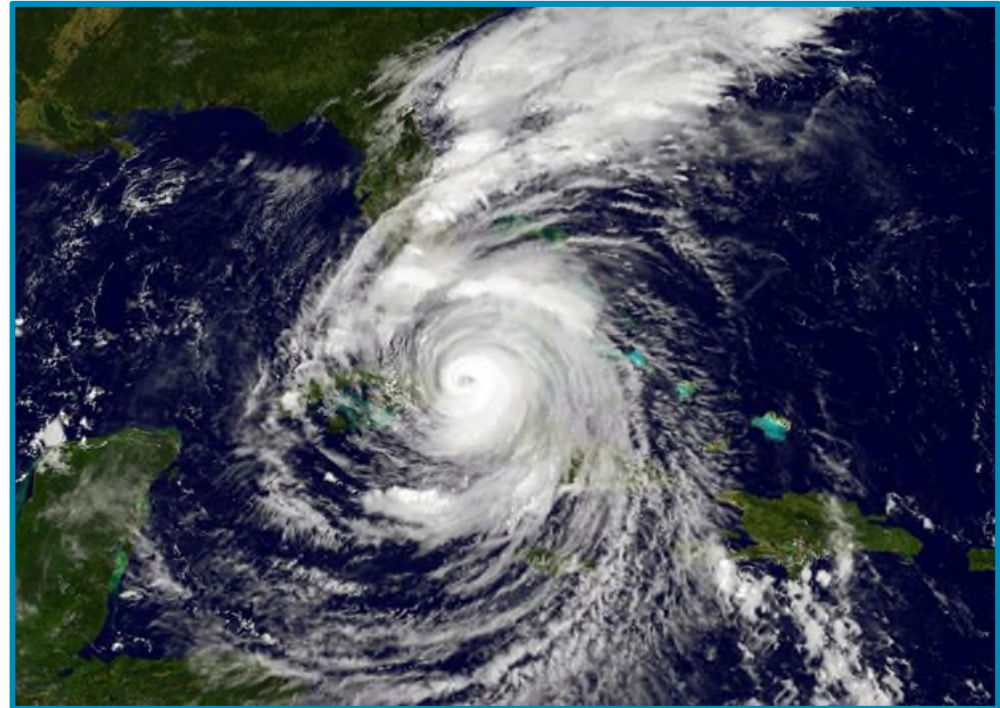


Image from slate.com

Property Damage Claims: Duties After Loss and Perfecting Your Claim

- Duty to mitigate damage
- Provide timely notice to insurer
- Remain aware of deadlines
- Allow inspection of property
- Document requests
- Examinations Under Oath
- Proof of Loss
- Appraisal
- Suits Against Us Clause

Hurricane Irma's Impact on Tourism

According to the Miami Herald:

- Airlines and cruise lines are expected to have lost millions because of canceled flights, closed airports and sea ports, and relief efforts
- Ex. Hurricane Harvey cost United Airlines \$150 million
- Zoo Miami, Jungle Island, Miami Seaquarium closed



C.M. GUERRERO. - cmguerrero@elnuevoherald.com

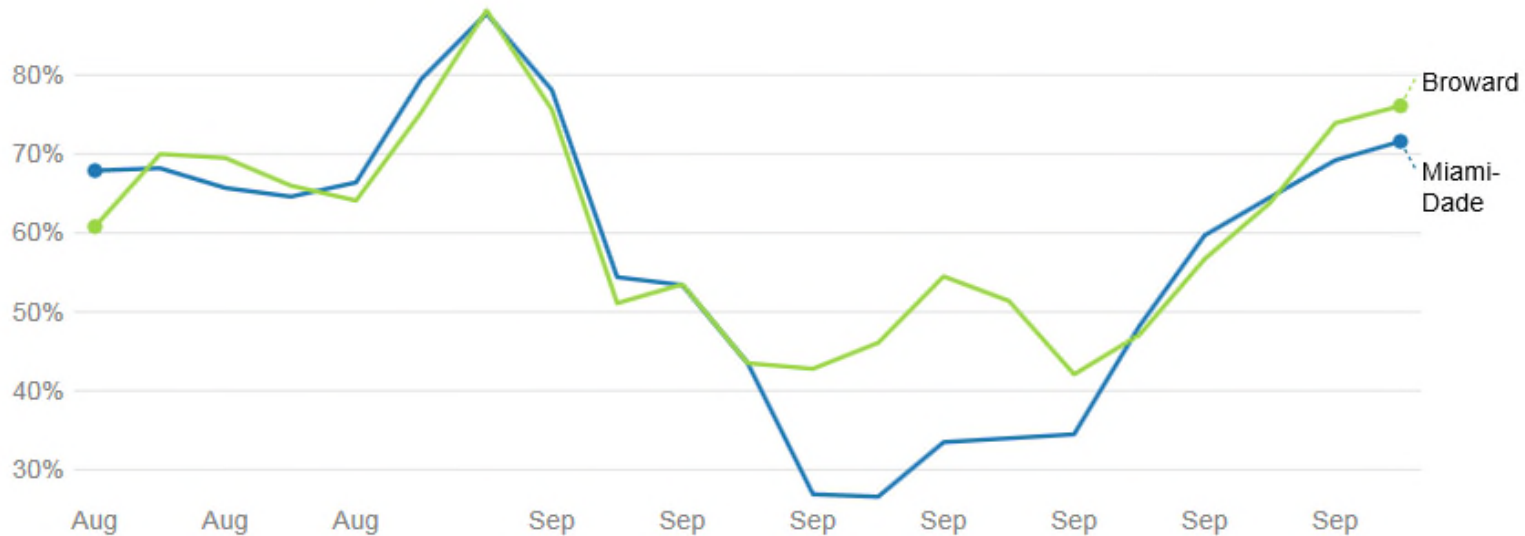
HURRICANE

Tourism industry to visitors: Don't #prayforMiami. We're fine.

