

Comprehensive Emergency Management Model

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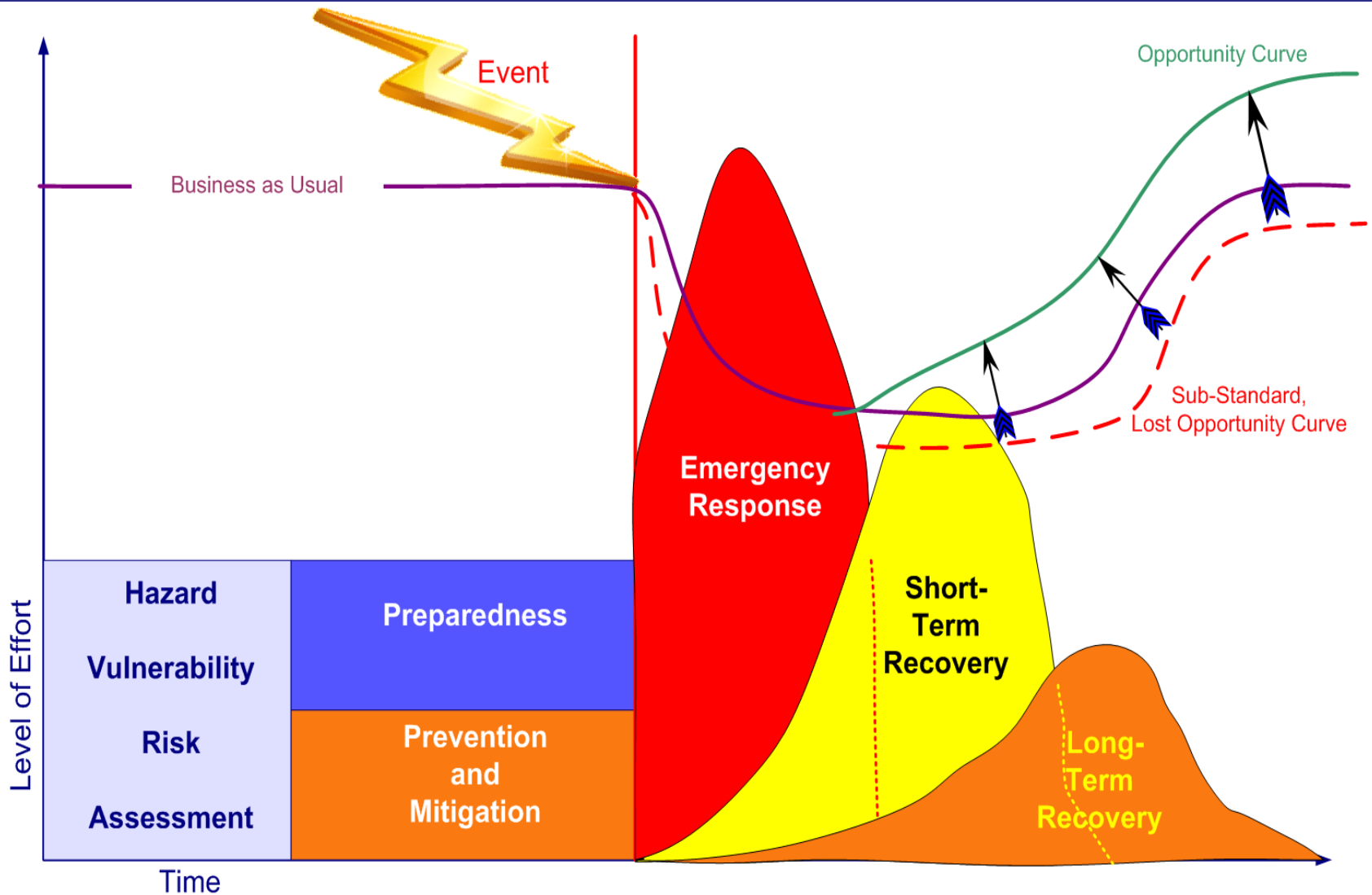
Overview

1. Introduction to the Four Pillars of EM
2. The CEM Model
3. Hazard Vulnerability Risk Analysis
4. Prevention/Mitigation
5. Preparedness
6. Response
7. Recovery
8. Review of the CEM Model

