



MISSION VALLEY BANK

DISASTER MANAGEMENT

CALIFORNIA COMMUNITY BANKING NETWORK

CHIEF CREDIT OFFICERS CONFERENCE

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MISSION VALLEY BANK

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FIRST STAGES OF FIRE



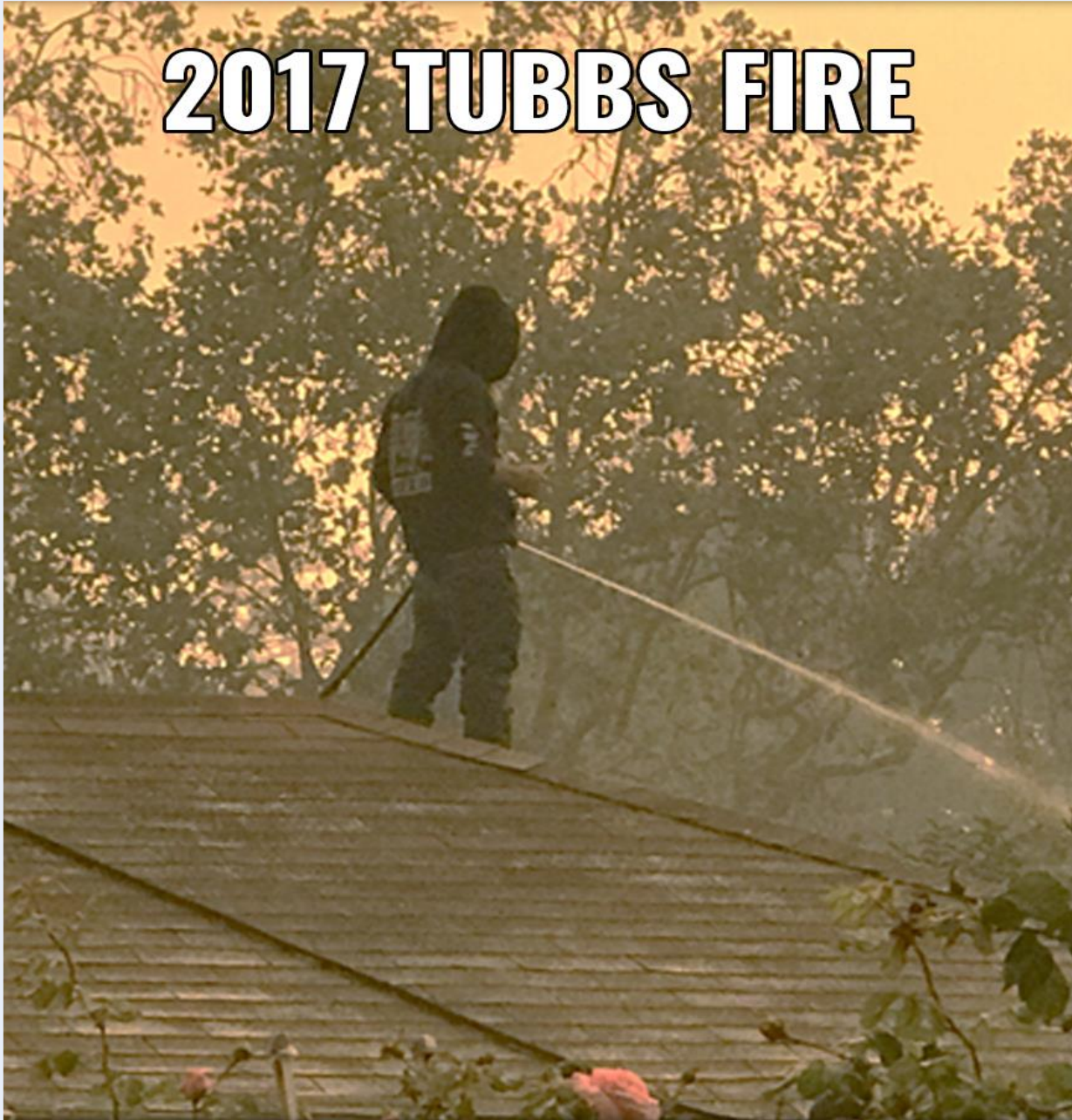
- 1. People are in shock. Most people aren't used to packing all of their personal belongings by the front door ready to evacuate at any moment.***
- 2. We have fire fighters from all over helping us out right now. However, the second the last fire truck from an out of state or area leaves, most people think it's done, when it is actually just getting started.***
- 3. In the next day or so, we're going to be seeing massive amounts of insurance motor homes finding a home, possibly 5 different sites to start taking claims.***
- 4. FEMA and other local agencies will come in very quickly and clean up the burned down lots, moving out all the burnt debris. It's a quick process.***
- 5. Contractors from all over the state, and possibly out of state will come in looking to capitalize on the situation.***
- 6. The rental market for homes and apartments will be non-existent.***
- 7. The rental homes will be going for \$12k to \$15k a month, the insurance companies will be paying for it for a period for 24 months.***
- 8. Donations will come pouring in.***



