

Is the worst still to come?

As hurricane season approaches again, the outlook is stormy

The 2005 hurricane season hit the insurance industry hard, with \$5 billion in hurricane claims paid by Jewelers Mutual alone. But could last year's devastation—with its record \$80 billion in total U.S. property losses, on top of \$45 billion in 2004—happen again?

In May, we sent a news release to the jewelry industry and a special report to commercial policyholders in the states along the gulf and eastern coasts that the 2006 hurricane season, which runs from June 1 to Nov. 30, may be every bit as volatile as last year.

The National Hurricane Center predicted that this year's hurricane season will be "very active." The Center expects 13 to 16 named storms, of which as many as four to six are predicted to become "major" hurricanes of at least category three strength.

If big storms are on the way during the next six months, how should our policyholders prepare?

One resource is the *Hurricane Preparedness Guide*, which we published last year to train jewelers how to prepare for hurricanes, step by step. Topics include how to protect merchandise and property, how to create a business continuity plan, how to file a claim, and other key issues.

More than 4,000 copies have already been downloaded from www.jewelersmutual.com. This year, we added a downloadable continuity plan template.

Jeff Mills, vice president of Commercial Lines Operations, says policyholders should plan ahead.

"Jewelers need to have a continuity plan in place," he urges. "I can't emphasize this enough."

A continuity plan aids in disaster recovery, including business resumption planning and emergency management.

The *Hurricane Preparedness Guide* and continuity plan template are available to employees through our Web site.

While the guide's focus is on tropical storm preparation, it also serves as a blueprint for preparing for a variety of catastrophes: tornadoes, fires, floods, and other disasters that can hit any part of the country.

Tips include creating contact lists of employees, vendors, and official emergency centers; making backup copies of important tax, sales and other financial records; and keeping emergency equipment such as generators, battery-powered communications equipment and first-aid kits on hand.

The good news is that while weather-related disasters can't be stopped, scientists are gaining ground in the battle to predict, understand, and track them.

"What used to take me years to gather can be downloaded in a few minutes," Bill Gray, an emeritus professor of atmospheric science at Colorado State, told *BusinessWeek* in January.

Claims seminar described as "the best"

On May 8-9, our Commercial Lines team held an education and training seminar for the claims attorneys and adjusters with whom we—as well as our policyholders—regularly work. "They are often the frontline representatives of Jewelers Mutual," said **Jeff Mills**.

At the seminar, attendees learned about crime trends and investigations, safes, locks and vaults, working with traumatized policyholders, and how to handle catastrophic claims, among other things.

These are a few of the comments we received from the attendees.

Jeff & Don, just a brief note to tell you how much we enjoyed and truly benefited from the seminar. The professionalism rendered, the hospitality extended, and the one-to-one relationships exhibited by your entire staff are just a few of the reasons why we consider JM our No. 1 client. In my discussions with the adjusters and attorneys in attendance, the consensus was that we are not competitors. Rather, we are part of the Jewelers Mutual "family."

Thanks again to you and the entire staff and, as always, thank you for allowing us to be part of the JM team.

-James A. Fredo & Associates, Inc.

Comments from a survey at the end of the seminar:

"Excellent seminar! This was my first JM seminar and probably the best one I've attended in 25 years!"

"I would not make any major changes as this was a first-rate conference from start to finish."

"Extremely well run. Excellent forum for learning—from experts and peers."

Planning for the worst

Disaster preparedness isn't just for hurricane-prone areas. Natural disasters can strike anywhere. Here's what to keep on hand, no matter where you live:

- Battery-powered radio
- Flashlight with extra batteries
- First-aid kit
- Fresh water and non-perishable food
- Blankets
- Extra set of car keys and credit cards or cash
- Emergency tools
- Fully-charged cell phone
- Prescription medications
- Contact list of important people
- Copies of important documents, sealed in watertight container
- Camera and film for documenting property before/after

Source: National Oceanic and Atmospheric Administration