

Header: "Team" CNA Responds to Tragedy

Teaser – Efforts led by CNA Help Make the Best out of a Bad Situation

In May 1999, a category-five tornado hit Oklahoma City, causing devastation to property and life ... In the vicinity, CMP Corporation was in the early construction phase of a metal building to be used as a facility to manufacture machine parts. Although the tornado blew around CMP's new construction that day, the owner of the company took a good look at the destruction in the area and decided to add a "safe room" to his new building. The "safe room" of the building was constructed in a way that would ensure the best chance for survival for CMP's employees in the event that a future tornado should occur . . .

On May 8, 2003, around early evening, CMP's investment in the "safe room" paid off as a devastating tornado ripped through Oklahoma City once again, this time making CMP Corporation's metal building its target . . . much of the 118,000 square foot building was demolished by the impact, except for the "safe room" that was left standing ... in the "safe room," approximately six regular and contract employees survived shaken – by unharmed.

The next day, Dale Kennedy, a CNA general adjuster, learned about the loss and contacted a salvage company and an accountant to assist in the business interruption claim. Dale jumped in his car and got to the site of the loss. The main building and its two metal outbuildings were assessed by CNA to be a total loss except for the concrete slabs. Loss of the buildings, personal property, extra expenses and electronic data processing systems was estimated to be over \$16 million.

Dale got in communication with the agent, Jeff Clymer. Dale found Jeff to be very helpful.

"A lot of times agents are not as helpful in staying onsite and trying to mediate the loss ... but I was pleasantly surprised and pleased that Jeff was there all day Friday, all day Saturday and part of Sunday, Dale stated. "And although the outcome is yet to be realized, CMP has expressed that they are very happy with the services and the way that we've worked with them ... we've tried to move this along as speedily as possible to help mediate the loss."

CNA worked with Ben Harrison, the Vice President of CMP Corporation to "make things right" for CMP. He was very responsive and cooperative. As this is the insured's peak season, values of raw materials and finished goods are high. Ben was very driven to try to salvage as much of his inventory as he could so that he could get back into operations as quickly as possible. He contacted the general contractor of the building to assist with demolishing what was left of the building and to help with the salvaging effort.

The next steps were to work with CMP Corporation to complete the inventory, and to determine the loss amounts of the building, the business personal property and assess the business interruption claim. CNA hired an industrial equipment consultant to assist in the evaluation of the machinery and to assist CMP in locating temporary and replacement equipment.

"CNA worked with them – they're very much expert in evaluating equipment but we assisted them in their efforts because everyone was stretched thin trying to sort out the inventory – the damaged from the undamaged production equipment," said Dale. "We were helping them and documenting our files as to the loss."

A tent was erected on the site to protect everyone and everything from the weather while inventory was sorted. Most of the inventory and about half of the production equipment was salvaged. CMP Corporation produces "after market" replacement parts for air conditioning compressors for commercial applications.

According to Dale, "CMP has orders that they've put together and while sorting the inventory according to damage, they were putting together orders to ship from the parts that were undamaged. Once they get to the new temporary location they'll be able to produce the parts they need to machine the parts they sell and get back in business."

CNA has issued an advance payment of \$2 million to CMP Corporation and it should be in CMP's hands by the end of this week. CMP was able to save enough of its inventory to last about three weeks. They plan on getting back into production as soon as possible to be able to fill their bins and ship parts out to customers. After all this, CMP Corporation has made some sales this week. They have leased a temporary location that they'll occupy by May 23.

We're happy with CNA and I heard the insured say that they're happy with the way everything is coming, said Jeff. "It could take a year to settle this completely due to the damage to the building, but we're off to a great start!"