

# Kicking Off Hurricane Preparedness Season 2014

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Speakers convene with policy staff and industry experts on Capitol Hill to discuss resiliency ahead of the 2014 Atlantic hurricane season.

## Welcoming Remarks

Joan Woodward, President, Travelers Institute; Executive Vice President, Public Policy; The Travelers Companies, Inc.

## Keynote Address

Stephen E. Flynn, Professor of Political Science; Director, Center for Resilience Studies; Director, Master of Security and Resilience Studies Program; Co-Director, George J. Kostas Research Institute for Homeland Security, Northeastern University

## Panel

Moderator—Joan Woodward, President, Travelers Institute; Executive Vice President, Public Policy; The Travelers Companies, Inc.

Debra T. Ballen, General Counsel and Senior Vice President, Public Policy, Insurance Institute for Business & Home Safety

Stephen E. Flynn, Professor of Political Science; Director, Center for Resilience Studies; Director, Master of Security and Resilience Studies Program; Co-Director, George J. Kostas Research Institute for Homeland Security, Northeastern University

Scott Humphrey, Director of Technical Service, Risk Control, The Travelers Companies, Inc.

On May 30, 2014, the Travelers Institute in partnership with the Insurance Institute for Business & Home Safety (IBHS) convened public policy professionals, business owners and consumers for its fourth annual Kicking Off Hurricane Preparedness Season symposium. Hosted at the Dirksen Senate Office Building on Capitol Hill in Washington, D.C., the symposium focused on new and emerging disaster preparedness tips and lessons learned to help foster more resilient communities.

The Travelers Institute launched Kicking Off Hurricane Preparedness Season in 2010 as a way to help consumers and businesses better prepare for and respond to threatening storms, explained Joan Woodward, President of the Travelers Institute and Executive Vice President of Public Policy at Travelers. She described the devastation from Superstorm Sandy and recalled how recent years have shown that hurricane season can bring unexpected changes to communities. Looking to the 2014 Atlantic hurricane season, she noted that the National Oceanic and Atmospheric Administration (NOAA) was predicting a 70 percent likelihood of 8-13 named storms.



Travelers Institute President Joan Woodward discusses how Travelers is lending its risk management expertise to conversations on disaster preparedness and resiliency.



Stephen E. Flynn, Director of Northeastern University's Center for Resilience Studies, reviews the major sources of risk to critical infrastructure.



Scott Humphrey of Travelers Risk Control shares best practices in business continuity planning and risk management.

Stephen E. Flynn, Professor of Political Science, Director of the [Center for Resilience Studies](#) and Co-Director of the George J. Kostas Research Institute for Homeland Security at Northeastern University, took to the podium for the day's keynote address. Flynn began with a step-by-step guide to the successes and failures of planning for Superstorm Sandy and what preventive measures should have been considered to aid recovery.

Resiliency, Flynn said, is the ability to both prepare for and adapt to changing conditions and recover rapidly from disruptions. For larger communities, Flynn said this poses a challenge due to a daily reliance on critical infrastructure, which faces risks from aging, rising populations in urban areas and on the coasts, and delays in government action. Yet, these long-term risks can be tackled with the appropriate funding and brainpower. "Risk is with us," he said, "[And] it is here to stay."

Flynn sees investing in resilience as the key for successful companies and communities. The ability to effectively deal with risk, he said, is a competitive advantage, be it for a local business or the federal government.

To put resilience into practice, he endorsed several tactics before, during and after an emergency. Beforehand, businesses and individuals should maintain situational awareness and – if they do not have one already – develop a contingency plan and safety exercises. During an event, Flynn stressed resourcefulness and nimble decision-making to assist in rapid recovery. Lastly, once an event ends, essential function should be restored first, followed by full function and then a thorough evaluation of lessons learned to help better prepare for future emergencies.

Debra T. Ballen, General Counsel and Senior Vice President for Public Policy at IBHS, discussed the three necessary steps for building resilient communities. The first step, Ballen said, is to spread awareness about the risks facing homeowners, business owners and communities. Once there is a captive audience, there is the ability to change minds about the importance of resiliency.

