

## From the Ashes. Our experience with fire 2022

When I'm not working with auto dealers' insurance needs, I enjoy volunteering with our local Rotary club. This article appears in the Rotary District Digest and the lessons we learned I believe are worthy of sharing with our association members.

January 6<sup>th</sup> was particularly cold. Our club members were happily recovering from the holidays and still hopeful their New Year's resolutions would stick. It was just another Thursday, until smoke filled the air and sirens rang out indicating a big fire at a storage unit in Pasco, WA. We watched the news online, fingers crossed that our three storage lockers of Rotary supplies would be safe from the disastrous flames lighting up the neighborhood. After a long battle, and the hard work of multiple first responders from across SE Washington, we discovered two of our storage lockers were among the 50 units that were completely destroyed.

It was a week or so before access was granted so an inventory could take place. A storage unit fire is dangerous to fight and presents additional dangers after the fact. It takes immense bravery to fight a fire such as this. The contents of each locker are different. Could the next one contain explosives such as stored fuel containers or propane tanks? Stacks of plastic, rubber, or other unknown items can produce heavy smoke or take the fire in an unpredictable direction. The aftermath leaves a path of unknown burned materials capable of producing dangerous gasses and other hazardous pollutants with the best course of action to walk away, leaving the clean-up to the professionals. With our top interest being the health of our members, we opted to do just that.

Tents, tables, signs, chairs, and so much more, all gone. Among the survivors included a case of water and a bible. Make of that what you will. Details are still sketchy. The cause of the fire was an unattended heater in one of the units down the way from ours. Perhaps one of the units was being used by someone using it as shelter? Either way we were faced with the reality that it was going to be a costly and tedious process to replace the items needed to continue our planned club activities as we had no insurance to protect against this unlikely event. We consider ourselves fortunate to belong to a club with enough reserves and member support to move forward and begin rebuilding for the future.

As with any business, the items we lost had been built up over time. We started out small and insuring our property wasn't a concern back on day one. It wasn't until we were faced with this crisis that we realized just how much we had amassed over the years. A little here, a little there, added by different members, and during different events, we never considered insurance on our property to be priority. We were wrong.

It has been said, "*Experience is a good school. But the fees are high!*" The lessons we learned from this experience have been valuable and worthy of sharing with others.

Those lessons are as follows:

- 1) Perform a physical inventory of your business property. Include an estimate as to the *replacement cost* of this property. Replacement cost means how much it would cost to replace it today. Some items had been donated or purchased used which is not a luxury you have after a fire loss.
- 2) Make a video record of your items so you can look back and remember specific sizes, designs, or tools, equipment, and other things you use. When you are dealing with the shock of a catastrophic loss it is easy to forget a few items that don't always get used but are necessary.

- 3) Save this info in the cloud or somewhere offsite so it can be accessed after a loss.
- 4) Consider purchasing a property insurance package. A dealer's garage policy only covers liability (damage or injury to a third party) and your inventory (if selected). Any property or contents insurance needs to be requested. Your insurance agent may be able to add contents coverage to your existing policy or create a stand-alone option. It is important to understand your personal homeowner's policy is not an option as it will exclude property owned by the company. It is also important to insure for the *replacement cost* over an actual cash value (ACV) if it is available. An ACV policy, though less costly, won't provide the coverage necessary to replace your items in today's dollars.

It is our sincere hope that your dealership will never have to face this type of loss and are happy to visit with you regarding affordable insurance options and help you determine the best solution for your business.

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