<http://www.miamiherald.com/news/weather/hurricane/article175062166.html>

How Hurricane Irma impacted South Florida hotels

After evacuations began across South Florida in the days before Hurricane Irma's arrival on Sept. 9, hotels began to empty out and tourists fled. Since the storm's passage, many hotels have reopened, with some offering discounted rates to lure visitors back.



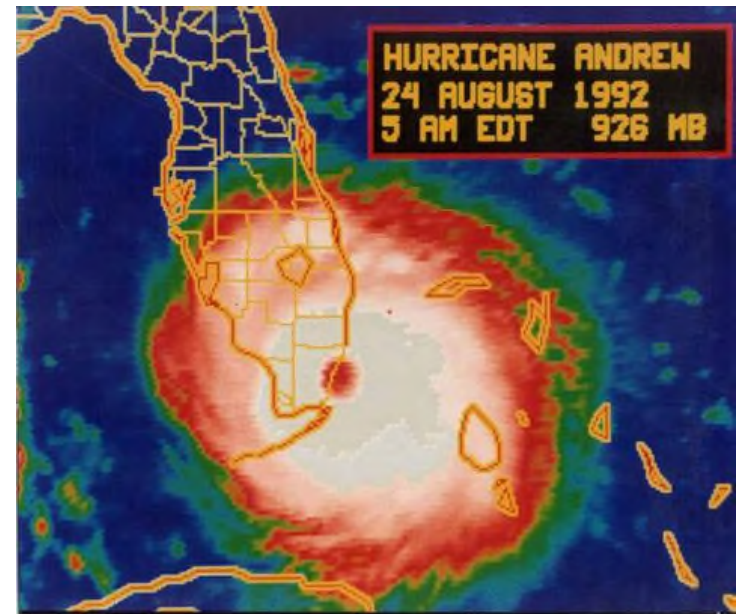
Percentages refer to occupancy at South Florida hotels.

Source: STR • Created with Datawrapper

- **Business Interruption**
 - Covers the income loss suffered because of the covered property damage (i.e. a hurricane) and income loss during a required rebuild
- **Extra Expense**
 - Costs necessary to mitigate business interruption loss
- **Civil Authority**
 - Provides coverage for when business income is lost as a result of governmental orders preventing or restricting access due to property damage occurring elsewhere
- **Ingress/Egress**
 - When ingress to or egress from the insured property is prevented by an event or when service and utility outages impact business operations
- **Service Interruption**
 - Coverage for loss due to lack of utilities, such as power, caused by damage from a covered cause of loss, to property away from the insured's property
- **Extended Period of Indemnity**
 - Optional coverage that extends period for loss of income to a specified time beyond completion of repairs to your property

Coverage Issues: Business Interruption Coverage

- Typical business interruption provisions state:
 - insurer “will pay for the actual loss of Business Income you sustain due to the necessary suspension of your operations during the period of restoration.”
 - Typical concerns:
 - Income history of business
 - Comparables– what if no adequate comparison? i.e. World Trade Center example
- What level of interruption is needed to trigger coverage under the particular policy at issue?
 - Total cessation or partial?
 - How do you account for partial suspension of business?



- Contingent Business Interruption
 - Applies where a supplier, customer, distributor, or business partner suffers covered property damage that results in lost income to the insured
- Typical language:
 - “We will pay for the actual loss of Business Income you sustain due to direct physical loss or damage at the premises of a “dependent property” not described in the Schedule (miscellaneous location) caused by or resulting from any Covered Cause of Loss.”
 - “Dependent Property” means property operated by others whom you depend on to:
 - a. Deliver materials or services to you, or to others for your account (Contributing Locations). But any property which delivers any of the following services is not a Contributing Location with respect to such services: (1) Water supply services; (2) Power supply services; (3) Communication supply services, including services relating to Internet access or access to any electronic network;
 - b. Accept your products or services (Recipient Locations);
 - c. Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or
 - d. ***Attract customers to your business (Leader Locations).***

- “Buckets” to consider:
 - Lost room revenues
 - Other lost revenues: food and beverage, conferences, retail, golf, spa
 - Damages due to loss at a “Leader” property
 - Ordinary payroll coverage
 - Typically added by endorsement
 - Food spoilage



Tips for Organizing Your Claim Now and Calculating Your Loss

- Set claim strategy and determine settlement priorities and timelines
- Collecting information
 - What records and documentation are necessary to establish lost business income claims?
 - How should you organize your claims now?
- Quantify the loss and potentially uninsured amounts
 - Work with coverage counsel and forensic accountants
- Tips for preparing credible and compelling business interruption claims



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