



IAQ RADIO+

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Susan Hunt Stevens Disaster Recovery at the Speed of AI

Good Day and welcome to IAQ Radio+ episode 782 Blog. This week we welcomed Susan Hunt Stevens Co-founder of Tessi. Disasters move fast; Tessi's AI-first platform generates universal damage assessments, certifies funding sources, and dispatches vetted workers—all before traditional systems send their first adjuster.

A serial entrepreneur; Susan is an award-winning founder and CEO building technology at the intersection of climate resilience, housing, and human behavior. An expert in designing technology for behavior change, she is co-founder and CEO of Tessi, leveraging AI to make repairing homes after natural disasters faster, safer and smarter. In parallel, Susan maintains a small personal climate investment and advisory platform (Spark Global) that supports her board roles, EIR work, and select early-stage climate companies.

Nuggets mined from today's episode:

When did the idea for TESSI germinate?

In my last startup, we saw the problem of getting money and labor after disasters while running employee assistance programs for large global companies. After leaving our acquirer in 2024, I spent about a year talking to a ton of people who have been affected by disasters and/or who work in this space. A lot of credit goes to Jeff Byard and Team Rubicon for working with us closely on what could dramatically improve “speed to need”. Then we started talking to for profit restorers and realizing they also faced major challenges, particularly with getting paid in a timely manner.”

Tessi's vision is to make rebuilding homes after natural disasters as simple as calling an Uber. Our AI-driven platform quickly assesses damage, generates work orders, matches residents with vetted professionals and volunteers, and streamlines applications and payments. We are proud to be a public benefit

corporation and have a related nonprofit to support the voluntary organizations active in disasters (VOADs).”

What is the origin of the business name Tessi?

Tessi is derived from tessellation, a style of building without overlaps and gaps. "Tessi" is both the longtime anthem of Major League Baseball's Boston Red Sox and a 2004 song by the punk rock group Dropkick Murphys. We also anticipate that at some point, conversational interfaces may dominate and Tessi sounds like a real person.

What is Tessi's business model?

“B2B2C ecommerce, or Business to Business to Consumer, is a model that involves commercial transactions between companies (B2B) that offer products or services to other companies, but with the ultimate objective of reaching final consumers (B2C). In this model, a company acts as an intermediary between a supplier and end consumers, adding value to the retail process and facilitating the distribution of products or services through B2C channels.” *Oriented.com

Goal: Disaster response, finance, labor, and material in 1 day.

What is Tessi AI's Vision?

Tessi's vision is to make rebuilding homes after natural disasters as simple as calling an Uber. Our AI-driven platform quickly assesses damage, generates work orders, matches residents with vetted professionals and volunteers, and streamlines applications and payments. We are proud to be a public benefit corporation and have a related nonprofit to support the voluntary organizations active in disasters (VOADs).”

What is a Public Benefit Corporation? A public benefit corporation (PBC) is a for-profit corporation that operates with the goal of creating a positive impact on society and the environment, in addition to generating profit for its shareholders. Unlike traditional corporations, PBCs are required to consider the interests of all stakeholders, not just shareholders, in their decision-making processes.

How does Tessi monetize its service offerings?

We generate revenue from lead fees, earned when we are successfully able to help the homeowner get financing and contractors. But unlike a traditional lead gen provider in restoration, we only dispatch jobs we have confidence have capital behind them to solve the concerns about no pay and slow pay. If a homeowner

doesn't have access to capital, that's when we will dispatch volunteers or connect them with long term recovery resource groups. There is no fee unless Tessi obtains funding.

What is your definition of a VOAD? What type of VOAD is Tessi's affiliate?

To us, a Volunteer Organization Active in Disasters is a 501c3 nonprofit with a core mission to assist people affected by disasters. There are approximately 70 that work at a national level, the most well-known being groups like the Red Cross, Salvation Army, World Central Kitchen, Team Rubicon, Habitat for Humanity and so many more are local.

The Tessi Fund is not technically a VOAD. It is charitable fund that takes in a percentage of our own profits, and potentially government or other charity funding, to provide financial support for organizations that very specifically aid in post-disaster home repair and resilience for socially vulnerable homeowners.

Does your platform have commercial and institutional capabilities?

