

# Hurricanes and Heartache on the Texas Coast

## A Timeline of the 2017 Storm Season

By the time Hurricane Harvey made landfall in Texas near the Rockport-Fulton area on August 25th, four tropical storms and two hurricanes had already been and gone. None, however, packed Harvey's punch. A Category 4 storm, Harvey's winds reached 130 mph. Stalling over the Texas coast for days, Harvey eventually returned to the Gulf of Mexico as a tropical storm. But on August 30th, it made a comeback, this time landing near Cameron, Louisiana. Days of unyielding rain and high-powered winds sent numerous counties into survival mode, displacing millions. In the six days it spent on land, Harvey killed more than 80 people, dumped more than 27 trillion gallons of water, and cost an estimated \$75–\$190 billion in damages, so far.

While Hurricane Harvey performed its encore in Louisiana, another storm grew. Within 24 hours, Tropical Storm Irma became a hurricane. Days later, the National Hurricane Center upgraded Hurricane Irma to a Category 5—its severest rating. With winds reaching or exceeding 157 mph, catastrophe was said to be imminent. On September 6th, Hurricane Irma struck Antigua, Barbuda, St. Martin, Anguilla, St. Kitts, Nevis, the US Virgin Islands, and the British Virgin Islands, before causing further damage and destruction in the Dominican Republic, Cuba, and the Bahamas. Then on September 10th, Irma struck the Florida Keys. Gradually weakening, the storm continued moving northward. By the time Irma fell apart over Tennessee on September 13th, it had killed at least 70 people and caused an estimated \$50–\$100 billion in damages.

On September 18th, Hurricane Maria, another Category 5 storm, devastated the Caribbean island of Dominica. Two days later, Maria became the most powerful storm to hit Puerto Rico in 85 years. Eight weeks after the storm, estimates put the death toll at more than 51 and damages at \$90 billion and rising. Damage was so widespread and severe that some reporters described the storm as "apocalyptic."

This year's overwhelming and heartrending hurricane season ended on November 30th. In a list of 26 storm names reserved for 2017, only six names are unclaimed. Costs to global insurance and reinsurance sectors is estimated at \$190 billion or more. And the personal devastation coupled with personal heroism revealed in this season of hurricanes is extraordinary.

Dr. William T. Hold, CIC, CPCU, CLU, President of The National Alliance, expressed it this way, "Hurricanes Harvey, Irma, and Maria are still raw in our memories. Disasters like these, rock our

foundations physically and emotionally and make us reconsider what is important. So many lost so much in these super storms, with each individual and family affected facing a very real test.

We all watched as the touching personal stories unfolded on television before our eyes—millions of people suffering, their lives under threat. It was difficult at times to know how to help. In our stead, there were the first responders, sacrificing their own wellbeing. Soon, there were neighbors and strangers, gallantly helping one another, holding out a hand as a link to safety and life. Then, there were first responders of another kind—insurance agents, claims personnel, brokers, and underwriters who hit the ground running. They were doing what insurance professionals do, but both on an individual and a massive scale, helping rebuild lives and opening a way forward for their clients.” In the stories here, you will read about the individuals and agency representatives who experienced the storms firsthand either as victims, first responders, or both. And you will hear about some of the people at The National Alliance who are dedicated to making this “year after” a season of giving.

The National Alliance’s Chief Innovation and Academic Development Officer, Mitch Dunford, and Video Production Specialist, Ben Griffin, took a trip to South Texas just two weeks after Hurricane Harvey’s landfall. In their travels, the two recorded the hurricane’s devastation as they headed south. They interviewed storm victims and on-the-ground insurance personnel, some of whom had also lost everything themselves, but were working hard to serve their clients in the wake of the storm. In Rockport, Texas, Mitch interviewed Blake McDavid, VP of Sales, and Kenny Cruzan, IT Manager, both of GSM Insurors, a family-owned insurance agency which has been in business in Rockport since 1923.

