



Risk Checklist
January 2023

Managing Total Loss Claims After a Catastrophe

An important aspect of effective organizational management is pre-planning before a disaster strikes. That includes your claims management teams.

This checklist identifies important components to review in your CAT plan document, so you can effectively manage your total loss claims capacity before, during, and after a catastrophe.

Before a Catastrophe: Planning Ahead

□ Define and categorize what a catastrophe (CAT) is for your organization

CAT Definition Example

Weather authorities define a catastrophe as an infrequent occurrence that causes severe loss to a large population of exposure in a concentrated area. Natural events are most often associated as a CAT event, such as earthquake, flood, ice/snow, hurricane, tornado and volcanic eruption. However man-made disasters can also be a CAT event such as wildfires, industrial explosion, pollution etc.

CAT Levels are categorized as follows:

- Level 1 – Small geographic area/small number of exposures
- Level 2 – Medium geographic area (more than one state)/medium number of exposures
- Level 3 – Large geographic area (multiple states)/large number of exposures

□ Build an internal CAT Team

This team's responsibilities should help assess exposure and determine what company resources need to be deployed.

□ Create and manage an evergreen CAT plan

Annually review each item in the CAT plan to ensure everyone understands their roles and responsibilities, and the plan remains relevant to organizational needs.

Consider organizational responses to various disaster scenarios, such as:

- Alarm system and/or building security failures
- Blizzard/freezing
- Drought
- Earthquake
- Extraordinary events (i.e., avalanche, mudslide, tsunami)
- Fire
- Flood
- Hurricane
- Pandemic
- Phone/internet outages
- Power outages
- Road closures
- Severe storms
- Supplier shipment issues
- Tornado

☐ **Determine a chain of command**

Establish contact information for all primary claims personnel and clearly state decision-makers. Determine how necessary teams will be alerted (i.e., email, text message, phone call, etc.).

☐ **Assess vendor partner resources**

During a CAT, additional resources may be needed to help manage claims and mitigate your risk. These resources could include:

- Digital communication tools
- Tracking and monitoring
- Claims filing and management
- Collections technology

☐ **Back-up your data**

Develop formal procedures to document data and regularly educate employees on best practices.

☐ **Communicate the plan internally**

Make sure to send ongoing, annual reminders on your organization's CAT plan and Business Continuity Plan (BCP) to employees, clients, and other necessary stakeholders.

☐ **Test the plan to uncover vulnerabilities**

Run scenario tests to determine how well you have done in laying out the plan and communicating it to your employees.

☐ **[Sign up for CAT Claim alerts](#)**

These alerts provide timely updates for submitting vehicle, property, and GAP claims to Allied Solutions.

During and After a Catastrophe: Managing a CAT Event

☐ **Identify your area of impact and forecast expected claim volumes**

Identify numbers and types of exposures in areas likely to be affected.

☐ **Launch communication alerts at the onset of the CAT**

Alerts should be communicated with relevant internal teams, external clients, consumers, and partner vendors. These alerts can provide contact information, resources, and help explain the CAT claims process. An important component of these alerts is to decide on frequency and when final communications determine the catastrophe 'closed'.

☐ **Deploy designated CAT resources**

Plan logistics to reassign staff to work the CAT claims. This can also include temporary staffing for claims overflow as needed. Establish designated phone lines and email addresses so affected customers can be routed more efficiently. Stay in tune with FEMA (Federal Emergency Management Agency) and other agencies such as the NOAA (National Oceanic & Atmospheric Administration) for regional updates.

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