

After the Fire: FCCI Claims Service Comes Through for Policyholder

Many entrepreneurs would say their businesses went “up in flames” in 2011. For FCCI policyholders David and Bill Phillips, president and vice president of Phillips Bark Processing Company in Brookhaven, Miss., it actually happened.

On May 23, 2011, a fire broke out at their family-owned bark processing plant. Safety precautions were in place, but the fire began in an unlikely spot: the wiring of a pump in a water well. Damage to the water pump thwarted the plant’s firefighting resources, and high winds quickly spread the flames to a nearby storage building which contained bags of packaged bark and landscape mulch.

The result was an inferno.

For close to eight hours, 17 local and volunteer fire departments helped fight one of the largest fires the area has ever experienced. When it was finally brought under control, it left behind four damaged buildings, a great deal of ruined equipment and two brothers determined to rebuild their business.

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Mike Smith, Insurance & Risk Managers

In operation since 1974, Phillips Bark is a wholesale supplier and shipper of premium mulch and soil products for landscaping and planting in Mississippi and Louisiana. “The evening of the fire, our local insurance agents, Mike and Josh Smith,

were here,” says David Phillips. “They came while the fire



Photo: Matthew Coleman

Phillips Bark Processing Company President David Phillips during the fire

was going on, and they assured us that we were with a great company and we’d be taken care of.”

Michael E. Smith, president of Insurance & Risk Managers of Brookhaven, Miss., has been handling the Phillips Bark account since 1976. Mike’s son Josh is vice president of Insurance & Risk Managers, so he knows the concerns of a family-run business. He’s quick to point out that David Phillips’ son, Jeff Phillips, and niece, Leslie Baker, also work at the bark processing company, calling it a “true family-run business.”

“This is the first major claim Phillips has had, and it was a big one,” he says. “The best thing about it is, in this business, you make all these promises about being there and taking care of people... Being able to live up to those promises is very gratifying. FCCI does things the way they are supposed to be done.”

While thankful that no one was injured in the fire, the Phillips were immediately concerned about being unable to fulfill demand and losing their customer base. They notified FCCI the morning after the fire, and as quickly as the fire spread, the restoration process began. Jimmie McNair, FCCI Gulf Coast Region claim specialist, visited Phillips Bark the same day the loss was reported. He describes the scene as “devastating.”

“Bark is a seasonal business, and they were just coming out of a big production season, so there was a lot of product damaged,” he explains. “We were lucky the surveillance camera captured the entire fire. We were able to quickly determine where it started, how it spread and that it would be



Photo: Jimmie McNair

Damaged building and automatic packaging line

After the Fire, continued

covered under Phillips' policy."

Smith remembers McNair's handling of the claim well. He says, "Jimmie was a calming voice throughout the process. He said, 'We're here to help you. We're on your side.' This business is still all about relationships. FCCI is a great company because of those relationships."

Demolition began two days after the fire, and a new building was complete by June 20, 2011 – less than a month after the blaze.

In addition to the lost product, damaged equipment meant the loss of two automatic packaging lines. While waiting for new equipment to be delivered, the Phillips Bark crew faced the challenge of hand-stacking pallets, something they hadn't done in 15 years.

"Everyone stepped up," says Phillips. "We were back in



Photo: Leslie Baker

New building and automatic packaging line at Phillips Bark Processing Company

operation on a limited scale within eight weeks, and we were able to ship product. Our agents and Jimmie and FCCI – everyone performed flawlessly. They made a stressful time easier for us."

By September 15, new equipment was delivered and installed, and one automatic production line was up and running, allowing the Phillips to keep up with demand and retain their customer base. In February 2012, the second production line was installed – in time for peak production season.

FCCI President & CEO Craig Johnson visited the plant after the second production line was installed. David Phillips was happy to show Johnson around the plant. "It was a great

visit," he says.

"I didn't expect the CEO of the company to come, but I appreciated it."

"It was exciting to see the new buildings in place and the equipment in production," Johnson says. "Less than a year after a major loss, Phillips Bark looked like it hadn't missed

a beat and had made some significant improvements. As for FCCI, I'm happy to say we did what we said we'd do – protect our policyholders' business and restore what they lost."

When asked about the rapid resolution of the claim, McNair credits the Phillips brothers and their entire company for being easy to work with. "They notified us immediately, provided the right information and were cooperative about the investigations. Best of all, they've made some changes as a result of the fire. They now have vats of water and foam, so they have a source to extinguish a fire independent of their water supply if something like this ever happens again."

Phillips does not expect a repeat. "We've been here 38 years and never had anything like this happen. It was a new experience for us, but it's good to know that our agents and FCCI do such a professional job," says Phillips.

As an FCCI claim specialist, McNair believes it's just part of his job. "This is the kind of loss we sell insurance for. It happens – and we'd rather it didn't happen – but it's a good opportunity for us to show that this is why FCCI is here." ■



David Phillips and FCCI president & CEO Craig Johnson

Photo: The DAILY LEADER



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