### **Learning Harvey’s Lessons—Blake McDavid, VP of Sales, GSM Insurors**

Blake McDavid has lived in Rockport all of his life and has seen his share of extreme weather. Yet none of it, he says, compares to Hurricane Harvey. “Reports before the storm indicated that Harvey wouldn’t be anything more than a tropical depression. I think one lesson from this experience is to not take anything for granted. Get prepared, get your family prepared, and get your agency prepared. Have a plan in place well before hurricane season. That way, you can act quickly when a weather situation changes.”

On the morning of August 25th, Harvey intensified rapidly from a tropical depression to a major Category 3 hurricane. McDavid recalls, “We went from, ‘We’ll stick around and ride it out,’ to ‘We have to get out of town,’ within the span of a few hours. We had an action plan, but once we made the decision to go, so had the rest of the Coast. The highways were flooded with people, the hotels were flooded with people, and we realized that we needed a longer-term plan. We had already booked a hotel, but we knew we might not have a livable place in Rockport to go back to the next

day. Luckily, we were able to book for a longer stay out of town—that way we could assess from afar, get back in as soon as we could, and then reassess from within the disaster area.”

McDavid’s agency knows it pays to be proactive in times of disaster. Following an extreme weather event, especially one of such magnitude, establishing one-on-one communication with clients is a priority. “You can never plan 100% for an event like this,” says McDavid. “But we had a backup office location ready to go so we could be up and running within 48 hours of returning to town. We assumed that our buildings would be knocked down—assumed that the worst would have happened.”

One thing McDavid says they never anticipated was the personal side of their employees’ situations. “What if our employees’ houses are gone? Logistically, where do they go? Most people run to their families who are out of town. For others, because it was a last-minute decision, the hotels are full, and their choices are limited. As a result, we wound up with personnel spread across the state, and we knew we would need them here to respond to the requirements of the community. So getting the office up and running was the first and most challenging task. It was a big help to have key people on the IT side and on the operations side who were mobile. They were initially outside the disaster zone, where they could use cell phones to call our employees and see if they were okay—find out where they were going to be. Then these key people were able to get back into Rockport, check on employees’ houses and scout the situation.” McDavid recommends, “Go with your plan and then improvise as the situation unfolds.”

McDavid has nothing but praise for local residents. “As torn up as our town was, we have been so impressed with the citizens of Rockport and the communities nearby—Ingleside, Port Aransas. People came back in really quickly. It was important that our agency be here and that the people see us here—to answer questions, yes, but more importantly, just to be here. We had a lot of people coming in, and they didn’t know what their next step was. They were broken—they were crying, and they’d lost everything. It was important to be here for them—just be here for them and relate directly to them on a human level—to our customers, to our employees.”

Handling the human side of things, the constant flow of insureds coming through the office turned out to be an unforeseen emotional challenge. “But since we are living it as well,” says McDavid, “we can empathize. We live just blocks away from the office. We have a very personal relationship with most of our insureds. Don’t ever forget the relationship side of your business because in times like these, it’s important for both client and agent. You’re helping your clients emotionally, financially, supportively.” All of these elements factor in to making a difference in clients’ lives, helping them to hold on.

“We’re working hard to keep ahead of the claims,” McDavid says. “By about three in the afternoon every day, after starting at six in the morning, we are physically and emotionally drained. Partially just from the workload, but it’s also from the weight of the stories we hear coming from our clients. That is very difficult for us to handle. Many on our staff have lost their homes and everything as well, but they feel so bad for the people coming in. It’s been a bigger emotional ride that we could have ever imagined.”

According to McDavid, the response from inside and outside the community has been huge. “Everybody has been amazed at the support we have received locally, statewide, and nationally. We have volunteers who are cleaning up people’s yards, houses, and picking up debris,” observes McDavid. “That has helped so much on the emotional side. When people can go to their damaged homes and not see the downed trees, the storm debris, or shingles and roofing all over the property, it helps their psyche a little bit to have their properties looking more normal. Or they can return to wherever they are staying out of town, feel some relief, and say, ‘Okay, because the yard was cleaned up today, I can begin to see the light at the end of the tunnel.’”

