

**Texas Department of Insurance
FY 2016 Catastrophe Plan**

I. STATE AGENCY DISASTER RESPONSES AND TDI'S ROLE

A flood, hurricane, tornado, explosion, or technological disaster can occur with little or no warning. It can occur in a major metropolitan area during rush hour and cause casualties and extreme property damage, or in the middle of the night in a remote area and cause no casualties or damage. The nature and extent of the damage caused by the disaster will drive the magnitude of TDI's response. Whatever the extent of loss of life, buildings, homes, automobiles, and other property, TDI's responsibility as the state insurance regulatory agency is to make sure that consumers' insurance claims are processed as quickly as possible.

Local government officials have the primary responsibility for command and control of emergency management activities. When a disaster situation exceeds the local government's capability to respond, local officials (usually, the mayor or the county judge) will request help through the disaster district chair to the Texas Division of Emergency Management (TDEM). After TDEM receives the request, the Emergency Management Council may activate the State Operations Center. In disaster areas, TDI staff help consumers by providing insurance-related information, monitoring the response and activities of insurance companies and helping consumers resolve insurance-related complaints.

Principal Entities Involved

- *Governor's Office* issues disaster proclamations and requests presidential declarations when emergencies exceed state and local governments' and other resources' capabilities.
- *Texas Division of Emergency Management (TDEM)* reports to the governor, monitors and reports on emergency situations statewide, coordinates disaster response efforts of various state agencies and other organizations, and serves as the primary agency for coordinating information and planning functions.
- *Department of Public Safety (DPS)* coordinates disaster responses involving state agencies at local or district levels and serves as the primary agency for law enforcement activities.
- *Federal Emergency Management Agency (FEMA)* administers the National Flood Insurance Program and coordinates the disaster response efforts of federal, state, and local agencies and other responding resources when a presidential proclamation recognizes a disaster. FEMA also coordinates financial relief to victims, including individual help (such as grants and temporary housing).

Other Entities Involved

The following entities are also often involved in disaster response efforts, either in the actual affected areas or in disaster recovery centers:

- *Texas Military Forces* provides general support in an affected area with security and search and rescue.
- *Texas Parks and Wildlife Department* help with search and rescue efforts, especially where flooding is involved, and help with law enforcement.
- *Texas Department of State Health Services* is the primary agency for food, water, health, and medical support to the affected area, and provides counseling and other mental health services to help disaster victims cope with emotional stress.
- *Texas Facilities Commission* is the primary agency for resource support to the response effort.

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- *Department of Information Resources* is the primary agency for communications issues resulting from a disaster.
- *Texas Department of Transportation* is the primary agency for public works and engineering support in affected area.
- *Texas Commission on Environmental Quality* is the primary agency for dealing with hazardous materials and oil spills.
- *Public Utility Commission* is the primary agency for dealing with energy and utilities problems resulting from a disaster.
- *Texas Forest Service* coordinates firefighting efforts.
- *Texas Engineering Extension Service* coordinates urban search and rescue efforts.
- *General Land Office* is involved when public lands, such as beachfronts, are affected.
- *Office of the Attorney General* provides legal support to the response effort, and investigates and prosecutes price gouging and other fraudulent activities.
- *American Red Cross* coordinates mass care to disaster victims.
- *Salvation Army*, often in coordination with several other volunteer organizations, coordinates the collection and redistribution of donated items.
- *Small Business Administration*, a federal agency, administers loans to victims.
- *Texas Department of Housing and Community Affairs* helps with housing needs for disaster victims.
- *Texas Workforce Commission* helps victims with unemployment issues.
- *Texas Animal Health Commission* helps with issues relating to threats to livestock, poultry, and similar animals.

Many other state agencies are members of the state Emergency Management Council, but these agencies are not typically in the field during recovery operations. These include:

<i>Texas Department of Agriculture</i>	<i>Texas Department of Commerce</i>
<i>State Auditor's Office</i>	<i>State Comptroller of Public Accounts</i>
<i>Texas Education Agency</i>	<i>Railroad Commission of Texas</i>
<i>Department of Assistive and Rehabilitative Services</i>	

Disaster Staffing Requirements

TDEM may request TDI to staff and support the following functions:

1. *Emergency Management Council (EMC)* – Consists of representatives of the state agencies noted above. The TDEM calls the EMC together periodically for briefings and planning activities. When a significant disaster is imminent or has occurred, the EMC will meet to coordinate the state's response.
2. *State Emergency Response Team (SERT)* – Consists of representatives of about half of the agencies on the EMC, which may include TDI, Texas Military Forces, TDEM, DPS, and others. The SERT enters the affected area as soon as possible after a large-scale disaster to determine the scope and severity, thereby helping in estimating what the state's response should include. If a major event can be anticipated (such as a major hurricane threatening Texas landfall), the SERT may be deployed prior to the event.