Right now, we focus on US, single family stand-alone homes that can be repaired (vs a total rebuild) and to start out, we aren't doing fire or earthquake damage. Someday we could certainly expand into multi-family, small business and beyond, but we want to stay focused for now on the millions of homes in the US that are damaged every year.

The "Crisis After the Crisis": You've described the post-disaster environment as a maze of insurance delays, contractor shortages, and fraudulent actors. What are Tessi's solutions to these problems?

We want to first and foremost, empower the homeowner to have the information they need to make better decisions -- and then speed up of the process of getting them the capital and quality, trustworthy labor that can help them build back better.

We do that in 3 ways:

Within 24 hours of a storm, we have a high-level damage assessment for every single property in a market and then can take the homeowner through a guided

walkthrough to fill in the gaps and get us to an even better preliminary estimate of what it is going to cost to repair the home – the jobs to be done and the expected costs of those jobs. That repair plan is available, at no cost, to everyone affected. Think of it like a Zillow Zestimate, just for a damage repair estimate. We do constant AI model training based upon sensors, elevations, weather data, time, huge pile of data training the model. TESSI estimated costing is based on Xactware® and Cotality® cost data.

- We then read their policy, if they have one, and tell them what jobs are likely covered by the contract. Note that TESSI is NOT a substitute for an insurance adjustment – just like Zillow is not a substitute for an appraisal. But we will be able to tell them the general magnitude of what they are facing financially. Do they just need to come up with a \$5K deductible or are they looking at \$100,000 in repairs. For the part that is not likely to be covered, we then try to connect them to government, charity and third-party financing sources.
- Once funding is available in the TESSI Repair Wallet, which could be immediate or take some time, we then dispatch the jobs to a network of trusted contractors who have opted in to look at funded jobs from TESSI. Our goal is to become the best source of jobs for trustworthy restorers – they are funded and have fast payment terms. For homeowners who book through TESSI, we want them to know they are getting good teams who will do high quality, fairly priced, warrantied work and not a sub of a sub of a sub or worse, they must front a deposit and the contractor never shows up. Bridge loans may fill the need for short term funding.

Your term “Universal Damage Assessment” is all-encompassing term. For restoration and IAQ professionals who know where hidden moisture, microbial growth or smoke penetration into interstitial spaces, how does your AI ensure it isn't missing the non-visible structural or environmental damage (like trapped moisture under flooring or smoke penetration into HVAC systems, interstitial spaces, malodors, etc.)?

So, our model ingests a complex combination of geospatial imagery, weather and sensor data and relatively uniquely, a personalized and guided homeowner walk-

through that will be a combination of images and questions. The model itself is being trained by leveraging real-world estimates that were generated for a wide variety of conditions (and will continue to learn as we go) so that we have confidence scores that in light of “X, Y and Z” conditions, we are likely to have “P, D and Q” jobs to be done.

That said, there is no substitute for a human in the loop. A restorer will see everything we pulled together to come up with the initial estimate to decide to take the job lead – or not. But when they go onsite, they will still have to validate, modify, or add items to create their own estimate. But they will share that estimate with us and we hope over time, this constantly evolving feedback loop between conditions to estimates gets us to a place where the estimating work a restoration provider must do when they show up is extremely minimal.

One of the biggest bottlenecks in our industry is friction between the restoration contractor’s scope of work and the insurance adjuster’s estimate. How does Tessi’s AI establish a baseline of "scope truth" that both the funding source and the field technician can agree on without weeks of back-and-forth?

Obviously, there is still a lot to be learned about whether what we do can reduce that friction (or not). We certainly hope so. Here is our hypothesis. There exists in the industry the concept of a neutral umpire. In fact, our advisor Todd Benson now focuses on exactly this work. But by the time a Todd is involved, there is a ton of money already spent and time lost all around. What we hope is that our estimates come to be seen as both really good and truly neutral, like having a neutral umpire for every job. What also helps is that our business model reinforces neutrality.

We don’t make money based on how much the job costs so we don’t have an incentive to inflate costs. We aren’t paid by insurers – so we don’t have incentive to reduce costs. We want that estimate to just stand up to a review from both sides and everyone agrees that it’s fair. So -- It’s kind of like getting Todd Benson for every homeowner and job.

What is Tessi’s biggest challenge?

Biggest challenge is that local resources are generally deployed on commercial work leaving homeowners struggling. Mobilization needs to be profitable in order to entice out-of-area firms to respond. We think we can solve that, but it will require proving it out to restorers.

