

“The Spirit of the Trailer” – Gillis, Ellis & Baker’s Katrina Story

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2005 began well for Gillis, Ellis & Baker, Inc., a 73 year old, third generation agency in downtown New Orleans. The 37 employees were settled into their newly expanded and renovated office on the 6th floor of a 26 story office building directly across Poydras Street from the Superdome. The office was fresh and stylish, the furniture and workstations brand new and everyone found the new surroundings to their liking. GEB was also coming off of their biggest production year ever – 2004 had taken them to new heights for new business revenue and the sales goal for 2005 had them exceeding the record. But something was missing.

In addition to sales records, 2004 had delivered four hurricanes to Florida, including powerful Ivan which passed too close to New Orleans for comfort. The management team at GEB – Anderson Baker (President), Parke Ellis (Executive Vice President) and Doug Mills (VP/C.O.O.) – realized they had a problem. Upon further review, the agency’s disaster recovery plan was deemed to be inadequate to properly respond to a hurricane or other catastrophic event and that had to quickly change.

Story after story told of hardships and struggles by agencies in Florida following the four storms. The GEB management team faced the reality that if a storm (or other disaster) struck their office they were ill prepared to respond. Their families, the 37 employees and their families and their 3000+ customers were depending on the agency’s ability to withstand a disaster, rebound quickly and be there for them. The agency had to be up and running after a disaster – no matter what.

Building The Plan

I was tasked with the role of disaster plan coordinator for the agency. I was to re-build the plan and assure that the agency could quickly and efficiently respond to any disaster that befell the agency. Hurricanes were our primary concern, but the plan should be able to respond in other emergency situations as well.

Some key questions that I had to answer (as does anyone preparing a disaster recovery plan for an insurance agency):

- Where will we go if we can’t occupy our office?
- What will we have to work with when we get there – understanding that we would have to replicate almost every function in our office?
- How will we communicate with staff, clients and companies?

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In attempting to answer these questions it quickly became apparent that without the "assets" required to put a plan into action the plan itself was useless. By assets I mean actual office space, computers (servers and workstations), telephones, internet access and all of the other things required to run a 21st century insurance agency. Add to this the necessity that all of the assets had to be available at a moment's notice and assembled in as short a time as possible (48-72 hours). With this realization, the effort switched from pure planning to acquisition of assets or the means to acquire assets when necessary.

The main ingredient to our plan was a backup office facility and the tools necessary to run the office including our entire IT infrastructure. Through the Big I of Louisiana we were put in touch with Agility Recovery Solutions, and from my very first conversation I knew they were the answer. Agility offers to provide the following items to you (or some combination of items as the situation dictates) all within 48 hours of declaring an emergency:

- An air conditioned mobile office unit with (in our case) 20 workstations with desktop computer, phone and desk/chair
- Servers to replicate the capabilities in your office
- Satellite phone service
- Satellite high speed internet service
- Technical support to begin and maintain operation of the mobile office

The cost is modest (about \$250 a month for the service) with the understanding that Agility will bill you their actual costs for services/equipment provided.

An added and valuable feature to membership with Agility is the Disaster Planning Guide they have you complete. Part of the guide enables Agility to replicate your office IT infrastructure in the mobile unit. It also allows for quick replacement of IT hardware if that is your "disaster". The other part of the guide has you answer many of the questions you would/could be faced with if a disaster strikes. While not a true "how-to" in disaster recovery, the guide does force you to address many issues before the disaster, and develop answers or solutions. This would serve us well come August 29, 2005 and beyond.

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In discussing disaster recovery with Florida agents, the same question kept coming up – How do you handle the high volume of calls that surely follow a hurricane or other large disaster? In addition – How do you handle these calls while setting up a new office or re-establishing your current office and all while giving your clients the peace of mind that the agency is there and ready to help?