Slave Lake Area Wildfires

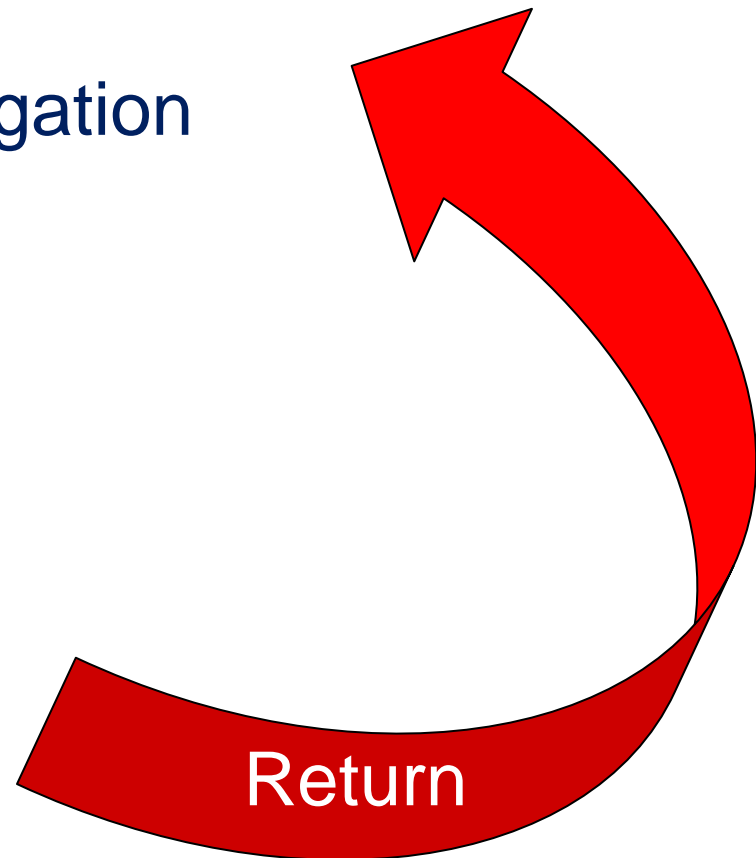


Comprehensive Emergency Management Model



The Four (Five) Pillars of Emergency Management

- Prevention/Mitigation
- Preparedness
- Response
- Recovery



Hazard Vulnerability Risk Analysis

- A **Hazard** is something which **could** occur and which **would** have consequences if it did occur
- **Vulnerability** is the intersection of:
 - The **Probability** of it occurring
 - Our **Preparedness** to deal with it occurring
- High Hazard + High Vulnerability = **RISK**

Prevention and Mitigation

- **Prevention** – obvious but difficult for natural hazards
- **Mitigation** – Actions taken before an event to minimize the impact

Prevention (Human Induced)

- Awareness programs
- Passive enforcement
- Active enforcement

Mitigation

- Long Term
 - Insurance!
 - Firesmart Program
 - Protective Infrastructure
- Short Term (with warning)
 - Re-position equipment
 - Sandbagging
 - Increase staff and equipment readiness

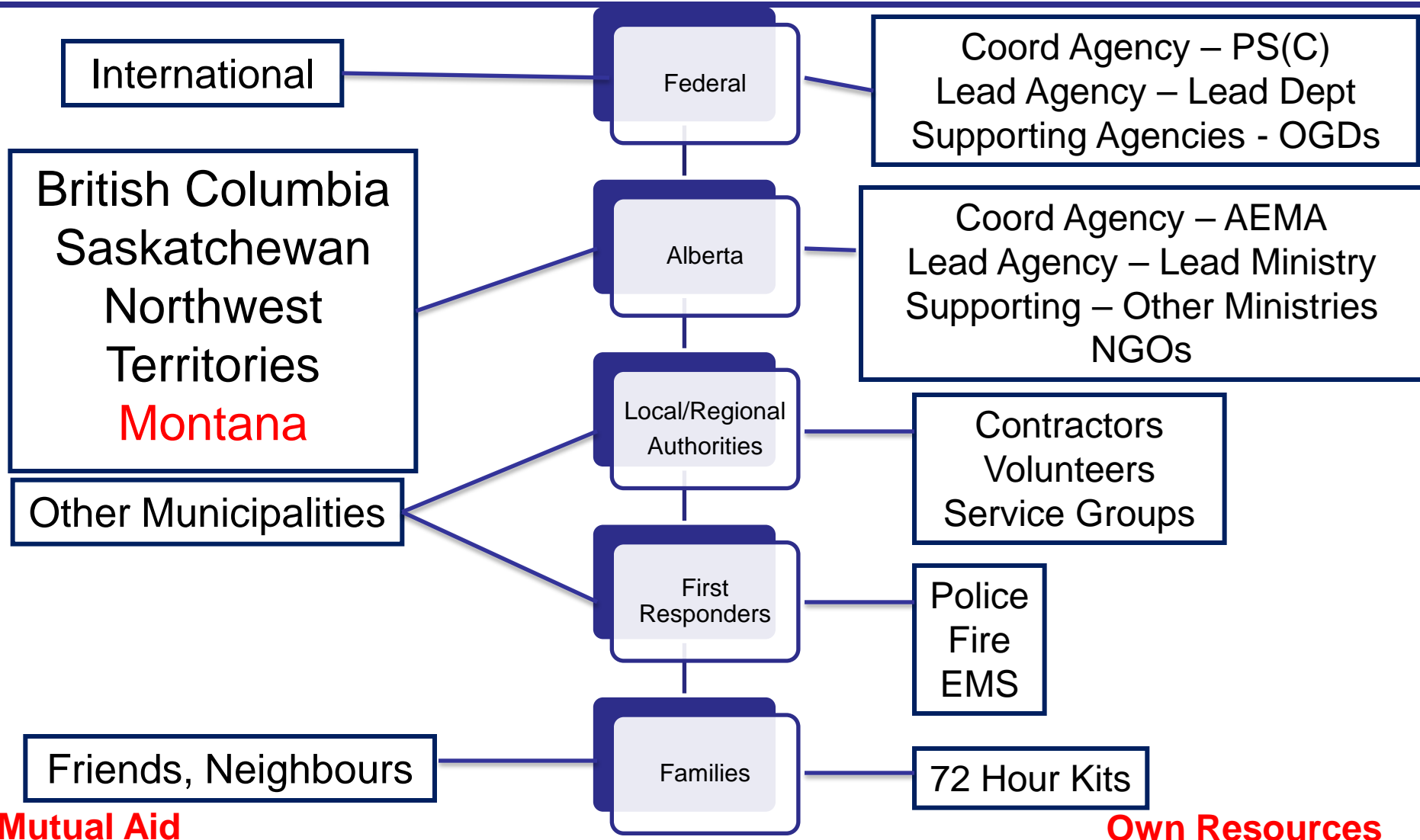
Preparedness Activities

- Plans
 - All hazards
 - Hazard specific
 - Resources
 - People
 - Equipment
 - Money
 - Training
 - Exercises **AND** lessons learned
- 

Response

- Alberta employs a **Tiered** and **Scalable** Emergency Management Response Framework

