

Preparing for a Catastrophe **by Laura Jamison**

Here in Florida, hurricane season is coming once again in June. It's hard to believe that it has been eight months since the devastation of Hurricanes Charley, Frances, Jean and Ivan. I drive through places like Punta Gorda, Port Charlotte and Wimauma, Florida in my travels to client offices and I can personally attest to the fact that these places will never be the same again. Even if a hurricane is not the disaster that affects you, everyone can be better prepared. One dentist here in Ft. Myers, Florida found out the hard way that coverage for all things damaged by disaster and the reimbursement for losing his office to Charley did not come easily. Here are some things he would like you to know.

Dr. Matthew W. Allen, IV has been in the general practice of dentistry for forty years. A graduate of the University of Tennessee, he started practice as an associate and built his present facility in 1974. He has been insured by Brown & Brown Insurance, Tampa, Florida under the Professional Protection Plan which is underwritten by Continental Casualty Company, a CNA property casualty company.

Coverage was discussed annually and without much thought he renewed coverage each year. That is until Hurricane Andrew occurred. He then renewed the following year by increasing his coverage. The value of coverage increased but the expense of the policy increased only slightly over the years. Even so, Dr. Allen never thought he would experience a catastrophic incident that would destroy his office building and equipment and did not determine what the total replacement cost would be. He didn't think he would need greater coverage than he had. He was insured for \$ 375,000 on his building.

Hurricane Charley hit Fort Myers on August 13, 2004. This was a Class III storm; 100 mph winds and tenacious rainfall. Dr. Allen returned to his office the next day to find that his roof had collapsed and that the entire interior had been damaged by the rain and debris from the storm. They were able to salvage the patient charts (due to proper storage) and several computers.

Where do you go from there? Dr. Allen contacted CNA and a claims adjustor arrived five days after the hurricane to begin the evaluation of the destruction to the building. The adjustor appointed a lady from a salvage company to conduct an inventory of everything in the office. Unfortunately, she didn't know dental equipment, so he and his wife, Jean and members of his team had to assist her for two days in getting a list together with serial numbers.

Also, all supplies on hand had to be inventoried and a value placed on them. In order to get a replacement value for the equipment, he had three dental supply companies come and review the list and make a bid. The replacement cost of everything that came under the content section exceeded the limits of the policy. For equipment, the limit of the policy was \$213,000.

As for the building, Dr. Allen had to have a certified contractor submit a documented proposal for restoring the inside of the building. The roof replacement had been authorized in the first few weeks by the primary claims adjuster. Again the renovation exceeded the limits of his policy for this coverage. To clean up the debris, Dr. Allen had \$25,000 in coverage and the cost for debris removal by a specialty company was \$76,000. After all was submitted and many meetings to negotiate the differences between what the limits of coverage were and what aspects of the project cost, CNA met the maximum limits of Dr. Allen's policy and the work was begun. "So far, I have had a great experience with CNA who has lived up to the terms of my policy." stated Dr. Allen.

The biggest hurdle Matt dealt with was how to keep his practice alive during the restoration of his building. After all it was a slow pace of progress with the insurance company and a lot of confusion in understanding elements of his policy coverage. Patients had appointments and he and his team had nowhere to take care of them.

Fortunately and perhaps most importantly, Dr. Allen had invested in business interruption coverage as part of the policy. It was difficult to understand and took several meetings with a forensic accountant to come up with what CNA termed "actual business loss". They had a formula, based on the previous twelve months of revenue and expenses that was used to determine the amount to be due. It was misleading and confusing and could not have been determined without the help of his accountant.

Dr. Allen also had some generous colleagues. He was offered a room in other practices several days a week at first and then other rooms came available. Their patient charts initially were stored in a U-Haul mini truck and are now in a storage facility several blocks from the office where they are working. He is now renting three rooms in an office just around the corner from where his facility is under renovation. Dr. Allen has worked out of one room and each of his high producing hygienists work out of one room.

At the cornerstone of this entire plan has been his office manager, Bonnie Weinstein. Bonnie set up an office in her home with salvaged computers, scheduled patients and handled all of the business functions of the practice. "Without Bonnie being able to do what she did in her home office, we would not have been able to survive as a practice." said Dr. Allen. "Also, the loyalty of my team and their experience, allowed us to adapt to each situation that was encountered and to be successful. I have been amazed by our patient loyalty during this ordeal. They have been supportive and patient with our situation and have continued to stay in the practice."

Dr. Matthew Allen and his team have been together for over twenty years. They have been through some great experiences and have hit some extraordinary goals but none as great as the task of working through the total loss of their facility. They are all to be respected for their endurance over the last eight months and in June they will be back to work at their beautiful new office located at 1851 Colonial Blvd. Ft. Myers, Florida. What's old is new again. And who would have thought that after forty years, out of catastrophe blossoms a renovated facility and a rejuvenated practice.