Our solution was Artizan Internet Services, the providers of CSR 24 and Service 911. In our case, Service 911 was what we needed. The key elements of the service are as follows:

- A weekly back up of your client data management system (AMS in our case) so that Artizan has the same client data as your in-house CSRs
- Trained CSRs to answer calls and either handle the client's request or take a message and email a message to you for follow up
- Can be "turned on" for short periods of time or kept in service for a prolonged period to aid in recovery of the office
- Creates the appearance of "seamless service" to your clients. They are able to reach a CSR for help who has access to all of the client's policy information and the client has the piece of mind of knowing that their agent is there to help them
- Artizan has a set up charge of about \$1,500 and a monthly fee of \$167 which includes data backup. A per minute charge is applied for calls once an emergency is declared.

With most of the key questions answered by Agility and Artizan, GEB entered into contracts with both companies in the summer of 2005. We began work on the Agility Disaster Planning Guide and made arrangements for training for our IT manager, but before all of this could be completed, fate intervened and the planned for became our reality.

No Matter What

Despite the fact that we along the Gulf Coast watch hurricanes and their movements very closely – Katrina sort of snuck up on us. As late as Friday August 26th, the weather service had Katrina coming ashore east of Panama City, FL as a Category 2 storm. We were watching her movement, but not overly concerned. Here is a brief timeline of the events leading up to landfall on Monday August 29th and the days immediately following.

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- By late afternoon on the Friday August 26th, the path of the storm was moved westward (towards New Orleans) and Katrina was gaining strength
- No one was overly alarmed. The Saints played a pre-season game in the Superdome that night, and my partner went off to a fishing camp south of New Orleans with a Colonel in the Louisiana National Guard.
- By Saturday (27th) the storm had gained strength and predictions talked of a Category 5 storm. The preparation pace quickened. My partner canceled his day of fishing when the Colonel was picked up by helicopter and flown back to the city. My wife and I put her 83 year old parents on a plane to Dallas to stay with my sister-in-law. As evacuation loomed, we knew they could not stand the stress of days on the road and the uncertainty it brings.
- On Saturday morning I went to the office to retrieve some documents and touch base with Agility and Artizan. Our partners were ready to respond if called upon. We in New Orleans had been through this many times before, and most of us thought this would be a 2-3 day inconvenience, but for some reason this storm was causing me concern.
- Gassed up the cars Saturday night and by daybreak on Sunday (28th) we (wife, three children and the dog) were on the road headed to Natchez, MS. This was the first time our family had ever evacuated. What would normally have been a 2.5 hour drive would take us 8 hours to complete.
- We rode out the storm in Natchez and watched what we thought was a “near miss” of New Orleans. By Tuesday the 30th it was clear what had happened with the levees and flooding in the city and we all knew we were not going back to New Orleans any time soon.
- An emergency was declared with both Agility and Artizan on Tuesday evening. By that time no calls were being routed out of New Orleans because all of BellSouth’s circuits were flooded. Artizan took over our website and posted their 800 number on the site. This would prove invaluable in the coming days as our clients searched for us. Agility found us a location in Baton Rouge and told me to meet them there on Friday September 2nd. The trailer was on site on Friday and operational on Saturday September 3rd. All of this while faced with the evacuation of over 1.5 million people and the results of the largest disaster in the history of the United States.
- The stories of our 37 employees and their families could fill a book. No lives were lost, but 27 employees suffered complete destruction of or significant loss to their homes. Automobiles, pets and family possessions were gone. Lives were shattered and the uncertainty of what the future held was almost paralyzing.

In the midst of this loss, this pain, the total disruption of our lives and near total destruction of our city and surrounding areas, the employees of Gillis, Ellis & Baker began the road back.

Relief, Recover, Rebuild & Re-Birth

With our temporary office established in Baton Rouge, our first task was the assembling of our staff at the new location. By my guess, the 37 employees were scattered over 9 states from Texas to Virginia. Communications were a mess. Land lines in the New Orleans area were gone, cell phone calls into or out of the 504 area code were very iffy – and besides, there was nobody there to take the call. Everyone in the four parish (county) area of Greater New Orleans had been evacuated.