Canadian Emergency Mgmt Framework



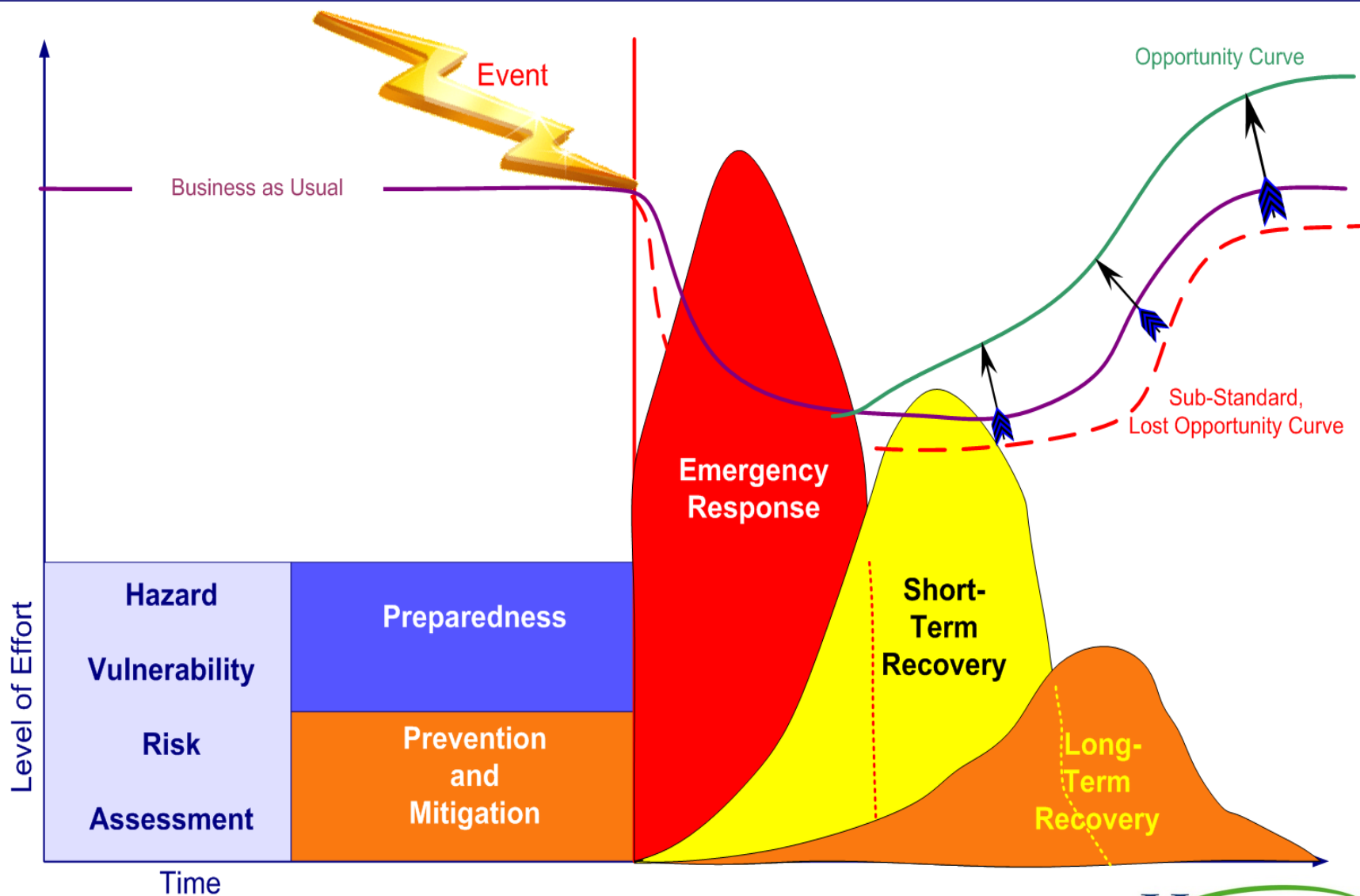
Mutual Aid

Own Resources

Recovery

- Short-term recovery
- Long-term recovery
- Leveraging recovery for a more resilient future

Comprehensive Emergency Management Model



Questions?



