



Are You Managing Hail Damage Risks?

With each passing season, community banks face a new list of weather related hazards for which to prepare. The autumn brings rain and slippery leaves, winter blows through with ice and snow, and spring and summer spawn potentially dangerous thunderstorms. Many banks may plan for the wind, rain and tornadoes that can come along with the warm weather, but it is hail that tops wind and rain damage as the costliest product of a thunderstorm. In the United States alone, hail causes over one billion dollars in damage annually to vehicles, roofs, landscaping and crops. While the Midwest and upper plains area of Wyoming, Nebraska, Colorado, Kansas and Texas are the most susceptible to severe hail, nearly all thunderstorms produce hail, it usually just melts before it hits the ground.

Hail season typically lasts from March through the end of the summer, but like thunderstorms, hail can happen any time of year. As the seasons begin to change, community banks can take this opportunity to look at measures that could help protect people, buildings and property before a storm potentially causes damage.

Prevention Tips

For a community bank, the building's roof is one of the primary causes for concern when hail arrives. The Underwriter's Laboratory (UL) has developed a ratings standard that determines a roof's resistance to impact.

If your bank is in a part of the country that sees frequent hail storms, it's worth evaluating the need for a type of roof with a higher impact resistance rating. Also be aware that the sealant around roof vents, roof-mounted equipment and skylights can wear down over time and become susceptible to cracks and leaks, especially if hit by hailstones.

Additionally, fleet vehicles can be damaged in a hailstorm. If your bank has its own vehicles, you should try to provide a covered place to park them, even if the space is only available in severe weather.

Banks should be aware of any other potential property that could be exposed during hailstorms. Are there movable signs or furniture outside? Plan ahead and know where you can store these items during normal operating hours if the sky turns dark.

When a Storm Approaches

Advances in technology now allow for some advance warning when hail is on the way. Doppler Radar can also help to determine the size of the hail present in some storms. Monitor the weather to know if any precautionary steps need to be taken if an intense storm is approaching the area. Whenever possible, try to cover any outdoor property that could potentially sustain damage from hail. If it's an option, park any vehicles under a carport or in a garage. Hailstorms bring much more than just hail – usually high winds and driving rain are a concern as well. If you have a severe weather plan in place, it can help you to move quickly and be effective in preventing damage.

Community banks should also be aware of the risks to customers and employees who are on the premises when a storm strikes. An average of 24 people are injured annually in the United States from hail, and in extremely rare cases, hail can even be fatal. If you are aware that severe weather is approaching, notify employees of the situation and work with them to



calmly inform customers of the pending storm.

If the weather becomes so severe that employees and customers need to seek shelter within the bank, know where you can best protect them from the weather. Move everyone to a windowless interior space on the ground floor, or if possible, the basement. The vault may seem like a logical place to seek shelter, but there are issues to be addressed if you consider bringing people into the vault – such as the door locking from the outside, a potential lack of fresh air supply and of course, securing the cash inside. Additionally, cell phone service typically can't penetrate the vault so communication could be hampered.

After a Storm

Once the storm has passed through the area, evaluate the property for any potential damage. Remember to still consider the safety of customers and employees as a primary concern. Immediately clean up any broken glass from building or car windows to prevent injury or additional damage. Cover any broken windows with plastic or a tarp. Loose hailstones can also be a hazard. If the hail accumulated in walkways or in parking lots, try to clear a pathway to prevent slips and falls.

You can judge potential damage to the roof based on the size of the hailstones and the damage to shrubbery and landscaping. If the hailstones are smaller than a ping pong ball, most commercial roofs should avoid damage. However if plants have been shredded by the hail, it is a safe bet that there could be damage to roofs or equipment mounted on the roof. Siding could also be affected by hail. Following a hail storm, it's a good practice to have a contractor examine the building to make sure that there is no unseen damage. Be aware however, that anyone who goes door-to-door offering contracting services after a severe storm could potentially be unlicensed and uninsured.

When it comes to damage prevention, hail can often be overshadowed by the more dangerous effects of thunderstorms, but it remains one of the costliest results of summertime severe weather. When the storm clouds roll in, be sure that your bank isn't caught unaware.

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