What did work? Text messaging! I doubt more than a handful of our staff even knew they had text messaging on their cell phone before the storm, but it became our standard means of communication. My then 14 year son, PJ, was horrified by my lack of dexterity in text messaging and he took over the duties. He followed me around for over a week acting as my walking “Dictaphone” by typing in text messages and firing back replies.

Email also worked, and part of our plan included non-work emails (AOL, Yahoo, MSN, etc) as a means of communication. I was able to email some of our staff with instructions on the new operations in Baton Rouge. Through these sources and word of mouth I was able to track everyone down within a week. Several of our employees had not evacuated immediately and were trapped in the affected area – two of whom were rescued by helicopter.

It was a harrowing experience for all of us as we left our homes and watched the events unfold on television. It was actually a relief to go back to work. From three employees on Saturday September 3rd, we began adding people each day as they found their way to Baton Rouge. We threw ourselves into the task at hand. Service 911 forwarded us messages from the calls by email, and we “triaged” the calls and set them up for return calls. As word spread of our new phone number and location, clients began calling direct and coming to the trailer. 14 hour days were the norm, but at least at work we all felt useful and productive. We did not have to think about the chaos and destruction going on at home.

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Getting the agency up and running was a huge task, but that alone would have proven easy. Adding to everyone's stress was the need to find housing, take care of family members with special needs, get the children enrolled in school, and fight the gridlock of traffic in Baton Rouge which grew from a city of about 400,000 to almost a million overnight. Work, while stressful, was a refuge from the chaos all around us.

We handled over 3,000 claims in total, and handled over 10,000 calls. All of this was possible thanks to Service 911. We could not have handled the volume of calls without the first response capability of Service 911. Through their CSRs, many calls were resolved quickly and the claims process begun. When follow up was needed, we were able to assign the call backs based on our current personnel and work load.

The recovery trailer was our island of hope and sanity during those first few weeks. By the third week in September we were close to fully staffed and began looking for semi-permanent office space. It was estimated that our office building in New Orleans would not be ready for occupancy until mid-November at best, and we need more space, land lines for our phones and hard line internet service.

We were able to find two adjoining Class B office suites in Baton Rouge, and we moved there the third weekend in September. With Agility's blessing and help, we simply took all of the computers, the servers, the furniture and supplies out of the trailer and set up operation in the office space. The new offices gave us all of the upgrades we needed, and some simple creature comforts like separate bathrooms for the men and women.

What we didn't change was the esprit de corps that had developed among the entire staff. You could almost feel it, the bond that had formed as we worked to bring our agency back to life, help our clients and assist each other through the most trying times we will hopefully ever know. We nicknamed it *The Spirit of the Trailer*.

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Here is a brief explanation of what The Spirit means to us:

- Life as we knew it was gone, but we had a job to do. Our clients needed us and we were there for them
- Not much was certain, but we had each other and that was enough
- "Can Do" was our credo – everything that can be done for our clients and for each other will be done
- There was no rank or organizational chart – all for one and one for all
- An office with no walls, no privacy and no rules works just fine
- We took the worst that nature, man and government could dish out – and we are not only still standing, we are winning!!!

Days drug out to weeks, and we continued to work to keep abreast of the volume of claims and calls. During this time, the outpouring of good wishes, offers of help and genuine concern by our fellow agents around the country helped boost our spirits. Our Assurex Global partners drove down an entire moving van full of clothes and furniture from Ohio. Another Assurex partner delivered clothes from Alabama. Money and gift cards arrived from our Sitkins 100 partners as well as Assurex members. We established the Gillis Foundation, a 501(3)(c) non profit corporation in order to accept and manage the funds.

We received so much stuff – clothes, household items and furniture – that a large part of one of our office suites served as a warehouse/distribution center. Each day brought more boxes from the UPS or FedEx man, and we would sort through the stuff by size, gender, etc. We distributed goods first to our employees, then their immediate families and in the end donated the remainder to a church in Baton Rouge who was working with displaced families.

