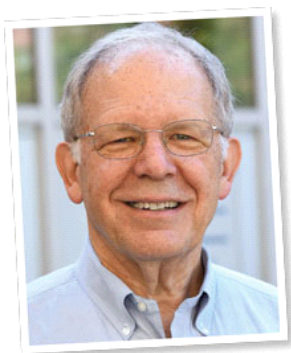


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## Lessons From the Ashes

*Bill McCurry*



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Every tragedy—and near miss—is a learning opportunity. The joyful and immediate recovery by Wallace's Greenhouse (Bettendorf, Iowa) offers actionable lessons for returning to profitable operations after a disaster. In Wallace's case, a structural fire destroyed some significant greenhouse and production areas.

Kate Terrell, Wallace's owner, praises her Hortica insurance agent, Eric Larsen. "If you can neither trust nor relate to a person, keep looking for another agent. As you are considering the right agent, ask yourself, 'If I call them in a crisis on a Saturday afternoon, will they be there for me?'"

Have your agent explain what IS NOT covered, as well as what is. Most retailers will sleep through the reading of their insurance policies. Why pay for insurance that doesn't cover what you want or need? Peace of mind is what insurance provides. How much peace of mind do you want? (And remember: Some things, like cyber, are now a separate policy.)

Consider this perspective: Whenever you say "no" to a type of insurance, it should be understood to mean, "I'm aware of that risk and I'm willing to self-insure for it. I'll save the premium money to pay for any loss." Self-insurance can be advantageous for small risks, but it can be fatal to your business if a larger casualty occurs.

One of Kate's frustrations was "proving the loss." Sure, the melted greenhouse frames told everyone what was there. However, per regulations, all the chemicals were stored in locked metal cabinets. The heat of the fire evaporated everything in those cabinets. Some of those chemicals were very pricey. The insurer didn't attempt to guess how full the container might have been. With replacement cost insurance, the carrier paid for the purchase of a same size full bottle. Most of the Accounts Payable records were found intact, so it was possible to search through past invoices to determine what was still on hand at the time of the fire.

Wallace's is a large operation. After the fire they were actively using sweepers for continual cleanup. Before long, someone asked, "Where's that new sweeper we just bought a couple of months ago?" It'd last been seen in the grower's office in one of the destroyed greenhouses. How many other forgotten items were lost in the fire, not to be remembered until they were needed?

Don't put this on your list of "Great Things To Do, But We're Too Busy." Every Memorial Day, assign someone from

the admin staff to do a total facility walk-through with a video camera, showing every nook and cranny of your facility while continually talking about what they're seeing. Have them shoot closeups of name plates, serial numbers and model numbers of all equipment. Make it imperative they must not skip over anything. Later, just before Thanksgiving, have someone from Growing or Retail do a similar audio/video tour. You'll likely find the admin person will include or miss items the more plant-oriented person will notice and vice versa. Make three copies. One stays on site, one goes to off-site storage and the third is for your agent. Most of us need some nudging to do what we should do. Part of your agent's job could be to cajole and nag if it's not done in a timely manner. With multiple years' worth of videos, you can establish the normal state of operational assets in your business.

This doesn't supersede a formal Asset Listing. Depending on your local property's tax mechanism, a current Fixed Asset Listing will help your insurance company and aid potential recoveries, but could lower your personal property taxes by identifying changes in assets used and what you've taken out of service. Many retailers are paying property taxes on things they quit using decades ago.

Get your insurance in order NOW. Wallace's fire was on Kate's first day off after the spring rush. Catastrophes rarely happen when you expect them. Be prepared! **GP**

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*Bill would love to hear from you with questions, comments or ideas for future columns. Please contact him at [wmccurry@mccurryassoc.com](mailto:wmccurry@mccurryassoc.com) or (609) 731-8389.*