It seems that most people in the Rockport area want to rebuild right away. McDavid says, “If people could get their insurance checks tomorrow, they’d be trying to reconstruct their homes. Educating clients that this is a disaster on a wide scale, encouraging them to have patience, and readying them for a realistic rebuilding timeline is important. We tell them, ‘You are going to hear from your adjuster next, and the adjuster is not going to have a check when they show up at your house. The adjuster will gather information on-site and pass it along to a desk adjuster, and the process will go from there. By that time, services and resources will be back in place.’ That’s been an education process. The phase we’re in now is, ‘Okay, where’s my check?’ I’m excited about that because it means people want to stay and rebuild.”

“Agencies need to nurture a relationship with the local government in situations like this,” says McDavid. “Without our relationship with the local government, we couldn’t have come to the assistance of the community as effectively as we have. The local and state groups brought their representatives in and answered people’s questions as quickly as they could. The Texas Windstorm Insurance Association (TWIA) is here and has been very responsive. All the insurance carriers have been good at showing up. Being able to have them on-site is fantastic.”

## **A Man with a Plan and a Heavy Heart—Kenny Cruzan, IT Manager, GSM Insurors**

Kenny Cruzan has been through a lot in the last two weeks. According to his colleagues, it is thanks to Cruzan that they were able to get back up and running so quickly after the hurricane. But it hasn’t

been easy. "It's been a heavy heartache to see all the destruction," shares Cruzan. "You see it in the movies, on TV, maybe on the news, but it's different in real life, in person. It chokes me up just now thinking about it," says Cruzan with tears in his eyes. "I've been living it, so it's pretty tough. I have a hard time talking about it."

At GSM they plan for different kinds of natural disasters, but hurricanes are number one on their list. Cruzan explains, "We have a pretty good disaster recovery plan. We edit it, and we test it about once a year. Hurricanes Katrina and Rita scared us a lot and alerted us to some potential pitfalls. We used to have all of our servers here, not to mention all the computers and hardware. But after Rita, we moved everything off-site to a secure center in Austin, Texas. It's a full back-up system that we can virtualize in a matter of minutes. So if we have downed servers, we can virtualize not only in the location we are in, but we can also virtualize in several other locations, as well—from the Cloud. That gives us the ability to get up and running quickly."

With Hurricane Harvey, the main obstacle that emerged for GSM was a communications problem. "We do have a fiber line here," says Cruzan. "I expected the fiber line to stay up and running because it's underground. But in this situation, nothing was available after Harvey hit. Later on, we found out that one fiber provider was back up faster than the others. Since that time, we've tried to see how we can get that provider. Fiber build-out can take up to 90 days here right now."

Cruzan recalls, "As a stop-gap, we put up some antennas. Luckily, my father-in-law is a builder. We got some construction antennas from him, and I had some wireless antennas configured. We put one on our building and one on the school down the road. We were able to borrow their fiber, and that's how we have internet. We insure the school district and the county, and they both worked with us to share bandwidth. We're on an outside secure line, totally separate from theirs. The schools are closed right now, so they don't really need the bandwidth until they can reopen."

One of the first things GSM got back was cell phone service. The three major carriers reestablished service at different times, and service blinked off and returned at different times. Cruzan says, "Moving forward, we'll take our understanding of the little hotspots which we found and our understanding of cell carriers' coverage into consideration. We actually used all three carriers. My advice is to purchase multiple phones from multiple vendors and have them on hand at all times."

"To be able to conduct business, getting electricity was the number one priority," Cruzan emphasizes, "and we got the generators set up, and the electricity going. Secondly, we worked on getting our computers up and running. Then we concentrated on internet service so we could access our servers and our data in Austin. Once we had internet, we slowly put the pieces back together, getting more bandwidth and a little more functionality as far as phones go. We started calling

customers on cell phones once the cell towers were back up. So here we are," says Cruzan proudly, "two weeks in, and we're probably the only insurance office that is in its original building that has power, water, phone, and high-speed internet."

