

AHEAD OF THE FIRE

NORTHERN CALIFORNIA WILDFIRE RESPONSE CASE STUDY

EARLY REPORTS

As the early news reports started coming in after the Northern California wildfires ignited on October 8, 2017, Dennis Mah, Allianz Winery Team Leader, knew the situation was going to be dire. *"I live in the area and am very familiar with the region. I could see how quickly the fire was moving to different areas and realized this was going to have a significant impact both on people and business."*

ASSESSING THE THREAT

Allianz insures a number of commercial clients in Napa and Sonoma counties, specifically wineries. In this specific geographic region, the Allianz MidCorp book profile had significant accumulations of insured assets in concentrated areas with variations in topography, density of vegetation and exposed construction. Nineteen customers were identified to be within close proximity to the fires. *"It was a very dynamic situation. The fires were moving fast and accurate information was not readily available in those first few days. There was immediate communication between our team, our brokers and clients."* explains Mah.

The Allianz Risk Consulting (ARC) and MidCorp Underwriting teams conferred and decided conditions within this specific wildfire warranted engaging a preferred vendor, Consumer Fire Products, Inc. (CFPI), to offer fire protection services to support customer efforts in property preservation. CFPI is a brigade of trained fire professionals dedicated to wildfire property protection. Their fire trucks are equipped with state-of-the-art equipment, including an environmentally safe foam system that can be sprayed to protect a property when fire is an imminent threat. CFPI coordinates closely with local incident command and with caution and due care has the ability to travel within the active fire zones.



Photos courtesy of CFPI

THE SOLUTION

Allianz worked with CFPI to evaluate exposed locations, assess fire threat and prioritize deployment of resources. Over 22 Allianz-insured locations were patrolled by CFPI to manage the exposure and take precautionary measures such as clearing brush, relocating flammable materials away from combustible construction and spraying buildings/foliage with biodegradable, inert fire-retardant foam when eminent threat warranted such action. Global Head of ARC MidCorp, Scott Steinmetz, was able to accompany CFPI to several of the locations and witness the team's activities.

"It was clear to me the expertise this team possesses. They are well-trained professionals, many of them active fire fighters, who are well adept at understanding and managing wildfire behavior and conditions. Their team understands fuel loads and continuity of combustibles and knows how to mitigate property loss."

In one case, CFPI identified a structure where foliage at the eave of a wood frame roof rested next to the forested area alongside the structure. Foam spray was applied to this area, as well as the main structures of the property, protecting nearly \$30mn in property value.

CFPI's expertise in being able to track the fire using satellite imagery, attend the daily fire fighter briefings and be Allianz's eyes and ears on the ground brought an additional level of expertise to help mitigate further losses.

THE RESULT

The Northern California fires have been recorded as one of the deadliest in state history, according to The California Department of Forestry and Fire Protection (CAL FIRE). Over forty lives were lost and over 200,000 acres of land were burned. Total insured losses are estimated to be over \$4.6bn, according to Moody's.

Thanks to the innovative approach developed by colleagues in ARC and underwriting and the urgent response during the early stage of the catastrophe, several properties were preserved from devastation, including two major area wineries.

Ted Bystrowski of Malloy Imrie & Vasconi Insurance Services, LLC, in St. Helena, California, commented, *"Allianz was the only carrier I am aware of who was proactive in having some form of in-event response for commercial clients. This value-added service provided much*

needed peace of mind for local winery owners/operators during this significant wildfire catastrophe."

Steinmetz concludes: *"We're pleased to offer this service to our clients during this critical time. Over the course of ten days, we took risk prevention and mitigation to the next level by hardening clients' defenses and preserving property in partnership with policyholders. This is the first time we've utilized this form of an in-event mitigation service on a large scale, and we're looking into how this kind of innovative approach can be tailored to meet the needs of clients exposed to various natural perils."*

HOW BUSINESSES CAN PREPARE FOR WILDFIRE

There are some basic actions businesses can implement to potentially limit the damage to their property ahead of a wildfire, explains Scott Steinmetz, Global Head of Allianz Risk Consulting MidCorp. Moving combustibles, such as patio furniture cushions, away from the property and clearing brush around the perimeter will help prevent embers that cause fire damage.

Here are five tips to help prepare for a wildfire:

1. Prepare a written wildfire response plan and educate your people: Hold a preparedness discussion to ensure everyone knows the important steps to take to prepare for a wildfire and the organization's communications plan in the event of a wildfire.
2. Maintain your property: Keep debris and combustible material from accumulating on roofs, gutters and around the structure
3. Enclose the bottom of elevated decks and do not store combustible materials below the deck or under low roof/eave structures
4. Cover attic and crawlspace vents with metal mesh screens to reduce entry points for wind-driven embers (*Minimum 1/16" mesh size per California Building Code Chapter 7A*)
5. Create defensible space up to 100 feet from the structures that serve as a layer of protection between the business and wildfire

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