

Hurricane Season Is Coming. Most Organizations Are More Exposed Than They Realize.

Every year, property owners, lenders, developers, and asset managers tell themselves the same thing:

“We already have insurance.”

“We’ve been through storms before.”

“We’ll deal with it if something happens.”

Then the hurricane hits.

And suddenly:

- The deductible is far larger than expected
- The policy contains exclusions nobody noticed
- The contractor’s insurance is inadequate
- Critical endorsements are missing
- Delays increase uninsured losses
- Business interruption coverage doesn’t respond as anticipated
- Vendors disappear when they are needed most
- Claims drag on for months
- Investors and lenders begin asking difficult questions

The financial damage from hurricanes is not always caused by the storm itself.

In many cases, the real damage comes from poor preparation, hidden insurance gaps, and weak risk management decisions made months earlier.

The Most Dangerous Assumption: “We’re Covered.”

One of the biggest misconceptions organizations make heading into hurricane season is assuming their insurance program was designed to fully protect them during a major catastrophic event.

In reality, many policies contain:

- ✓ Named storm deductibles that create massive out-of-pocket exposure
- ✓ Flood limitations
- ✓ Coinsurance penalties
- ✓ Inadequate business interruption coverage
- ✓ Delays tied to reporting or documentation failures
- ✓ Restrictive sublimits buried deep within policy language

Most organizations do not discover these issues until after the loss occurs — when it is too late to fix them.

A Few Critical Steps Organizations Should Take Now


- Review Deductible Exposure



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Many organizations do not fully understand what their windstorm or named storm deductibles actually translate to in dollars.

A percentage deductible on a large property schedule can create millions in uninsured exposure overnight.

- **Verify Vendor and Contractor Insurance**

If emergency remediation vendors, contractors, or property managers are not properly insured, liability and recovery issues can escalate quickly after a storm.

This becomes even more critical for active construction projects and large real estate portfolios.

- **Evaluate Business Continuity Procedures**

Ask yourself:

- Who handles claim reporting?
- How quickly can damages be documented?
- Are contracts and insurance records accessible remotely?
- Are key vendors and response teams already identified?

The first 24–72 hours after a storm often determine the trajectory of the entire recovery process.

Identify Coverage Blind Spots Before the Market Does

After major storms, insurance markets tighten rapidly:

- Premiums increase
- Capacity shrinks
- Underwriting becomes more restrictive
- Deductibles rise

Organizations that wait until renewal season to identify problems are often left with fewer options and higher costs.

The Organizations That Recover Fastest Usually Prepared Long Before the Storm

The difference between a manageable loss and a catastrophic financial event often comes down to preparation:

- Stronger contractual risk transfer
- Better documentation
- Proper insurance structure
- Vendor compliance oversight
- Clear operational response procedures


Most organizations focus on the storm.

Sophisticated organizations focus on their exposure before the storm arrives.

Hurricane Preparedness Is Not Just About Safety — It Is About Financial Survival

A single uncovered claim, uninsured deductible exposure, or contractual gap can materially impact:



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- Cash flow
 - Project timelines
 - Investor confidence
 - Loan compliance
 - Asset valuations
 - Operational continuity

The question is not whether hurricane season will create risk.

The question is whether your organization has identified where that risk actually exists.

If your organization has not recently evaluated its hurricane-related risk exposure, deductible structure, vendor compliance, or insurance program adequacy, now is the time.

At The ALS Group, we believe effective risk management is about more than insurance — it is about helping organizations anticipate challenges, strengthen protections, and improve business outcomes. Understanding how evolving risks impact your operations allows you to make more informed decisions and avoid costly surprises. If you would like to discuss how these issues may affect your organization or evaluate your current risk strategy, please contact Albert Sica at asica@thealsgroup.com or [732.395.4251](tel:732.395.4251)