## Rockport-Fulton Revisited

Aransas County Judge C. H. "Burt" Mills, Jr., has an important role in emergency preparedness and response for the large county that he serves. Looking back on the devastation caused by Hurricane Harvey in August 2017, and how far the county has come since then, he has plenty of good things to say about the team involved in the pre-planning, recovery, and rebuilding efforts.

When asked what was the best pre-planning initiative in dealing with the after effects of Harvey, Judge Mills smiled and nodded at Travis McDavid, CIC, Vice President of GSM Insurors, and Kathleen Hicks, CIC, and said, "We have really good insurance!" Kathleen is Director of Administration and Risk Management for the Regional Pool Alliance, a consortium of governmental entities located on the Texas coast. The state of Texas grants governmental entities, school districts, and other tax-supported organizations the right to band together in a special group to cover risk. Not considered insurance because it's a self-insurance pool, a risk pool can be backed with insurance, specifically with property, liability, and workers' comp coverage.

"We work closely with GSM Insurors—the local insurance agency that has been in Rockport since 1923," says Hicks. We became familiar with them back in 2005 when property coverage on the coast became a real problem. Collaborating with GSM and with some coastal clients, we formed the Regional Pool Alliance." Judge Mills praises not only the insurance coverage, but the swift and dedicated efforts of this special group of people and organizations who came together to get the Aransas County schools and its courthouse back up and running. Hicks and McDavid are just two of many dedicated people who are working together post-Harvey to complete the rebuilding process, and they were part of the group that was involved in planning efforts long before Hurricane Harvey hit.

As Judge Mills says, "You go into the emergency management mode when you hear a hurricane is approaching. We have a group of emergency preparedness people for the City of Rockport and the town of Fulton. Normally, we ask for voluntary evacuation 40 hours out, and then we watch the storm very closely. If it intensifies, I order a mandatory evacuation. Harvey was completely different.

It didn't give us much warning. It built from a Category 1 to a Category 4 almost overnight. We ordered a mandatory evacuation at 20 hours out."

Travis McDavid of GSM Insurors, adds, "Quite a bit goes into pre-planning and emergency strategies, but the key is having an innovative and flexible team. We didn't know Harvey was a storm of "this magnitude" until the waning hours of Friday, August 25, just before it made landfall. Obviously, your preparation is different for a small storm compared to that of a large storm. Unfortunately, we didn't know the hurricane was as large as it was until it was upon us. Things can become quite chaotic when you are faced with an event like Harvey. That's when real-world knowledge, like the CIC program teaches, kicks in."

After visiting The National Alliance offices in January, McDavid commented on how the organization's core values apply to what he and the GSM team experienced in Rockport, "When the unexpected happens, you need integrity, innovation, and imagination, or you're going to be in trouble. You must have integrity for people to trust that you have their best interests at heart, and you need innovation and imagination to carry you through a disaster like this, because there is no script. Living in a zone that's prone to storms, where no one wants to write insurance, you must be innovative to secure it for your clients. After the storm, to get internet service, members of our team were creating makeshift technology, using imagination and innovation. They were pulling bent antennas out of trees, putting them together and getting us back online. Harvey taught us that we have to practice our plan in a variety of possible scenarios to test how applicable it is. It also showed us the importance of having talented people in place who can think on their feet."

Norm Spears, Director of Information Systems at Aransas ISD, shares about the schools' preparations, "We have a meeting once a month, and emergency preparedness is the number one item on our agenda. When the real thing happens, we meet, listen to the National Weather Service, and have a conference call with all decision makers. We come to a consensus about releasing school early or canceling school. Once a decision is made, we compose what we are going to communicate, and then we push that info out using an automated call system. Information can go out to the parents within 15 minutes. We also use social media and have a special group that can text for us. As a storm approaches—but while it is still at a good distance—we off-site our website and move our servers to a cloud-based unit in Austin."

The hurricane devastated Aransas County schools, governmental buildings like the old courthouse, and other historic landmarks. The fierce winds downed power lines and cut off vital communication services. The initial damage assessments were high because the level of destruction was staggering. Spears was in the disaster zone the day after the storm and wrote a summary blog about what was

happening inside ground zero. He also took pictures and shot video of the damage every day to keep those outside the area informed.