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3. *Joint Field Office (JFO)* – Serves as the center of operations for coordinating federal, state, and local entities' disaster response efforts under the direction of FEMA. It is *not* a center for directly serving the needs of disaster victims. FEMA opens a JFO in or near a disaster area when a presidential proclamation is issued.
4. *Disaster Recovery Centers (DRCs)* – Centralized locations where disaster victims can obtain help from various state and federal agencies. FEMA, in partnership with TDEM, coordinates the DRCs. The Salvation Army and the American Red Cross operate separate facilities to coordinate immediate food and shelter relief to victims.
5. *Joint Information System (JIS)* – Consists of representatives of about half of the EMC members, sometimes including TDI. The JIS coordinates interactions with the media, and may help with identifying opportunities for organized outreach events in the affected areas. The JIS is usually located at the JFO.
6. *Other Help* – TDEM may task the State Fire Marshal's Office with other disaster-related duties, for example, conducting safety surveys before power is restored to a damaged area.

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II. TDI'S SPECIFIC ACTIVITIES DURING A DISASTER

TDI is responsible for providing information to the public and the industry and for handling complaints and other follow-up activities to make sure consumers' claims are processed as quickly as possible. TDI prepares and plans for the worst – a major disaster that occurs with no notice over a broad geographic area.

Compliance Consumer Protection (CP) coordinates TDI's disaster response. It has the primary responsibility of helping consumers in disaster areas. CP provides information to help minimize property losses, expedite the insurance claims process for a safe and quick recovery, and reduce fraud and unethical industry practices. CP establishes relationships with other agencies and community groups, and conducts community outreach activities. The CP associate commissioner is responsible for TDI's disaster response. A CP staff member serves as disaster coordinator and is TDI's lead contact with TDEM. Another CP staff member acts as logistics coordinator during a disaster. CP maintains a list of TDI staff available to serve as disaster volunteers. CP may also extend the service hours of its Consumer Help Line (TDI's toll-free call center, which normally operates 8 a.m. - 5 p.m.), by adding holiday, weekend hours and longer weekday hours.

Compliance Fraud Unit staff may deploy a Catastrophe Response Team (CRT) to the disaster area. CRT coordinates with local law enforcement and government officials to ensure that contractors, roofers, and similar service providers comply with local and state requirements.

Public Affairs' Media Relations staff prepare and distribute information via press releases and TDI's website. They speak for the agency during a disaster.

Regulatory Policy Inspections (Windstorm) staff may help with damage assessments as requested. When a storm threatens the Texas coast, Inspections field office staff are responsible for securing the field offices against storm damage. *Personal and Commercial Lines* staff may serve as volunteers for field duty and help with follow-up calls to insurance companies as needed. *P&C Actuarial* staff may be asked to provide data about policies in force.

State Fire Marshal's Office (SFMO) staff may be requested to help with the response if a disaster involves hazardous materials that cause or have the potential to cause fires. At the request of local officials, SFMO may conduct safety surveys before power is restored to damaged homes. TDEM may task SFMO with other response activities.

Division of Workers' Compensation (DWC) field office staff, located in 19 cities across Texas, may be asked to help with response activities in their locales, for example, by distributing information to shelters for disaster victims. DWC staff may also volunteer for field duty, for example, to help with DRC staffing.

Human Resources (HR) answers questions about compensatory and overtime accounting and reimbursement for overtime. On request, HR may schedule critical incident training.

Financial Regulation staff use statistical models to estimate insured losses and the potential impact on insurer solvency.

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TDI organizational areas with field staff, including DWC, Financial Regulation, Inspections, and SFMO, take appropriate steps to secure state assets, to keep employees updated about potential disaster threats, and to determine when field offices should close.

TDI employees may volunteer for disaster duty, subject to their managers' approval. A volunteer may not have received any disciplinary action as outlined in the Employee Discipline section of the Personnel Manual within the last six months. Assignments include disaster field duty, disaster hotline duty, and field operations support. Field duty volunteers will most often be those staff who are knowledgeable about property and casualty insurance, for example, CP insurance specialists and information specialists. Another key area from which to draw volunteers is the P&C staff in the Regulatory Policy Division and DWC field office staff located near the disaster area.