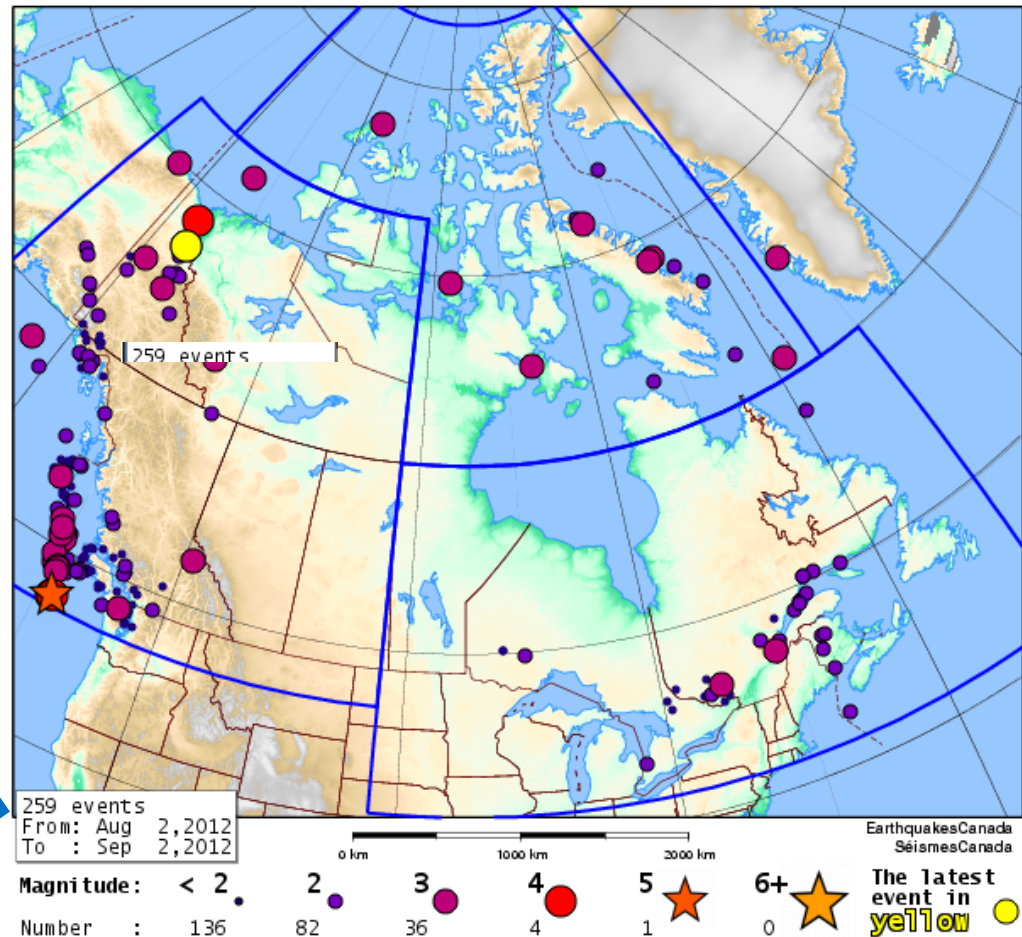
A Claim Manager's Perspective

Gerald Kissner
Vice President, Property Claim Group
Zurich in North America

Are We Prepared?

All Earthquakes of the last 30 Days

259 events
From: Aug 2, 2012
To : Sep 2, 2012



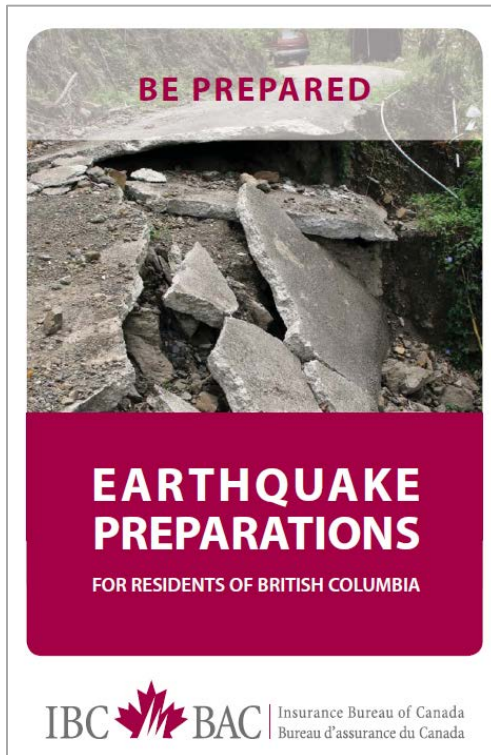
(source: Natural Resources Canada)

Are We Prepared?

- Good News
 - CATs are “on the radar”
 - Solid engineering/science
 - Global lessons
- Challenges
 - Untested Business Continuity Plans (BCP)
 - Insurance terms & limits aligned with BCP's?
 - Limited industry resources



Good News - Awareness



Public Safety
Canada

Sécurité publique
Canada



Natural Resources
Canada

Ressources naturelles
Canada



EmergencyManagementBC

“Small World”

- Customers
- Suppliers
- Insurance carriers
- Reinsurers
- Loss Adjusters

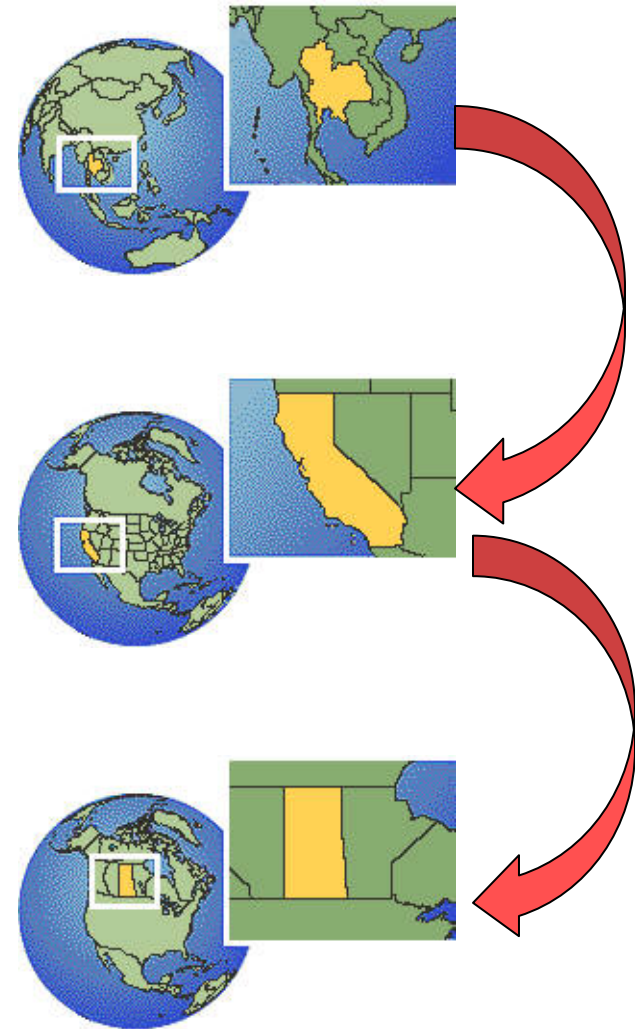


Global Connection – Global Impact



Challenges – Untested BCP's

- Think beyond local facilities?
- Account for remote/international dependencies?
- Consider sub-contractors and sub-subcontractors exposures and plans?



