



WTW – RISK & ANALYTICS

# Forensic Accounting & Complex Claims (FACC)

Post-Loss Plan Activation

September 28, 2022



# Section I

## Post-Loss Plan Activation

# Post-Disaster Emergency Response

## Immediate Concerns

- Establish disaster team:
  - Both internal and external key contacts.
- Notify insurer.
- Take measures to protect property from further damage (i.e., secure building, cover contents, hire cleaning company).
- Perform initial damage assessment inspections (follow checklist).
- Review policy language to determine coverage and requirements:
  - Sworn statement in proof of loss submission requirements.
    - 30 or 60 days after loss or after requested by insurer.
  - Timeframe to notify insurer with intent to make replacement cost claim (typically 180 days after the loss).
  - Policy sublimits or exclusions

# Post Event Immediate Response List

- Contact property claims advocate.
- Gather vendor contracts (service agreements) and initial information required.
- Distribute contact information for all experts.
- Contact all team members including responsible party for data collection and storage.
- Ensure that vital records are properly safeguarded.
- Protect property from further damage.
- Set up tracking schedule for information requested and provided.
- Activate e-room.
- Review guidelines for gathering data.
- Set up on-site inspection(s) including photographs.
- Develop list of damaged assets and assess need to repair/replace.
- Prepare purchase orders and request estimates/bids.
- Activate general ledger expense accounts to capture loss related costs.
- Begin tracking costs, both permanent and temporary, necessary to resume operations.
- Summarize potential areas of loss including initial estimates with date(s) provided. Include placeholders for areas where estimates are not available.
- Assess downtime and mitigation opportunities.

# Initial Inspections and Mitigation Efforts

- Protect property from further damage:
  - Utilize reputable/experienced disaster response service company.
  - Remove water or debris as soon as possible.
  - Board up windows and secure contents.
  - Utilize security services to protect property.
- Perform initial damage assessments:
  - Take photographs to capture “picture” of damages (label them!).
  - Take videos, if available.
  - Inspect roofs, basements, windows, and other water penetration sites to determine vulnerable areas (identifying such sites is difficult later in the process).
  - Meet with vendors/contractors to establish protocols for tracking employee time, material, etc. Especially important for T&M contracts.

# Section II

## FACC Background

# Value Added Post-Loss

FACC helps clients move quickly through the settlement process and maximize recoveries

Simplifying the claim process so clients can focus on returning to normal day-to-day business activities

Quantifying the loss amounts and gathering the necessary supporting documents

Minimizing the overall disruption to business operations by obtaining cash advances in the early stages of a loss

Preparing and submitting the claim on the client's behalf in a format that is familiar to insurers

Working directly with the adjuster and the carrier's experts

Participating in meetings to explain the methodology behind loss calculations and respond to requests for additional documentation

# Initial Inspections and Mitigation Efforts

## Protect property from further damage:

- ✓ Utilize reputable/experienced disaster response service company
- ✓ Remove water or debris as soon as possible
- ✓ Board up windows and secure contents
- ✓ Utilize security services to protect property

## Perform initial damage assessments:

- ✓ Take photographs to capture “picture” of damages (label them!)
- ✓ Take videos, if available
- ✓ Inspect roofs, basements, windows, and other water penetration sites to determine vulnerable areas (identifying such sites is difficult later in the process)
- ✓ Meet with vendors/contractors to establish protocols for tracking employee time, material, etc. - Especially important for T&M contracts



# Setup of Point of Contact, E-room, and Document Handling Procedures

- Set up point of contact to provide client, customer, vendor, and/or insurer with one person to call that will assess the request/question and provide timely responses
- Identify person to track the flow of information requested/provided

## Documentation Should Include:

- ✓ One location for receipt and circulation of information
- ✓ Unique sequential date stamping
- ✓ Scanning to dedicated server
- ✓ Updating documentation tracking form
- ✓ Uploading information to e-room

# Preliminary Information Required for All Locations

## Information Needed:

- ✓ Accurate estimate of values for property and business interruption
- ✓ Detailed annual profit and loss statements (budget and actual) for prior two fiscal years ended
- ✓ Detailed monthly profit and loss statements (budget and actual) for prior two fiscal years ended and current year
- ✓ Current detailed asset listing
- ✓ Complete copy of current leases
- ✓ Chart of accounts
- ✓ Floor/site plan(s) for locations
- ✓ List of pre-approved vendors with contact information and backgrounds
- ✓ Contact list for all relevant parties including 24-hour contact information
- ✓ Assign general ledger expense accounts/job codes that would capture event-driven costs such as labor, repairs, and purchases

# Contracts/Service Agreements Required

## Agreements Needed:

- ✓ Insurance policy(ies)
- ✓ Lease(s) for locations
- ✓ Current business continuity plan
- ✓ Current crisis management plan
- ✓ Set up process for gathering and storing information including point person and location
- ✓ Pre-approved service agreements for all vendors
- ✓ Service agreement for e-room

# Tracking of Data Requested/Provided

- Identify person responsible and a central storage location for handling and circulation of information.
- Determine process for procuring and deploying dedicated server and scanner(s)
- Determine process for setting up e-room
- Set up spreadsheet templates that will track all request for information and status

## Tracking schedule should include:

- ✓ Numerical date stamps
- ✓ Date of request
- ✓ Detailed description of request
- ✓ Person requesting information
- ✓ Person responsible for obtaining the information
- ✓ Date information was received into central storage location
- ✓ Date information was circulated
- ✓ Confirmation of fulfillment request

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