Major Loss Case Study: Hale Library

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Presenters

• Chad Currier, Chief Information Security Officer, Kansas State University

• David Letzelter, SVP, Marsh USA Inc.

• Rodney Todd, Regional Manager, BELFOR

• Dan Veldman, Executive General Adjuster, Crawford & Company
Overview of Loss History and Status of MPP

**Rolling 5-Year Insurer Loss Ratio**

<table>
<thead>
<tr>
<th>Year</th>
<th>Loss Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-09</td>
<td>79%</td>
</tr>
<tr>
<td>2006-10</td>
<td>72%</td>
</tr>
<tr>
<td>2007-11</td>
<td>74%</td>
</tr>
<tr>
<td>2008-12</td>
<td>42%</td>
</tr>
<tr>
<td>2009-13</td>
<td>47%</td>
</tr>
<tr>
<td>2010-14</td>
<td>50%</td>
</tr>
<tr>
<td>2011-15</td>
<td>43%</td>
</tr>
<tr>
<td>2012-16</td>
<td>46%</td>
</tr>
<tr>
<td>2013-17</td>
<td>220%</td>
</tr>
<tr>
<td>2014-18</td>
<td>232% est</td>
</tr>
</tbody>
</table>

**Notes**
- 2018 amount is projected to full-year.
- Losses valued as of 12/31/2018.

**Metric**
- Gross Losses in $Millions
- Number of Losses
- No. of Losses Greater than $1 Mil.
- No. of Unique Members with a Loss Greater than $1 Mil.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Gross Losses in $Millions</th>
<th>Number of Losses</th>
<th>No. of Losses Greater than $1 Mil.</th>
<th>No. of Unique Members with a Loss Greater than $1 Mil.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$218M</td>
<td>380</td>
<td>24</td>
<td>18</td>
</tr>
<tr>
<td>Annual Avg.</td>
<td>$39.6M</td>
<td>69</td>
<td>4.4</td>
<td>3.3</td>
</tr>
</tbody>
</table>
Follow Along!

• http://blogs.k-state.edu/hale/
The college library was completed in 1927, making it the first building on campus devoted solely to housing the library.
History

Lack of space continued to be problematic and in 1955 the stacks addition was completed to the south.
History

To alleviate overcrowding, a second addition to the southeast was completed in 1970.
History
Hale Library
Hale Library

• One of the major goals of the new library was to **assimilate the old and the new** structures, architecturally and aesthetically.

• With that in mind, the construction encased and expanded the west, south, and east sides of the previous library, while leaving the **original 1927 building exposed to preserve its historic beauty and significance**.

• To acknowledge the importance of the original library and its namesake, the 1927 structure retains the designation of “**Historic Farrell Library**” and the main entry to Hale is officially known as **the Farrell Entrance**.
• Hale Library, one of the largest buildings on the K-State campus, includes five floors and a basement.
May 22, 2018
The incident – Preliminary Reports

• Firefighters were called to Hale Library at K-State about 4:10 p.m. Tuesday after receiving a report of smoke in the top floors of the library and the alarms had sounded. The building was evacuated and no one was injured.
• Manhattan Fire Department and Riley County Police Department initially responded to the scene.

• “Started to fight the fire and then as the evening progressed they brought in additional forces. At the peak we’ve had about 70 people fighting the fire.”

• Other Departments sending assistance included the Fort Riley Fire Department, Blue Township, Riley County EMS and the Red Cross.
• The cause of the blaze and the damage estimate are still unknown. Morris noted they were fortunate that the fire was mostly contained to one part of the building.
The Incident – Subsequent Reporting

• The fire occurred in the roof of the original Farrell Library, in an area containing several large air handling units and proved very difficult for firefighters to gain access to extinguish the fire.

• Fire damage was limited to a portion of the roof, with extensive water and smoke damage throughout the structure.

• Damage estimates are not available at this time.
• According to Ryan Almes with the Manhattan Fire Department, at 4:10 p.m, Fire crews were dispatched to 1117 Mid-Campus Drive, Hale Library, on the Kansas State University campus for a report of smoke on the fourth floor.

• Upon arrival, crews found a four-story section of the building with smoke showing from the roof.

• The fire reached a third alarm before it was contained in approximately two hours and controlled in four hours.

• A total of 70 firefighters responded on 12 fire apparatus with the last units still on scene Wednesday morning.

• No injuries were reported to occupants or firefighters.

• Hale Library will be closed until further notice.
The Incident – Cont’d

• Manhattan, Kan., May 23, 2018 — Fire investigators with the Bureau of Alcohol, Tobacco, Firearms and Explosives, the Kansas Office of the State Fire Marshal, and the Manhattan Fire Department, have determined the fire that occurred on May 22, 2018 at Hale Library was accidental due to the roofing operations that were being conducted.

• A damage estimate has not been created due to the unknown amount of smoke and water damage throughout the structure. Assistance from Kansas State University will be needed to determine an accurate loss amount once an assessment of the building and contents is complete.

• The building has been turned back over to Kansas State University. Hale Library will remain closed until further notice.
From the University

• Kathryn Talbot, K-State Libraries’ preservation coordinator, was at home when she received the call about the Hale Library fire on May 22.

• “This person kept saying, ‘There was a fire, blah, blah,’” Talbot said. “I literally almost went, ‘I think you have the wrong number,’ before it dawned on me: This is Michelle from work.”

• After that call from Michelle Turvey-Welch, the Libraries’ head of metadata and preservation, Talbot came back to campus feeling relatively calm.

• “Driving up you didn’t see smoke, so I thought, ‘It can’t be that bad.’”

• But when the firefighters were still working four hours later, Talbot knew that she needed to ask Turvey-Welch for permission to call companies that manage large-scale emergency recovery and restoration.
Mitigation
Preliminary Assessment:

- Fire spread
  - Limited
- Set off 20 sprinkler heads in attic of Farrell Hall/Great Room
- Water ran for four hours – smoke, soot, water impacted nearly every space in the library
- Electrical system compromised
- No power
- Water ran down into the basement
- Data Center for entire campus system is located in the basement of the library
Data Center
Areas of impact

• Building
  • Structure
  • Mechanical systems
  • Electrical systems

• Artwork

• Books

• Contents
  • Furniture, fixtures, equipment
  • Electronics
  • Server Equipment
  • Staff personal property
Building
Artwork

• Overmeyer Murals
• We are the Dream Mural
Library Contents

• Desks, tables, chairs
• Mobile shelving storage system
• Computers, iPads, cameras, printers, etc.
• Segmenting damaged from undamaged
• Complete joint inventory of all components within the library
The Video

• Hale First Responders
The Project Today
If we had to do it all over again?
QUESTIONS?

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