Challenges – BCP's - Know Your Team

- Know your insurance carrier
- Clarify responsibilities before the loss
- Identify decision-makers
- Draft communication plans
 - Internal
 - External
- Contractors/Consultants



Challenges – BCP's – Account for Time

- Safety First
- EQ - aftershocks
- Civil Authority
- Customer base
- Employees
- Adjustment



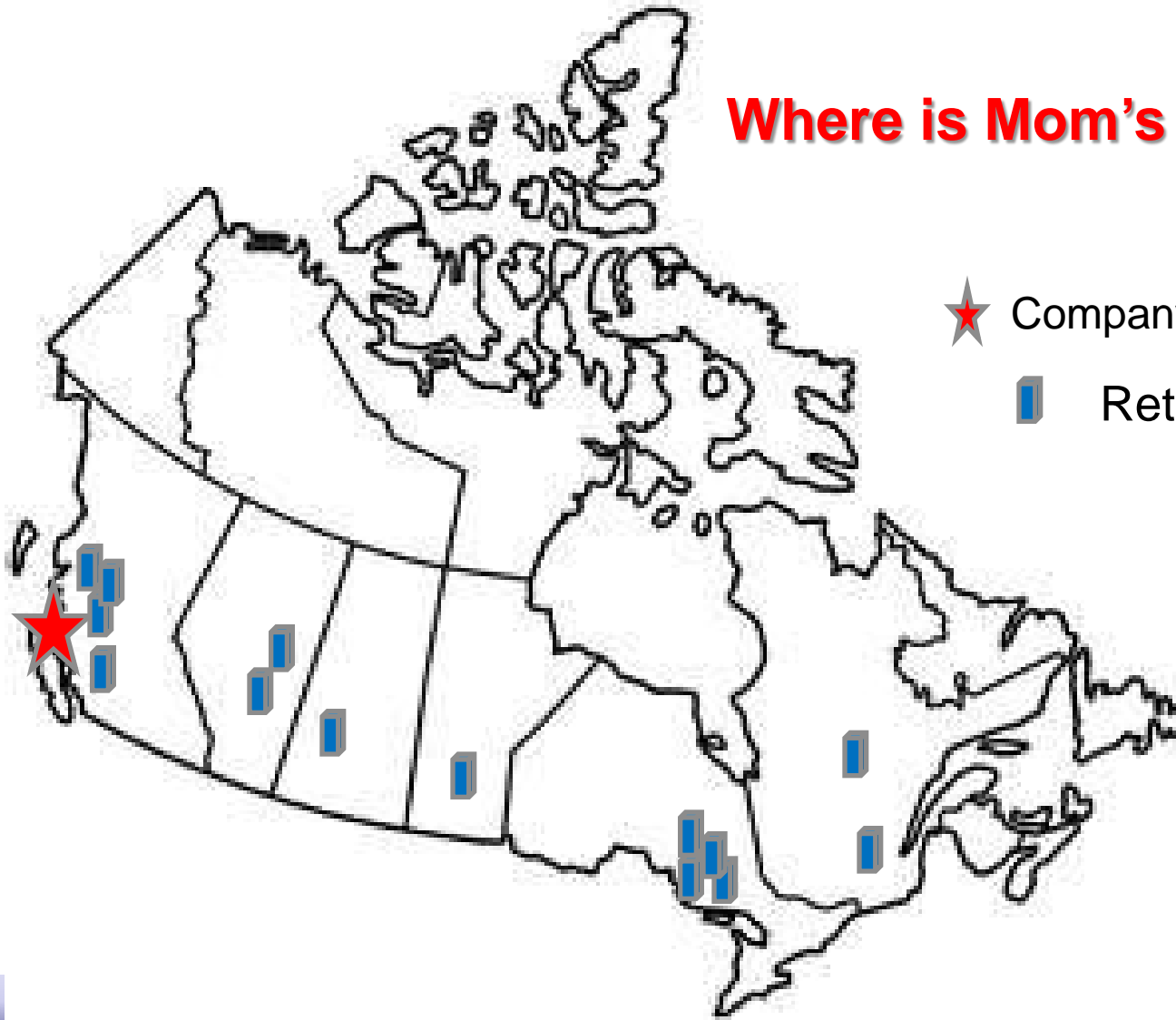
Challenges – Align Insurance with BCP

- Appropriately identify exposures – where are they?
- Appropriate Business Income Values
- Understand Key coverages
 - Extra Expense
 - Dependent Properties
 - Service Interruption
 - Contingent BI
 - Supply Chain
- “Mom’s Chocolate Co”



Mom's Chocolate Company

Where is Mom's Exposed to CATs?



★ Company HQ and Manufacturing

■ Retail Chocolate Shops

Mom's Chocolate Company

Where is Mom's Exposed to CATs?