Preventing the 30% Fraud Rate: Statistics show that nearly 30% of disaster victims experience some form of contractor fraud or subpar workmanship. How does Tessi AI's vetting and automated dispatch mechanism protect desperate homeowners from "storm chasers" while ensuring qualified, ethical professionals are sent to the right homes?

We are being careful about who we bring into our network and how we bring people into the network, while at the same time, providing a path for qualified professionals to mobilize profitably and expand local capacity that is often overwhelmed quickly in a disaster. We will certainly be looking at a wide array of certifications like IICRC and Fortified, memberships in organizations like RIA, Better Business Bureau and Google rankings, Profile Guerrilla and more. We want municipalities, nonprofits, workplaces, mutual aid groups and neighbors to be able to say "if you book through Tessi, you are protected". I liken it to what Uber did. I won't get in a car with a stranger – except I did every day this week while traveling because they created a high-trusted experience.

Balancing Volunteers with Trained, Experienced and Certified Pros: Tessi coordinates both volunteer organizations (VOADs) and professional contractors. In property damage restoration, doing a job incorrectly (like improper mold remediation or fire damage repair) can potentially result in more costly damage than the initial event. How does your platform differentiate between tasks safe for volunteers and those requiring certified restoration professionals (like IICRC-certified firms)?

Our triage process to paid restorers vs. volunteer organizations is driven first by whether the homeowner has access to capital (or not) and then what type of job it is. The VOADs know what work they can do well (and not) and tell us. If we are finding there is consistently poor work from anyone – VOAD or Restoration firm, we would eliminate them as an option in the platform for that work. I think our biggest challenge will be skilled jobs where there just isn't a volunteer option available, but the person has no capital. This is where other resources like charity

and long-term recovery groups can come in. It's also where there may be a way to fund that work through the Tessa Fund or other charity sources.

The Vision for the Next Decade: As extreme weather events increase in both frequency and severity, how do you see AI platforms shifting disaster recovery from a reactive, chaotic scramble to a proactive, highly coordinated infrastructure over the next decade?

I'm obviously very optimistic that AI can dramatically improve speed, coordination, transparency and efficiency in post-disaster home repair. There is just no good reason a homeowner must endure as many as 14 modestly different in-person visits, adjustments, estimates after a disaster, fill out as many forms as we make them fill out, and overnight become a semi-professional project manager just to get back home. And 18-36 months is just unacceptable. The ramifications of that on local economies, tax revenue, education loss, productivity are enormous. Finally, I think if we can make the process of fixing homes faster and fairer, we will get the opportunity to also build them back better. While it's not work we do, there are also a lot of good applications of AI to make homes more resilient to start, creative parametric products that will speed access to capital emerging, new grant products to incent fortification, and more. It's an exciting time to be in the space.

Is Tessa suitable for use in wildfire scenarios, and if so how do operational challenges and opportunities differ from traditional wind, hail, or regional water disasters?

We are very specifically not starting with wildfire for several reasons, including yes, that estimating smoke damage through AI is a more complicated process as you laid out. But it also requires community sequencing because you can't just clean your own home and move back in if the debris around you hasn't been removed – or you face further contamination when they clean up. It's already complicated enough to sequence jobs for one home, let alone a whole neighborhood. So that will come later --

A public benefit corporation (PBC) is a legitimate business structure designed to balance profit-making with social and environmental goals. Sounds great, However, like any business entity, there can be scams or fraudulent activities associated with individuals misusing the PBC designation for personal gain. 'Greenwashing', also called 'Green Sheen', is a form of advertising or marketing spin that deceptively uses green PR and green marketing to persuade the public that an organization's

products, goals, or policies are environmentally friendly. Firms engage in 'greenwashing' for two primary reasons: to appear legitimate and to project an image of environmental responsibility to the wider public.

Is there a harmonized and accepted definition of Public Benefit Corporation or is , determination a subjective challenge for consumers and regulatory bodies?

Yes, a Public Benefit Corp is legal business structure governed by each state and the intended public benefit is written into a company's charter when they incorporate. That is the required first step for then becoming a Certified B Corporation, which is a third-party assessment done annually across a wide array of environment, social and governance factors. You must earn a certain score to be a certified B corp. My last company was a Certified B Corp and we will intend to pursue a similar certification, once we are out of pilot mode.

