

One Year Later: Three Lessons from Hurricane Andrew



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Hurricane Andrew exposed more than construction defects when it blew through South Florida. It also revealed inadequacies in state condominium laws, as well as the pressing need for widespread pre-disaster preparation.

Many of the problems created by Andrew could have been prevented. This article examines some of the lessons of Andrew, and what your community association can learn from them.

Lesson 1: Develop a Disaster Plan

A complete disaster preparedness plan will allow for the possibility of a total construction loss. Consider the impact of a disaster such as Andrew. While most residents of South Florida were able to clean up the storm debris within a relatively short period of time and return to their normal routines, for tens of thousands of others life remains in turmoil. Some have found not only their homes but also their work places permanently lost.

With the possibility of such widespread turmoil, the importance of preparing and adhering to a disaster plan cannot be overstated. Consider the following recommendations when implementing a disaster plan:

Inventory documents and records. Those who experience the brunt of Andrew never contemplated that essential information, critical to the initiation of emergency response and action, would be destroyed. Every association should keep a record of essential information at a secure location away from the community. The inventory should include:

- The location and account numbers for all bank accounts, including CDs and other savings accounts
- A list of all vendors and copies of all contracts
- A list of accountants, lawyers, managers, and others
- Copies of insurance policies, including the name of the agent, and other pertinent information
- A current list of names and addresses of unit owners, including emergency contact persons for each of them

Inventory equipment. Create either a video or photographic record of the community and its equipment, and maintain a copy of the record of the community and its equipment, and maintain a copy of the record off-site.

Designate a disaster coordinator. An officer, director, or owner trained in disaster response should be authorized to implement the disaster response program.

Establish an information facilitator. Many communities devastated by Andrew were evacuated prior to the storm. The residents, including the officers and directors, scattered in all directions, rarely leaving word of where they were going. Following the storm, a total communications blackout and the destruction of most community facilities left nowhere for owners to meet. It was difficult, if not impossible, to locate community leaders and communicate with them.

Every association needs to identify a person to serve as an information facilitator. The name, address, and phone numbers of this person would be provided to every owner so that when the ability to communicate with other owners or the board is disrupted, the information facilitator can coordinate communications among residents of the community.

Establish and emergency operations center. Designate a location from which the board will function in the event of a disaster.

Include contingency plans. Many residents boarded up their homes, stocked food and water supplies and filled their automobile gas tanks. Few, however, contemplated devastation so great that they would be unable to leave their homes for an extended period following the storm. There were no viable means of communications. Individuals could not leave their homes or shelter, nor could rescuers get in. Disaster planning must consider alternative scenarios.

Lesson 2: Supplement Insurance Proceeds

Insurance that seemed adequate before the storm simply wasn't sufficient. Most insurance experts stated that the probability of a total construction loss within a large multiple building community was slim to none. One condominium pooled its resources in order to purchase blanket policies with policy limits that seemed adequate, only to experience a total construction loss. The insurance proceeds were inadequate for reconstructing the entire community.

We also discovered that some major sources of economic loss are not normally covered by insurance, such as landscaping, exterior building paint, and building foundations.

Many homeowners failed to maintain coverage for their personal effects and building up-grades within their homes. It is recommended that homeowners residing in mandatory membership communities maintain homeowner coverage with at least the following endorsements:

Loss Assessment Coverage: Protects against special assessments levied by boards to cover losses from covered peril, when the primary coverage is inadequate.

Water Seepage Coverage: Covers water damage from wind-driven rain or water entering from a source other than an opening in the building (e.g. through stucco or around window frames.)

Additions, Alterations, Improvements and Betterments Coverage: Covers upgrades, as well as real property added by the unit owner. This endorsement is often available with all risk coverage, without a water seepage exclusion.

Even assuming that one maintains adequate coverage, there is a risk that not every insurer will survive extraordinary claims. Andrew brought many insurance companies to their knees. Careful consideration must be given to the financial strength of the insurer. Keep in mind that the lowest quote is not always the most secure coverage.

It is imperative that a reserve fund be maintained for contingencies and to cover deductibles.

Lesson 3: Respond Quickly After the Disaster

Quick response according to a preconceived plan will minimize damages and promote a speedy recovery. After the disaster, associations should take steps to:

Account for residents. Knowing the whereabouts of all residents greatly enhances emergency response time following disaster. In a situation such as a hurricane, in which there is advance warning, a committee should ascertain which residents are remaining in the community and which are evacuating. A temporary destination address and phone number should be obtained from those who are evacuating. Once disaster strikes, the board's first action should be to direct emergency medical assistance to any residents in need.

Survey the property and identify areas needing priority attention. Depending on the nature and extent of the damage, it may be necessary to

evacuate or shore-up a structure, and to obtain security to protect against criminal acts and/or to prevent further damage. All contacts with contractors should be made in advance, as part of the disaster phase.

Establish lines of communication. It is imperative that a source outside the community be identified in advance to coordinate communications among community leaders following a disaster. The designated person may be a board member's relative situated in another city or a professional engaged by the community for that purpose. Regardless, every officer and director should be instructed to contact the communications coordinator within a fixed time period after the disaster and provide him with an address and phone number. The communications coordinator can also be a vital link between the board and the residents. Efforts should be made to locate all owners.

Dispel rumors by disseminating necessary information. After establishing a means of communication, every effort should be made to meet with owners to discuss the situation and to inform them of the actions in progress to protect their property and respond to their needs.

Contact employees and vendors. The communications coordinator should maintain a detailed list of all vital information and services utilized by the community. This should include:

- A list of all vendors and professional employed by the community (accountants, attorneys, insurance agents, etc.)
- Copies of all outstanding contracts, bank accounts, locations of all community funds (including CDs and/or other investments), and insurance policies
- The names of the building's designers, to use as a source of back-up for as-built plans and specifications.

It may be necessary to suspend or cancel on-going contract, such as pool and lawn services, following a disaster.

Ensure protection of persons and property. Following Andrew, looting was widespread in some areas. It may be necessary to contract from private security when police are unavailable.

Disaster do not respect geographic location or economic status, and can occur at any time. Their effects can last for years. Pre-disaster readiness will, however, go a long way toward promoting recovery.

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