- ✓ Company HQ
- ✓ Manufacturing Plant
- ✓ Single retail shop
- ✓ Multiple retail shops

Mom's Chocolate Company

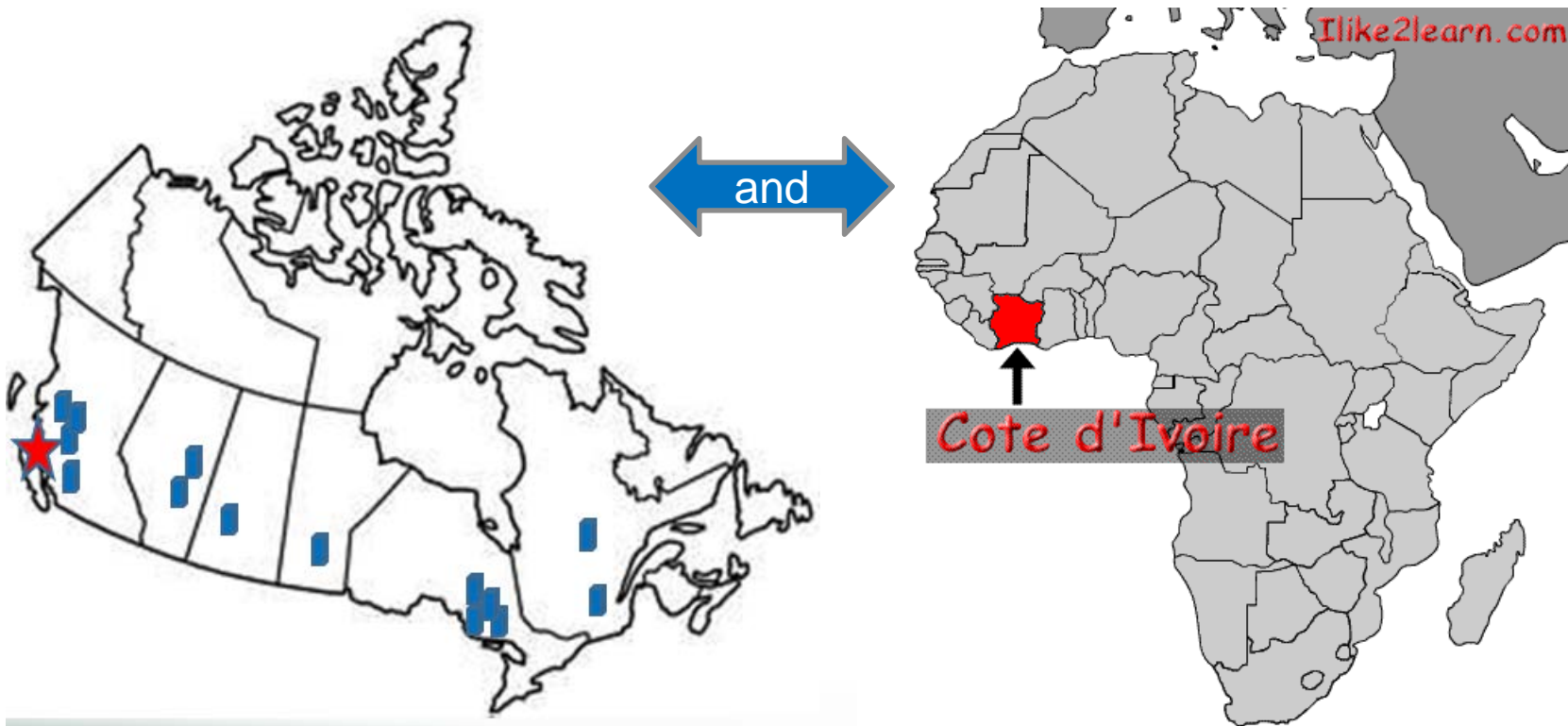
Where is Mom's Exposed to CATs?



- ✓ Local Delivery Trucks
- ✓ Local Paper Goods Supplier
- ✓ Local Natural Gas Utility
- ✓ Local Electric Utility
- ✓ Local _____

Mom's Chocolate Company

Where is Mom's Exposed to CATs?



Mom's Chocolate Company

Where is Mom's Exposed to CATs?

- “Ivory Coast”
- #1 Cocoa-Producing Country
- 37.4% of world production
- 1.3 million tons per year
- Followed by:
 - Ghana
 - Indonesia
 - Cameroon
 - Nigeria



Source: *tiptoptens.com*

Other Exposures for Mom's



Offshore Customer Inquiry/Orders



In Transit



ISP/Website host

Aligning “Mom’s” BCP and Insurance

BCP Element

- Lengthy period of restoration for building
 - Set up temporary production facility
- Secure new supplier in Ghana due to CAT in Ivory Coast

Insurance Consideration

- Understand values and associated limits – dollar and/or time
 - Appropriate Extra Expense coverage/limits
- Appropriate Extra Expense coverage/limits

Challenges – Limited Resources

- Limited qualified talent
 - Loss adjusters
 - Engineers
 - Contractors/Builders

“A great hockey player plays where the puck is going to be.”