The biggest challenge was the loss of electricity. Spears explains, "We did have a generator that powered our local network—our technology wing. That's where we made a makeshift office; we had air conditioners, we had lights, we had everything, except we didn't have water or food unless we brought it in. I don't care if you had a million dollars; there was nothing left to buy in Rockport."

Superintendent of Aransas ISD, Joey Patek, says, "When I returned to Rockport two days after the hurricane devastated the area and saw the damage in person, it was even worse than I thought. I knew it was bad because I had seen the photos and video sent by Mr. Spears. But seeing it in person—somehow it hits you harder. It looked like a bomb had gone off."

Regional Pool Alliance had already contacted NorthStar Recovery Services, which began setting up pre-positioned personnel and resources. As NorthStar's Business Continuity team already had County access credentials as emergency First Responders, they had no trouble getting past DPS roadblocks and checkpoints the day after Harvey passed. Fortunately, pre-loss assessments had been conducted by NorthStar and the Regional Pool Alliance prior to the storm, and annual meetings with the ISD and the County had focused on disaster preparations, protocols, and insurance coverages. Because of these efforts, detailed information was available to assist with damage assessments, the coordination of materials and workers, and recovery plans.

The question everyone kept asking was how long the schools would be closed. Superintendent Patek comments, "We didn't have an answer for the parents until the NorthStar engineers could assess the damage. Until we had a viable timeline to get the kids back in school, we advised parents to enroll their children in surrounding school districts." Neighboring school districts that escaped significant storm damage offered immediate assistance, and soon after, Gregory-Portland ISD and Sinton ISD welcomed 1,600 temporary students.

Judge Mills says proudly, "The schools got back online by October 11, with the help of Kathleen Hicks and NorthStar, and with the support of the ISD, the County, and GSM; it's unbelievable how far our community has come in the last eight months."

Paul Chapple, Director of Reconstruction Operations for NorthStar Recovery Services, says, "We have worked very hard to get the most important aspects of community life back together. Getting the kids back in school has been the most urgent matter, and the gratitude of the community and the kids has been exceptional. We've felt a lot of positive feedback from the community. It is hard-earned. We have a lot of good guys, and they have worked extremely hard in difficult conditions. It's a great

community, and it's a pleasure to serve them. We're going to be here a while; we have work to do. We are not in a hurry to leave; it's a wonderful place, and we are going to do our best to restore it to where it was before the storm."

Kathleen Hicks is not going anywhere either. She says, "My firm will remain on-site. We were here on August 28, just a few days after the storm hit, and we are still here. From the beginning, we were coordinating with the disaster recovery group—NorthStar, GSM Insurors, the school districts, and the County. "We told our clients," Hicks says, "'We know what the coverage is; we'll work with the adjusters. We take the whole process and try to make it as painless as possible so that you can go forward with the recovery and meet the educational and governmental needs of your citizens.'" Hicks summed up the damage by saying, "Harvey was probably the worst storm I've ever seen, and I've been through Katrina, Rita, and Ike. Those hurricanes had a lot of flood damage. With Harvey, I've never seen as much wind damage as this one had or as many tornadoes wrapped up in a storm."

She continues, "It's a very emotional thing, but at the same time you know that what you are doing is making a difference. I credit my CIC training. We're not in this just to provide property coverage, but to deliver a benefit to our clients. The priority for all the team members was to get the students back in school, because their parents and the community can't get back on track until that happens. And even though the school might not be finished completely, as one kindergartner said, 'the school might still be a little "broke," but not as broke as he thought it would be!'"

Judge Mills says of the community, "We are very resilient and strong, and we rally around one another and help each other. We always have, and we always will. This area is a piece of paradise. People come here and realize how friendly we are—we don't see any strangers. The amazing team that has come together to rebuild our community is made up of longtime residents and temporary transplants. But they have all become friends and are now a part of Rockport-Fulton's story."