

WHEN DISASTER STRIKES

BY MIKE WILSON



PATHWAY FAMILY FARMS

Earlier this year a tornado wiped out the grain facilities at Pathway Family Farms in Fort Branch, Ind.

What this farm family learned in the aftermath of an EF3 tornado

NO ONE EVER thinks it will happen to them — until it does.

On Feb. 28, an EF3 tornado with 150-mph winds screeched through Gibson County, Ind., just east of the Wabash River in the southwest corner of the state. Monster winds chewed up several buildings, including the grain complex at Pathway Family Farms in Fort Branch, Ind.

“Luckily for us, the only things destroyed were the grain bins and fertilizer buildings,” says Emily Cooper, who manages Pathway along with her brother Jacob Hirsch and mother and father, Bev and Mike Hirsch.

EMOTIONAL ROLLER COASTER

Despite feeling shell-shocked, the family immediately began working with an insurance adjuster to make claims and rebuild.

“It’s probably the case in any loss,

but this process is like an emotional roller coaster,” Cooper says. “You feel like you get good news, then bad news. Plus, when you have a project this big, you don’t get it all settled in a week or two. It just takes a long time to assess damages, get quotes and finalize some numbers.”

They agreed to share what they learned from the process to help other farmers who may find themselves in similar circumstances. Here are four steps you can take to ensure you’re ready when disaster strikes.

1. Walk around your facilities and record every detail. “We all have cellphones with video cameras now, and that’s what I did,” says Cooper. “We did a video of each room, including the shop and tools. If something is in the middle of rubble, it’s very difficult to determine what your losses might be.” Take 30 minutes to an hour — maybe around your policy renewal time each year — and update your video inventory. It will help a lot if you ever have a claim.

2. Get “replacement cost” on everything you can. This will allow you to be paid to replace the totaled out structures, rather than just being paid at actual cash value (actual cash value subtracts off depreciation from the replacement cost). Revisit the values you have your structures insured for annually. Most companies increase the values by 3% annually for inflation, but this may not be enough increase for some structures.

3. Purchase some extra expense insurance. In the case of Pathway Family Farms, there was a cost for labor to cleanup up the grain that spilled out of the bins. They also experienced costs for generator rental, grain vacuum rental and setup of a temporary network for internet. “Because we’re located in the country and have a tall grain leg, the internet was on top of that leg, so when it went down, our internet went down as well,” says Cooper.

4. Purchase some loss of



PATHWAY FAMILY FARMS

business income insurance. For example, this would cover the loss of business income incurred due to not being able to use the grain bin system during harvest to dry and store the grain. Thankfully, the storm hit in February, but if it had

The “extra expenses” and “loss of businesses income” are line items you can choose on your policy. You have to decide what dollar amount you want and your insurance company can determine the cost of the policy. The Hirsches did have extra-

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hit in August, the family would certainly have incurred loss of business income as harvest approached.

Items three and four go hand in hand, says Cooper. “We found that you incur a lot of expenses that aren’t actually damage to property itself. It’s these little details that can add up very quickly.”

expense insurance, but not loss of business insurance.

“Now that I know how this works, we’ll have both of these on our policy, as well as upping our values,” says Cooper.

Construction is coming along well, and the family hopes to be ready to go by harvest. **FF**