In the field, disaster duty volunteers may work out of a multi-agency resource center (MARC) established by city or county officials, or a DRC established by TDEM and FEMA. They may also work at a community center, school, office building, or other facility where government agencies are located to provide one-on-one help to disaster victims.

TDI may invite insurers to have their representatives co-locate near TDI and establish an Insurance Assistance Center (IAC) where consumers will receive on-the-spot help from their insurance carriers.

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III. GETTING READY, BEING PREPARED

TDI will be ready to respond by making these preparations:

- Surveying current and potential volunteers to determine their insurance expertise, language skills, interests, disaster training, and prior experience.
- Developing a plan to address training needs identified by the volunteer survey.
- Requiring volunteers to make a commitment to disaster duty (see attached form).
- Developing a volunteer's readiness checklist (see attached list).
- Offering training for disaster volunteers. CP will schedule training for volunteers that includes homeowner and automobile coverages and most frequently asked questions, roles and responsibilities of various agencies during disaster response, hurricane season predictions, and so on.
- Being ready to produce a volunteer's resource packet and pre-deployment briefing that covers:
 - Logistics, such as travel arrangements, travel advances and credit cards, hotel reservations, expense log and keeping receipts, timekeeping record, and reporting in to headquarters.
 - Deployment assignments. Volunteers typically deploy in teams of two staff (for example, a disaster veteran plus a new recruit) for five days (typically), with teams to overlap for one day to ensure a smooth transition.
 - Protocol in the field depending on whether or not FEMA is present; who to coordinate with, including the TDEM, county judge, sheriff, and other local authorities.
 - How information will be disseminated via briefings, email updates, TDI's website, or other media.
 - Who to call with questions about insurance issues or logistics, how to report problems in the field, and so forth.
- Maintaining a disaster duty roster that lists specific assignments and updating it annually. Assignments include disaster field duty, disaster hotline duty, and field operations support.
- Coordinating with DWC, Inspections, and Financial Regulation field offices.
- Promoting TDI's website as a key communication link. May create special Internet and intranet web pages with information about a specific disaster, and place a link on the TDI website portal page to the special disaster page. On the intranet page, include specific information and links to other useful resources to help volunteers answer consumers' questions.

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- Coordinating quarterly meetings of the Texas State Disaster Coalition (see section IV) that includes representatives from P&C, life, and health insurance companies; TDEM; industry associations and voluntary groups.
- Maintaining an inventory of disaster-related consumer publications.
- Organizing publications, field supplies, and equipment into pre-packaged kits.

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IV. HOW CAN THE INDUSTRY BE BETTER INVOLVED IN DISASTER RECOVERY?

In 2001, the Institute for Business & Home Safety approached TDI and the Governor's Division of Emergency Management (now called TDEM) about forming a state disaster coalition of industry and government agency members. CP was designated to be the TDI lead for this project. The Texas State Disaster Coalition (TSDC) began meeting in June 2001.

The major objective of the TSDC is to formulate and maintain a disaster plan that lays out roles, responsibilities, and communication protocols for insurers and state and local governments in the event of a major disaster. The plan was approved by the Commissioner in February 2003. View the plan at <http://www.tdi.texas.gov/consumer/storms/hcoalition.html>.

TDI hosts quarterly TSDC conference call meetings in January, April, July, and October, to share information and discuss topics of concern to members.

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V. WHEN DISASTER STRIKES, WHAT HAPPENS?

Roles and Responsibilities

When a disaster happens, TDEM calls the first name on the TDI contact list. The current contact list is attached to this plan.

The person contacted by TDEM will notify the Commissioner's Office, the Compliance Division's deputy commissioner, and Public Affairs.

The commissioner decides when TDI volunteers are deployed to the field. Depending on the nature and size of the event, the commissioner or his designee may send a general alert notification to all TDI personnel stating that providing help to insurance consumers in the disaster area is a top agency priority.

Public Affairs provides essential information to insurance consumers before the disaster and during the recovery phase. They speak for TDI during all disaster operations.

CP coordinates TDI's disaster response. It has the primary responsibility for helping consumers in disaster areas. CP accomplishes the following functions:

- providing information to help minimize property losses,
- expediting the insurance claims process for a safe and quick recovery,
- reducing fraud and unethical industry practices,
- establishing relationships with other agencies and community groups, and
- conducting community outreach activities.

