The Broker’s Best Practices Guide to a Natural Disaster

Andrea Bushnell, CEO, NC REALTORS®
Nicole Arnold, Director of Local Government Affairs, NC REALTORS®
Hurricane Florence, Trenton, NC; Trent River

From The News & Observer. © [2018] McClatchy. All rights reserved. Used under license.
Before the Storm

Business Continuity

• Adopt office closure policies
  • Clarify staff roles and responsibilities
• Create a contact list
  • clients, insurance providers, property inspectors, contractors, etc.
• Join FB groups, state, county, municipality, sheriff/police groups
Before the Storm

Minimize Systems Downtime
- Cloud, laptops, internet and data costs
- Ensure secure offsite backup

Document: Do Yourself and Remind your Clients to:
- Take pre-disaster photos for insurance
- Keep records of repairs, replacements
- Understand insurance requirements for filing a claim
- Understand the process for filing a NFIP claim
- Conduct post-disaster inspections only when declared safe
- Communicate what is known and unknown before the storm – particularly to clients who are absentee
Before the Storm

• **Ensure Financial Continuity**
  • Payroll
  • Commissions payouts
  • Other critical financial requirements
  • Emergency funds reserve
  • Have cash available
Before the Storm

• Be Ready to:
  • Secure office buildings and ancillary facilities
  • Safeguard company and personal vehicles
  • Secure critical hardware
  • Secure all portable devices and ensure all are fully charged
Before the Storm

- **Ensure Human Safety**
  - Conduct safety drills
  - Offer safety seminars
  - Post best routes to safety (e.g., high ground, freeway access, etc.)
  - Implement emergency phone tree and communications plan
Insurance Coverage

- Know the [NFIP flood maps](https://www.fema.gov/national-flood-insurance-program)
- Flooding requires separate coverage
- Insurers will restrict coverage prior to a disaster
  - Typical coverage: wind, hail, lightning, fire
  - Waiting for binding authority reinstatement may delay closing
  - Encourage affected clients to file a claim as soon as possible
  - Review your state’s Department of Insurance resources
Post Disaster Transaction Considerations

Review Contracts

- Damages “in the ordinary course” vs. current events
- “Force Majeure” clauses
- Changes to the closing date
- Buyer and seller may work together to amend contract and obligations based on new circumstances
- Review your state’s Uniform Vendor and Purchaser Risk Act: Who has title?
Post Disaster Considerations

- File insurance claims
- Consult with an attorney
- Document damage
- Research homeowner aid services
Post Disaster Transaction Considerations

- **Communications**
  - Agents: Reestablish communication with clients
  - Buyer considerations:
    - Re-inspection
    - Reappraisal
    - Additional costs
    - New timeframes
    - Fee Waivers
  - Seller considerations:
    - Mortgage payments
    - Mortgage forbearance
You are your client’s’s advocate.

From *The News & Observer*. © [2018] McClatchy. All rights reserved. Used under license.
Immediately after the Storm: Stage 1

• Dial 211 for NC disaster resources; 511 for road closures
• Connect with charities aiding victims
• Opportunities to volunteer:
  • Your broker family,
  • Your REALTOR® family
• Review needed items list for impacted properties and storm victims
<table>
<thead>
<tr>
<th>Supplies Needed</th>
<th>Cleaning</th>
<th>Pets</th>
<th>Garbage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic Necessities</strong></td>
<td><strong>Cleaning</strong></td>
<td><strong>Pets</strong></td>
<td><strong>Garbage</strong></td>
</tr>
<tr>
<td>• Bottled Water</td>
<td>• Baby wipes</td>
<td>• Dog food</td>
<td>• Large trash bags (30 gallon and up)</td>
</tr>
<tr>
<td>• Socks</td>
<td>• Paper Towels</td>
<td>• Cat food</td>
<td>• Trash bag ties</td>
</tr>
<tr>
<td>• Underwear</td>
<td>• Lysol</td>
<td>• Cat litter</td>
<td></td>
</tr>
<tr>
<td>• Children’s socks</td>
<td>• Hand sanitizer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Children’s underwear</td>
<td>• Bleach</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Toothpaste</td>
<td>• Mildew killer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Toothbrushes</td>
<td>• Clorox wipes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Female Sanitary items</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Stage 2 Recovery

- REALTORS® Relief Foundation and your state and local REALTOR® associations: volunteer and donation opportunity
  - NC REALTORS® Housing Foundation and RRF: Over $1 Million in 4 years for 4 disasters
  - RRF is ongoing fund for disaster relief
  - Your brokerages also may participate
• NAR’s Transaction Guidance after Natural Disaster: https://www.nar.realtor/transaction-guidance-after-natural-disaster
• FEMA’s Help Clients Prepare for Flooding: https://agents.floodsmart.gov/servicing/before-the-flood-prepare-clients
• FEMA’s Support Clients after the Flood: https://agents.floodsmart.gov/servicing/after-the-flood-support-clients
• FEMA flood map search by address: https://msc.fema.gov/portal/search
Resources

• Tips for filing an insurance claim: https://www.usatoday.com/story/money/2017/08/28/after-hurricane-harvey-tips-filing-insurance-claim/606546001/

• How to file a NFIP claim: https://www.fema.gov/nfip-file-your-claim#