As November drew near, it became clear that we would be able to move back into our office in New Orleans. Our office itself was fine, but the building had sustained substantial damage to the first floor, electrical system, elevators, life safety systems and the HVAC system. We made the move in mid-November, and it was with mixed emotions that we left our little office in Baton Rouge behind.

Arriving back in New Orleans was like many things in those early weeks after the storm – happiness mixed with a healthy dose of reality and sadness. It was good to be back in familiar and comfortable surroundings, but nothing was pre-Katrina "normal". The city was still a mess. There were no places to eat in our part of town, and the building was virtually empty of other tenants. Plus, moving from

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our 1,500 square foot trailer to our 13,000 square foot office meant the loss of the closeness and the immediacy of the crisis. We still had lots of work to do, thousands of claims to get resolved, renewals or extensions to process, so the end was still not in sight.

We were "home" but in name only. Many of our staff had no home to which they could return. Others faced months of renovations and life in a FEMA trailer. The initial rush of activity and excitement that made up the early days of recovery gave way to days and weeks for drudgery and slow progress.

We brought in Employee Assistance counselors to help folks deal with what they were experiencing and the emotions that controlled their lives. Some couldn't sleep, others found they were forgetful and absent minded and others lived with the "guilt" of lives not badly damaged while their friends and co-workers dealt with the loss of all of their possessions. Katrina left a lasting wound on all of us, and the healing process was slow and painful. It continues now, one year later.

Today

As we entered 2006, we realized that we were fighting for our survival as an agency and as a business in New Orleans. Our game plan was not to retreat or "hunker down" but to be aggressive and pursue new business with a vengeance. We had responded quickly and effectively after the storm, 148 out of our 150 largest clients had re-opened for business (many because of the work we had done for them before the storm), and we felt we had a positive message and great capabilities to deliver.

The results have been outstanding. We have written more new business in the first 8 months of the year than in any previous year (including the record year of 2004). Much of our new business has been acquired by Agent of Record letter as clients look to find a better solution for their insurance and risk management requirements. Unfortunately, many agencies did not perform well through the storm, and as businesses re-build they are looking for partners to help them for the future and GEB can fit their needs.

All of our new business is from accounts we would have written before the storm - established businesses that are part of the re-birth of New Orleans. They are growing and adding new operations, and we are glad to help them in their growth. We see it as our duty to the community to do our part in the re-building

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efforts to make sure insurance and risk management services are available. In the current marketplace that is not always easy, but we are getting it done.

We are back up to full strength with our staff, and are looking to add new employees and producers. We approach the one year anniversary of Katrina with guarded optimism. The recovery efforts still have a long way to go. Another hurricane at this point could prove fatal to the region. Many of our employees and clients still have re-building and renovations to complete, but progress is being made. We see that our hard work over the last 12 months has been worth the effort as we renew business at almost a 100% rate, new business continues to flow and we know that we have the ability to sustain our recovery.

We remind our producers and staff that they have passed the hardest test any insurance professionals in America will ever be asked to take. We handled thousands of complicated and severe claims, fielded over 10,000 calls, re-established the office three different times and all the while retained almost 100% of our business and wrote over \$10,000,000 (and climbing) in new business premium. All of this was accomplished in the midst of the largest natural disaster in the history of the country and while their personal lives were in shambles.

The second year of recovery promises to have its own hurdles and pitfalls. Our future depends heavily on the willingness and ability of insurance companies to write and renew business in coastal Louisiana and Mississippi. Rates are up and terms and conditions have been severely altered, but we and our clients can live with these changes. What will kill the area's recovery efforts is the inability to write new business or renew existing business in the normal marketplace. We need for the insurance companies to do what they are in business to do – accept risk for an adequate rate and with terms and conditions that allow the client to properly manage their financial risks.

As with the first year of recovery, we at Gillis, Ellis & Baker will face the hardships and take the tests of year two, and once again we will pass with flying colors. We are survivors of Katrina, a badge of honor we wear with pride. We look to the future with hope as we re-build our city, our lives and our agency.