

National Housing & Rehabilitation Association

Annual Meeting & Symposium

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RISK MANAGEMENT AND INSURANCE

Risk Management is the process of measuring or assessing risk and developing strategies to manage the risk. (Wikipedia)

Strategies

- Avoiding the risk
- Reducing the negative effect of the risk
- Accepting some or all of the consequences of the risk
- Transferring the risk to another party
 - Vendor
 - Management agent
 - Insurance company
- Methodology for return to normal operations

Property Managers



Know the risks in your property!

Prepare:

- Emergency Preparedness Plan
- Preventative Maintenance Plan
- Building Equipment and Systems Manuals
- Lead, Asbestos and Mold O&M Plans
- Select, Manage and Oversee Contractors

Catastrophes

- Catastrophes are defined by the insurance industry as infrequent events that cause severe loss, injury or property damage to a large population of exposures



Catastrophes contd.

- Natural Disasters -Storms, earthquakes, floods
- Man-made disasters – fire, explosion, pollution, nuclear fallout

Emergency Preparedness Plan



Emergency Preparedness Plan

- Emergency Management Team
 - Need for duplication in case primary contact injured or unavailable
 - Will staff be able and/or willing to report to work?
 - Responsibilities of team personnel
 - Communication protocols (internal and external)
 - Up to date cell phone numbers

Public Relations

- Spokesperson
 - press
 - tenants
 - Family
- Crisis management assistance may be available under umbrella or GL coverage
- Notify partners, lenders, regulators

Public Relations contd.

- Public Officials -fire, police, building department, board of health
- Public Adjusters
- Insurance adjuster



Relocation of Tenants

- Shelters/ Red Cross
- Hotels
- Relatives



Business Continuity aka Disaster Recovery

- Off site file storage
- Network backups and redundancies
- Communications
- Rent collections
- System backups

Business Continuity aka Disaster Recovery Contd.

- Use of insurance proceeds
 - payable to contractor and owner/lenderIntellectual Property
- Control of laptops and mobile phones
- Financial exposure:
 - tolerable downtime -units offline
 - awaiting insurance proceeds
- Intangible impacts
 - lose employees
 - bad reputation -lose tenants, vendors, suppliers

Preventative Maintenance Plan

- Partner with insurer loss control group
- Conduct property inspections to identify and document needed repairs, potential risks and develop procedures to resolve maintenance needs.



Preventative Maintenance Plan

- Roofs
- Structures
- Walkways
- Mulch
- Drains
- Storage of cleaning and other supplies
- Risk Assessment Table

Internet of Things

Energy Management Information Systems

- Meters
- Sensors
- Control applications



Capital Needs Assessments

- Timing and costs of capital improvements



Manage Contractors

- Proper risk transfer language in contracts
- Proper insurance requirements



Review and evaluate plans regularly

- Routine training and when
 - Staff changes
 - Equipment upgrades

Insurance Claims

- Manage incident response
- Manage incident reporting
- Manage claims processing