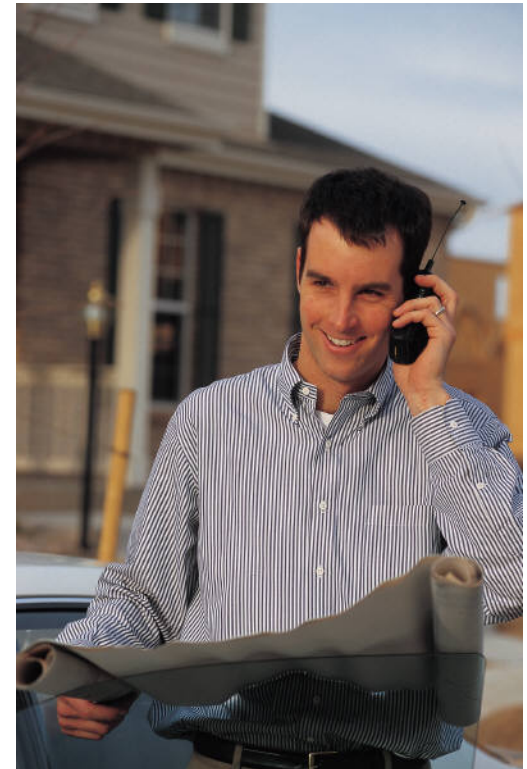
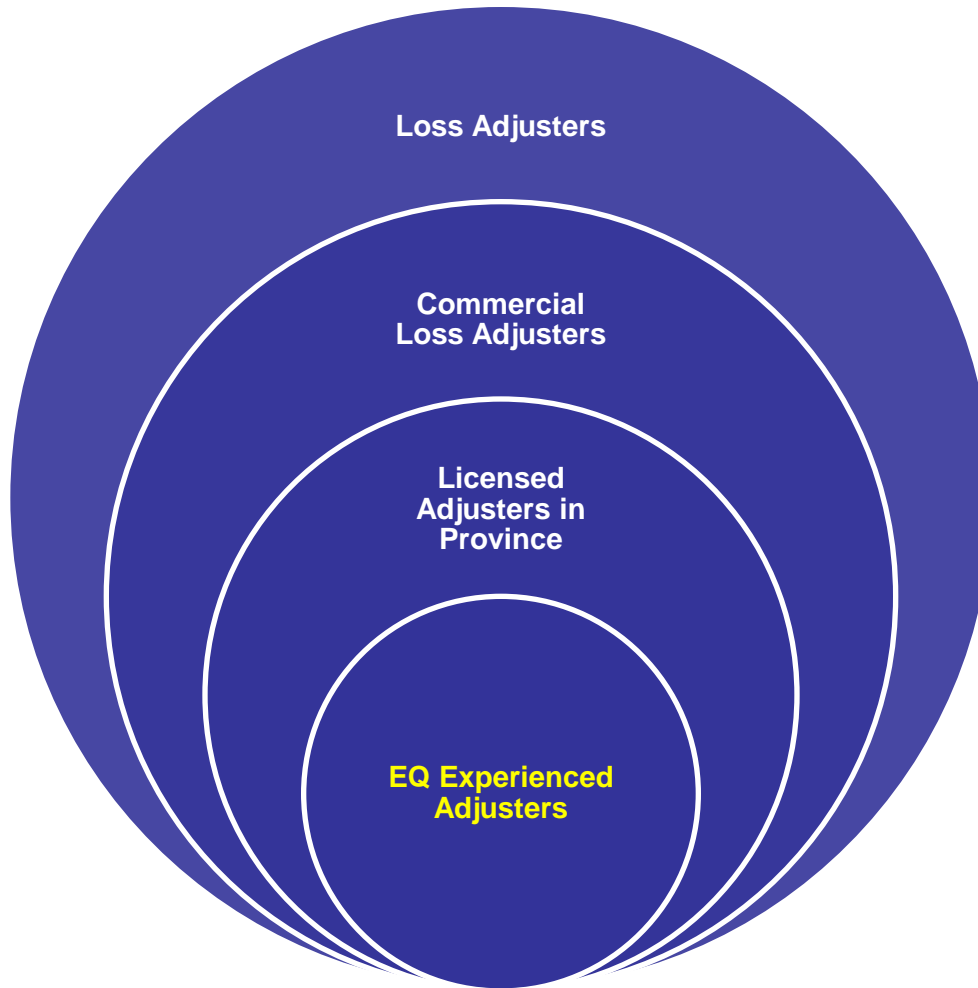
-- Wayne Gretzky



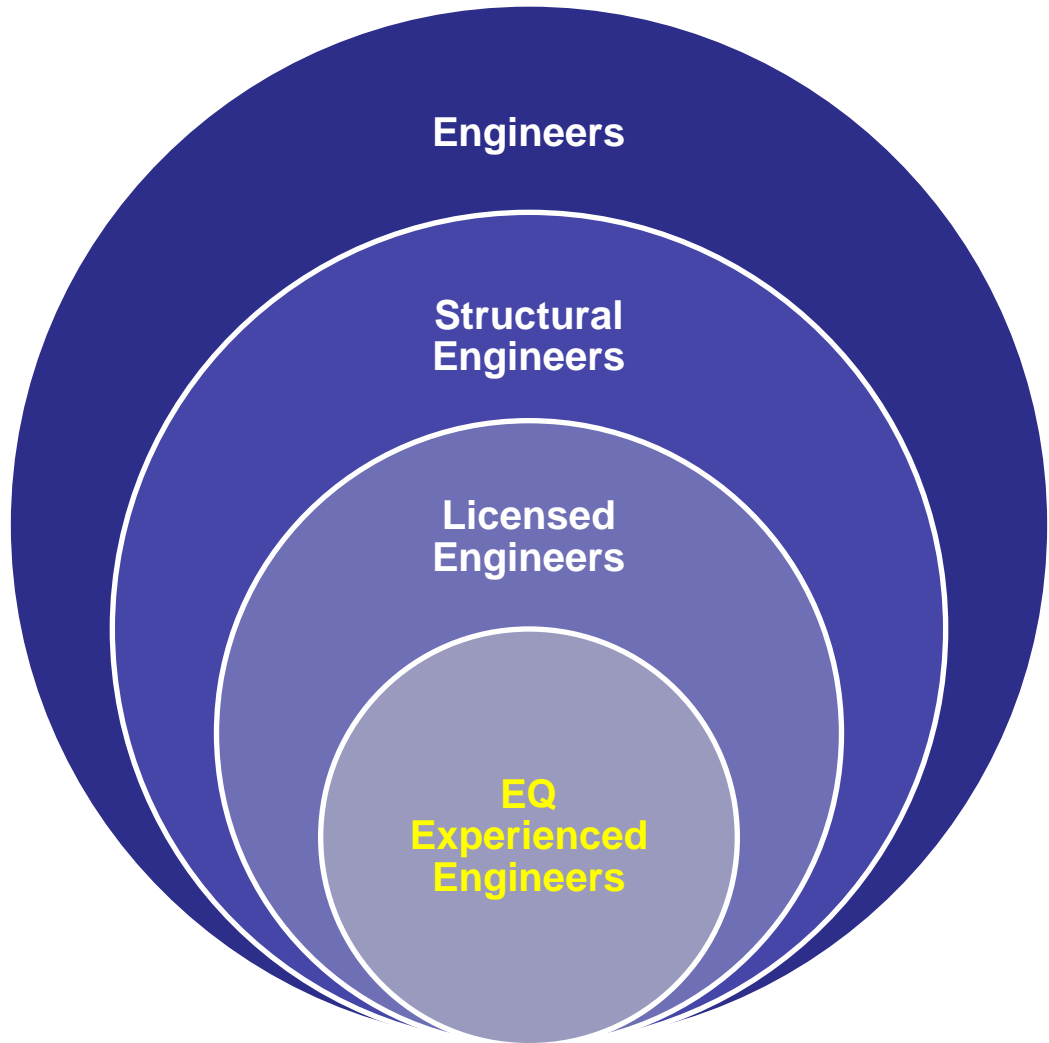
Global Events Impact Global Resources (Japan Example)



