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Mass Catastrophe and Litigation: Mitigating Exposure Both Before and After Tragedy Strikes Through Efficient Use of Litigation Tactics, Media Presence, and Drones

HYPO

On June 1, 2018 the National Hurricane Center issued a hurricane warning for Houston, TX. It was reported that within the next 5 days Hurricane Astro was expected to hit land fall and that it would be a Category 3 hurricane with winds reaching 111 – 129 mph. According to the National Hurricane Center, Category 3 hurricanes cause devastating damages to occur.

Upon receiving this warning, the Port of Houston immediately had a meeting to discuss the impending hurricane – to analyze the potential risks at the Port, including, but not limited to, the buildings, vehicles, forklifts, personnel, and containers. Ultimately, it decided that because this was a Category 3 hurricane, the safety measures that it already had in place were sufficient and that it could proceed with business as usual.

IStoreGoods Warehouse also heard about Hurricane Astro. As it had not been impacted by any of the prior hurricanes, it proceeded with business as usual.

4 days later, the National Hurricane Center reported that Hurricane Astro was now expected to be a Category 4 hurricane with winds reaching 130 – 156 mph. Category 4 hurricanes cause catastrophic damage, according to the National Hurricane Center.

The Port of Houston, once hearing this newest report, had another meeting to discuss how to prepare for Hurricane Astro. Because many vessels were to arrive that day, and therefore, it would be too late to redirect them, it knew it had to come up with a plan to safely store the containers on those vessels. The Port had already learned from a prior hurricane that it could not leave the containers on the dock, so it decided to move them to an area that had never been impacted by hurricanes.

IStoreGoods Warehouse also heard that Hurricane Astro was upgraded as a Category 4 hurricane. Again, because it had never been impacted by a hurricane before, it proceeded with business as usual.

Prior to the hurricane warnings, IMoveGoods Trucker had been engaged to transport a shipment of electronics from Houston, TX to Chicago, IL. IMoveGoods Trucker arrived in Houston, TX a day prior to the Category 4 warning. Instead of leaving Houston, TX to deliver the shipment, it decided to spend the day visiting an old friend. The next day, with the Category 4 warning, traffic out of Houston was at a

standstill due to the mandatory evacuations. IMoveGoods Trucker didn't want to deal with the traffic so it left the shipment of electronics at a local truck stop.

The following day, Hurricane Astro hit landfall as a Category 5 hurricane with winds exceeding 156 mph. Hurricane Astro caused unprecedented damages in Houston, TX. The area designated to store containers at the Port was flooded, thus causing damage to all of the bottom containers. Also, IStoreGoods Warehouse's facility and the Local Truck Stop were flooded. Water levels reached up to 4 feet, therefore, all of the crates placed on the floor at IStoreGoods Warehouse sustained water damage and the shipment of electronics was a total loss.

When it was safe for the Port personnel to return to the Port and assess its damages, it immediately took efforts to clean up the water and mitigate damages. Shortly, thereafter, the Port was put on notice of claims by various owners of the cargo.

Once IStoreGoods Warehouse was able to return to its facility, it was discovered that only the crates on the floor appeared to have sustained water damage. Therefore, it dried the outside of the crates. A few days later IStoreGoods Warehouse was called to deliver one of the bottom crates to its customer. Upon delivery and upon opening the crate, it was discovered that goods on the bottom of the crate had clearly sustained water damages as evidenced by the water line inside the crate. The goods on top, however, appeared to have sustained only mold damage. The customer filed a claim against IStoreGoods Warehouse for these damages.

IMoveGoods Trucker, after realizing that the shipment of electronics was ruined, informed the shipper, who immediately filed a claim.

Is the Port liable for the damages sustained to the containers?

Is IStoreGoods Warehouse liable for the damages sustained to the customer's goods?

Is IMoveGoods Trucker liable for the damages sustained to the customer?

What considerations must be made in determining liability?

What could have the Port, IStoreGoods Warehouse and IMoveGoods Trucker done differently to prevent the loss?

What could have IStoreGoods Warehouse done differently after the loss?