"Getting people to believe a strong roof is more important than a strong countertop is how our communities become more resilient over time," said Ballen. With this newfound adoption of risk mitigation, action can be taken to transform communities for a safer future.

Ballen cited air bags in cars as an example of widespread buy-in of risk-softening measures. When Volvo first launched air bags in its vehicles, Ballen mentioned how the general public did not view them as a valuable safety tool. Yet, once video surfaced with tangible evidence of an air bag's ability to save lives in a serious accident, car buyers rapidly began prioritizing safer vehicles. IBHS hopes that continuing this dialogue on disaster preparedness for homes, businesses and communities will lead to effective action against natural disasters and other causes of loss.

"It is possible to create demand for security and resilience," added Flynn.

Ballen showed an IBHS video that underscored the need for resilient building. As part of its new Research Center grand opening in South Carolina, IBHS conducted a series of tests in which two full-scale, two-story, 1,300-square-foot houses were placed next to each other – one built using conventional construction standards common in the Midwest, and one built to IBHS' FORTIFIED code-plus standards for the Midwest. Both were subjected to the same severe thunderstorm conditions. During the course of multiple tests, there were several different failure modes for the conventional house – most dramatically in one scenario where the front entry door blew in and the entire conventional structure was reduced to a pile of rubble in less than four seconds.

Proper risk mitigation, according to Ballen and IBHS, begets many positive impacts on society. She explained how federal investment in risk mitigation (e.g., responder safety, stronger infrastructure) can lead to long-term economic growth, greater personal responsibility and, eventually, a sense of generational equity that is rooted in a more resilient community.



Debra T. Ballen of the Insurance Institute for Business & Home Safety discusses the importance of stronger building codes.

Woodward continued the discussion by live-polling the audience about their disaster preparedness practices. When asked about business continuity practices, Woodward found that 47 percent of the audience's employers have some variation of a business continuity plan – a statistic similar to what Travelers found in its recently released [Business Risk Index](#).

Scott Humphrey, Director of Technical Service in Travelers' Risk Control department, then introduced his team's new four-step strategy guide for business continuity planning, [ABC-Go<sup>SM</sup>](#), which helps identify and reduce exposures and vulnerabilities.

He debriefed the audience on the four steps and how they can incorporate them into their own disaster preparedness planning.

Humphrey then turned to preparedness for individuals and families. Polling showed that only 10 percent of the audience had a documented home contents inventory, 27 percent had a home survival kit, and 26 percent had a central meeting place and emergency family communication plan.

To start a home contents inventory, Humphrey said that homeowners should take video and photos of their belongings and store both electronic and paper files in a safe place. For a survival kit, there should be enough supplies for every family member for seven days. This includes food, water, prescriptions, money, clothing, blankets and a copy of your insurance policy. An evacuation plan, lastly, should incorporate a safe, central meeting location for your family, a main evacuation route (with safe alternatives), a plan for family communication and enough gas in a car to reach the meeting place.

The symposium closed with questions from the audience, including about the intersection of renewable energy and the strengthening of building standards. According to Ballen, there are benefits of renewable energy in community resilience and the two can – and should – be leveraged together. When the audience raised concerns about funding for such fortification, Ballen reminded them of IBHS research that found that every \$1 invested in disaster mitigation saves \$4 in recovery costs. This once again showed the positive economic benefits for communities that prioritize resiliency.

### Insurance Institute for Business & Home Safety

The Insurance Institute for Business & Home Safety conducts objective, scientific research to identify and promote effective actions that strengthen homes, businesses and communities against natural disasters and other causes of loss. Insurance Institute for Business & Home Safety is a 501 (c) (3) organization.

### The Travelers Institute

Travelers established the Travelers Institute as a means of participating in the public policy dialogue on matters of interest to the property casualty insurance sector, as well as the financial services industry more broadly. The Travelers Institute draws upon the industry expertise of Travelers' senior management and the technical expertise of its risk professionals and other experts to provide information, analysis and recommendations to public policymakers and regulators.