A CP staff member serves as the disaster coordinator, TDI's lead TDEM contact. The disaster coordinator works with TDEM throughout the year on disaster planning activities.

Based on the commissioner's directive, CP's associate commissioner deploys staff to the disaster area. The CP associate commissioner and staff maintain contact with the volunteers and provide daily status reports to executive staff and disaster team members. A CP staff member serves as logistics coordinator and is responsible for equipping field volunteers, coordinating travel arrangements, and supporting staff while they are in the field.

CP also supervises staff who volunteer to work the Consumer Help Line (TDI's toll-free call center) located in Information Assistance. During a disaster response, call center hours may be extended into the evening, on the weekend or a holiday. The volunteers answer callers' questions using TDI.nfo, the agency's information resource on the intranet. CP staff will update TDI.nfo to include information about the disaster as follows:

- location and telephone numbers for insurers in the disaster area,
- location of the DRCs and Red Cross centers,
- addresses and phone numbers of insurance service centers,
- insurance tips after a disaster,
- information about the process for filing claims, and
- information about how to file a complaint with TDI.

In addition, volunteers will receive training on the procedures for taking disaster complaints over the phone and forwarding them to CP complaints staff.

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The Inspections staff in Regulatory Policy may help with damage assessment as requested. Staff in Personal and Commercial Lines, Inspections, and other divisions may serve as volunteers for field duty and help with follow-up calls to insurance companies as needed.

With manager approval, any TDI staff member may volunteer for disaster duty. A volunteer must not have received any disciplinary action as outlined in the Employee Discipline section of the Personnel Manual within the last six months. Managers and volunteers will complete a Disaster Duty form (see attached form) to indicate they understand the commitment involved, and the applicable policies and procedures. CP maintains a list of agency employees who are available and trained as disaster volunteers. During a disaster, CP schedules volunteers and provides the names of activated volunteers to HR.

CP is responsible for handling consumer complaints related to the disaster. These complaints will be flagged in the CP call-tracking and complaints (CIS) databases, and will receive special handling by complaint specialists.

What Happens When a Disaster Occurs

TDI may receive advance notice of a disaster. For example, we may learn that a hurricane will make landfall in 12 hours. In this case, we will meet to begin planning as outlined in step 2 below.

When a disaster has occurred:

1. The commissioner's approval is necessary to deploy TDI teams to the field. TDEM may contact TDI first, or the commissioner may deploy teams before TDEM contacts TDI. TDI staff will go out into the field if local authorities say conditions are safe and lodging accommodations are available in the vicinity of the disaster.
2. Based on information provided by TDEM, Public Affairs, and other sources, the CP associate commissioner will assess how many volunteers to send to the field. CP staff will contact volunteers and determine who is available for the first, second, third, etc. teams. Usually each team is deployed for five days (four nights). To ensure a smooth transition between teams, they will overlap for one day; team 2 will be deployed so they spend time with team 1 before team 1 returns to headquarters. CP staff will equip volunteers (see attached lists) and make travel and lodging arrangements.
3. The Fraud Unit's associate commissioner will decide whether to deploy a CRT.
4. Volunteers will call or email the CP associate commissioner or designated staff at least once each day to provide details on the following:
 - the nature and extent of the damage,
 - communication and cooperation with insurers, and
 - communication and cooperation with local government officials and other agencies, including FEMA.
5. The CP associate commissioner will send email updates regularly to executive staff based on information provided by the field volunteers.

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6. Upon their return to TDI, the field volunteers will meet with the CP associate commissioner, disaster coordinator, and logistics coordinator to debrief.

VI. AFTER A DISASTER, WHAT NEXT?

Debriefing Session

After all staff deployed to disaster field locations have returned to a regular work schedule, the CP associate commissioner will convene a meeting of all participants to discuss the disaster response efforts. The group will assess:

- consumer assistance;
- field operations, including equipment and staffing;
- telephone coverage;
- TDI's website hits, maintenance, and customer feedback;
- industry responsiveness;
- media contacts;
- internal communication; and
- administrative items including lodging, publications, and other supplies

A summary of activities and suggestions for improvement will be included in a report prepared for the executive staff.

In addition, CP will send HR a list of activated disaster volunteers. HR will provide information about the Employee Assistance Program in training for the disaster volunteers. HR will contact volunteers regarding overtime and compensatory time worked. The logistics coordinator will process and monitor travel reimbursements, and work with HR to update the volunteer list.