

THE INFORMER



The interior of the BP Hi-Way Hop in Lomira, rebuilt after a devastating fire.

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A DAY FROM HELL

by Traci Cole, Cole Oil Company, Lomira, Wisconsin
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It's impossible; one cannot imagine the complete and utter destruction until witnessed firsthand. The sun came up at 6:49 am on November 14, 2014. Less than an hour earlier, a fire had started in the grill area of the leased Burger King adjacent to the BP Hi-Way Hop in Lomira, WI. Fourteen volunteer firefighters worked hard to control the fire, but three hours later, the entire complex had burned to the ground. Fortunately, no one was injured.

BP Hi-Way Hop, a four-generation family business, is owned by Ron and Karen Cole, and their three children, Tony, Tom and Traci.

Traci recounts, "When we first arrived at the site, it seemed the fire could be controlled. The firemen even went in to get our managers' purses. But the fire progressed quickly. It was very cold, and as we stood outside freezing, we realized once it got into the ventilation system and roof area, it was unlikely things could be saved. The flames and the amount of smoke it produced were unreal."

To say the very least, as the building burned, the situation was chaotic; the nearby school was placed in lockdown. Highway 41 was shut down at one point because of the smoke, which was seen from miles away. The media was everywhere, interviewing anyone and everyone, even those who had no idea what happened, no idea who owned the building, had no involvement at all.

"This became a problem because the media was getting incorrect information about who owned the building and the businesses," Traci said. "They were interviewing part-time help, and those passing by who didn't have correct information. Things were a bit crazy until I got involved and had all media and reporters speak with me directly."

THE FIRST 48 HOURS

This period after the fire was hectic and mind-boggling. The Coles were pulled in a million directions and had to quickly prioritize things.

“We were lucky to have a good relationship with our neighboring bank to help us through the financial issues that came up. The bank is literally next door and offered its conference room to us the day of the fire as a headquarters.”

Employees were very worried about their jobs, being out of work, and wondering if they would get paid.

The area needed to be secured and fenced off immediately. Safety and security were a must. This could have been problematic if someone had not suggested obtaining fencing that the nearby school was no longer using.

The clean-up process had to begin immediately. Finding and selecting service companies took time.

Utilities were contacted, plus companies that had leased equipment in the building, such as coffee/soda vendors, etc.

The extremely cold weather forced the Coles to hire salt trucks to melt ice formed from the water used to extinguish the fire.

They were eager to keep the car wash going (housed in a separate building untouched by the fire) but had no point-of-sale equipment, so they installed temporary electric, phone, and internet lines.

“We were forced to decide right away if we would rebuild, and the many details associated with doing so, because this decision impacted everything going forward.”

THE INSURANCE

Cole's Federated Insurance Marketing Rep (MR) was available immediately, arriving the day of the fire with his little boy in tow because he didn't have a sitter.

The Coles' experience with the insurance company after the claim was favorable. “No matter how closely you go over your policy, there will be questions and it is nice having someone to guide you and answer them: Will employees be paid? Is lost profit insured? What sort of things pertaining to the claim do we need to be looking for relative to invoices, etc.?”

With respect to the insurance pay out, the Coles believe they had adequate coverage. Having key employees' wages covered was a relief. They had a good crew at this store and all were regulars.

On the downside, when old buildings are rebuilt, the design and materials are different so the actual cost to replace the building is higher than the insurance company's payment, which is based on rebuilding with materials of like kind and quality.

In addition, Ron and Karen had a lot of personal and collectible items at this location as it was a '50s and '60s themed store; their prom king and queen photo, Coca-Cola collection, and Lone Ranger memorabilia all went up in smoke.

It was especially hard for to watch those memories be destroyed. Things like antique refurbished gas pumps, a restored old Wurlitzer juke

box, an extensive model car collection, and many other personal and community items from Lomira's history. These items can't be replaced, so didn't qualify for reimbursement on a “replacement cost” basis.

Federated has been Cole Oil's insurance company for over 30 years. But because the Hi-Way Hop is run as a separate company, it had been insured with another insurance company until one year before the fire. Their



Disaster...

...and recovery.

Traci, Tom, and Tony Cole in the new store

Federated MR kept asking if he could quote Hi-Way Hop, and eventually he did.

“Federated's premium was more than what we'd been paying, but our MR pointed out some coverage differences, was readily available for questions, and was very familiar with the rest of our business. I decided cheaper isn't always better, so we moved the store's insurance to Federated. Ironically, we had the fire the following year, and were very glad we changed carriers. Our MR did an outstanding job.”

HINDSIGHT IS 20/20

Like other major life experiences, one can never prepare mentally for this disaster. The effect it had on the community was incredible. “So many people reached out. They sent pizzas to the war room and fire fighters. They established Giving Trees for our employees and the local health club offered them a free six-month membership. The fire took a toll on all the employees, their families and the Cole family.”

Traci, along with her brothers, oversees three stores and Cole Oil's main office. Many extra hours were devoted for months after the fire. Monitoring the rebuilding process required nearly daily meetings with vendors and contractors. It was grueling.

“There was no disaster recovery plan in place per sé. However, we did have good inventories and some records stored off-site to rely on for a lot of critical information. It would have been very helpful to have some type of a checklist to follow in a case such as this.”

Traci and Joy offer the following advice to fellow WPMCA members:

1. Keep good records and documents of all purchases large and small: equipment, décor, inventory, and every little thing in the store, down to the last Sharpie and paper clip. Recreating these records was very time consuming. For the new store, the Coles created an electronic file and documented everything that went into the new building. Inventory was also scanned in and backed up off-site. They are also doing this on a go-forward basis for any major purchases at other locations.

2. Take a video of all of your properties. Take pictures, lots of them. We can't stress enough how important it is to have records of everything, along with costs.
3. Before something major like this happens, appoint a company spokesperson and inform anyone and everyone who it is. We were all but in shock and there were so many other things to think about, but it's better to get the correct information out as soon as possible versus having the media speak with anyone who walks by.
4. Know what you will tell your employees and if their wages, etc. will be paid by the insurance company. They will ask, quickly.
5. Set up a separate account in your accounting system post-loss and track all fire-related expenses.
6. Develop a disaster recovery/response plan. The most critical items include, but are not limited to, the following:
 - Know how to communicate with, and account for, your employees;
 - Have contact info on-hand (in your phone) for the local fire department, law enforcement officials, schools, insurance company and agent, and clean-up vendors;
 - Establish a line of credit to access, if necessary, immediately after the disaster; and
 - Ensure company records are backed up, stored off-site, and accessible 24/7.

This link takes you to a fillable pdf basic disaster preparedness/recovery outline:
<http://goo.gl/fMVZYL>

7. Business income/extra expense insurance is critical for every business. All employee (not just key employees) wages can be insured following a loss. Decide whether you want to cover just key employee wages or everyone's.

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Photos from the Hi-Way Hop's history...

...and the new building, completed seven months after the fire.