continued

9. ***You will start to hear from attorneys on the radio and TV, asking folks who lost their home to join a lawsuit, against who yet is to be determined.***
10. ***Federal and state agencies will extend the filing deadline for tax returns for folks living in LA County.***
11. ***Requests for deferments will come rolling in.***
12. ***Insurance issues will arise. Leigh Wren will go into further detail.***
13. ***Watch out for fraud or theft, it will be rampant.***
14. ***This is going to be costly.***
15. ***Moratorium on Property insurance will not only stay in place for now but will most likely be reinstated for many years.***
16. ***Car insurance will take a huge increase too if companies choose to stay in CA.***

2017 TUBBS FIRE



CALIFORNIA



Risk Factors



- ***Insurance carriers continue to exit California***
- ***Increase in surplus lines or non-admitted carriers***
- ***Higher rates, premiums & deductibles***
- ***Increase in policy cancellations & force placed insurance***
- ***Higher default rate and LTV***

THE BASICS: PLAN – IMPLEMENT – MANAGE



CLEARLY DEFINED POLICY AND PROCEDURES

Type, terms, exceptions, complaint with Regulatory, SBA, Investor guidance

IDENTIFY POTENTIAL IMPACT ON PORTFOLIO

Compare system data to FEMA OR CalFire incident maps

DEDICATE PRIMARY INTERNAL RESOURCE(S)

Enhanced communication - Single point of contact (Loan Service or Special Assets)

THE BASICS: PLAN – IMPLEMENT – MANAGE



PROACTIVE OUTREACH & INITIAL CONTACT

Gather details and request necessary information

ASSESS FINANCIAL AND CREDIT IMPACT

Evaluate the borrower's current and future repayment ability given the disaster's financial impact.

INSURANCE

Review insurance policy status, expiration date, limits & deductible

Note: Commercial loans may have Loss of Use or Business Interruption coverage. Discuss with customer or insurance carrier. If available, this may be a viable option rather than a forbearance or modification.

THE BASICS: PLAN – IMPLEMENT – MANAGE



INSURANCE CLAIMS

Evaluate existing escrow and/or bank controlled account administration policy & procedures, especially when significant funds or repairs are involved

LEVERAGE SYSTEM

Status, Tracking, Progress, and Reporting

CONTINUED CUSTOMER CARE

Provide guidance on insurance matters, available resources and support

RISK MANAGEMENT

Reassess insurance requirements going forward, possibly recommending increased limits, added coverage (like flood or earthquake), or reduced deductibles.

THE BASICS: PLAN – IMPLEMENT – MANAGE



RISK MANAGEMENT

Reassessment and adjust insurance requirements going forward

Consider increased limits, and higher deductibles and optional coverage (flood or earthquake)

Evaluate potential changes in lending practices and policies, particularly in disaster-prone areas.