Limited Pool of EQ Adjusters



Limited Engineering Resources



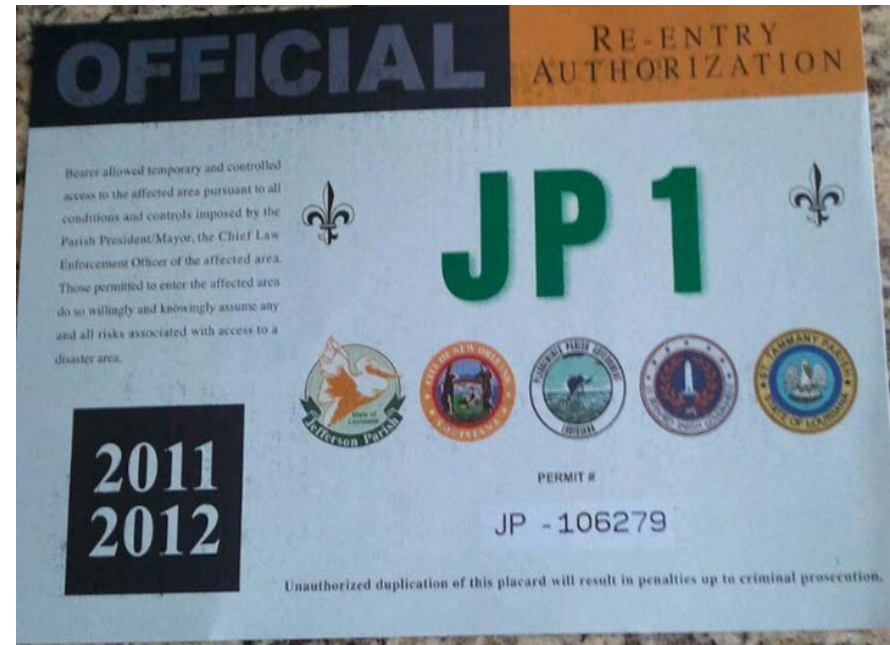
What's Important Now - Insurers

- Challenge and Test CAT Plans
- Identify & confirm key resources
- Broaden the Claims talent pool



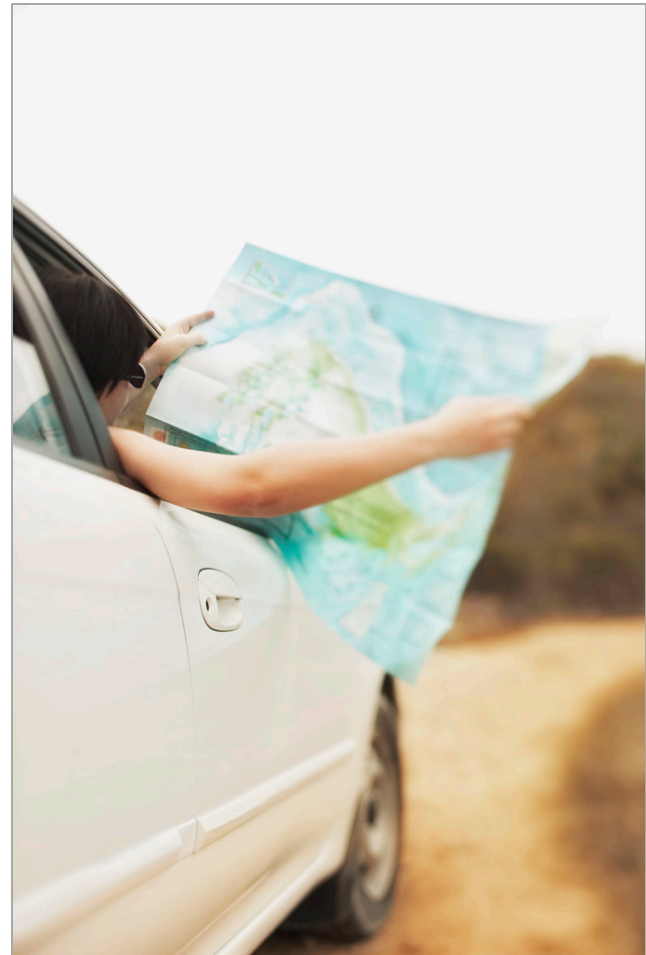
What's Important Now - Regulators

- Continued emphasis on awareness
- CAT Claim Manager's "Wish List"
 - Streamlined work permit process for international adjusters
 - Pre-event credentials for loss adjusters



What's Important Now - Customers

- Challenge and Test BCP's
- Understand Your Suppliers' BCP's (and their suppliers)
- Challenge “blue sky” assumptions
- Make informed decisions about time element coverage consistent with BCP



Enjoy the rest of the
2012 RIMS Canada Conference!