Is Tessi operational?

Yes, Tessi's technology has been tested in storms affecting Western Washington and Illinois/Indiana tornados. Tessie has a pilot group of restorers and we are preparing launch the homeowner experience this summer.

How will leads be distributed, will homeowners be given a list of preferred contractor from whom to choose?

A ladder hierarchy, where the firm at the top of the ladder is given the first opportunity to respond or pass on the assignment. That's just one benefit of joining our pilot.

In addition to the data Tessi gathers from big data sources; what intake info do homeowners provide?

Homeowners provide answers (the pieces), photos, and permission to access insurance policy info to complete the overall data puzzle.

What is the size of Tessie's staff? 15-20 people are working on Tessi, across full time, consultants, advisors and highly fractional team members augmented with the extensive use of AI agents for: sales development, marketing, executive assistants, etc.

Describe your experience working with your AI Agents? AI Agents are akin to hiring an intern from MIT, brilliant and require a lot of management.

What has been the Insurance industry's reaction to Tessi? We have a very rewarding experience attending InsurTech and presenting TESSI to nearly 300 people from carriers. Carriers now better understand how TESSI can enhance claimant experience, particularly in high deductible or no coverage situations.

Todd Benson has a strong background in disaster restoration, does Tessi have any advisers from the Insurance Industry? Tessie has an adviser who was the CEO of a big 10 insurance company, with a strong property claims background. It just hasn't been publicly announced yet.

How will Tessi create consumer awareness? Through a mix of incident command reference, word of mouth and social media. For example, Watch Duty is an app that provides information and tools for wildfire prevention and response. You can view fire perimeters, satellite hotspots, flight tracker, power outages, live cameras, weather, air quality, and more. The WatchDuty app quickly gained millions of users during Los Angeles Wildfires - app.watchduty.org

According to Susan:

- Building technology, construction technology, and building resilience folks understand what TESSI is all about.
- Building back better, insurance carriers may insure for code upgrades.
- Grants are available in some states for fortified roofs.
- **“Susan considers restorers as Heroes in Capes”**

ROUNDUP

Pete Consigli- Global Disaster Restoration Watchdog & Restoration Industry Historian.

- Hurricane Sandy Conference- 2012 Structural drying during the winter was challenging. Pete queried NY City Health Official why FEMA's recommendation that moisture meters be used to confirm materials dry prior to rebuilding was not among NYC's recommendations? His answer was politics.
- Pete met David Campbell founder of AllHands- [Susan added: David is on the Board of the TESSI Fund. While other VOADs leave after emergency response and mitigation; AllHands sticks around to rebuild. AllHands works internationally (Philippines, Nepal, etc.)]

- 2014 Purdue Global Disaster Conference- Lessons from the World Trade Center. Four large demolition contractors responded, the contractors were never paid for their work and 3 of the contractors were bankrupted. Lesson learned: According to the demolition industry spokesperson: “Demolition contractors will always respond to emergencies; you must pay us for our services.”
An enterprising New Orleans resident made a profitable business out of salvaging and reselling building materials removed from wet buildings.
- Hurricane Harvey was in 2017.
- ***How is Tessi funded?*** Susan responded that the cofounders are providing funding until the pilot is fully operational.
- Tessi is Angie on Steroids with Funding. Susan agreed.
- Business guru Tom Peters quote “management by wandering around” - Pete observation of Susan at the RIA Convention “market research by wandering around”
- God Bless You.

Pam Zawada, Tessi COO- 17 years at FEMA. (11 of which were in the field and the last 6 were in temporary housing.

- Help people get lives back together with minimal uncertainty, financial burden and stress.
- Through her experience at FEMA, she recognizes the need and opportunities for Tessi to be of assistance.
- Helping others understand emergency response and management.
- Provide overview of damage, systematic approach, help homeowners make decisions.
- Pam doesn't play golf, she's passionate about disaster response and management.
- Consigli- Don't forget the need to use moisture meters to ensure materials are dry prior to build back.
- Pam's final word- Loves being part of a wonderful community looking to do the right thing and make the system better for everybody.

Guest's Next steps

Pam

- Ensure successful usage and adoption of Tessi during this summer's disaster operations
- Leverage FEMA/emergency management experience to enhance Tessi's integration with emergency response and improve the common operating picture for disaster events.

Susan

- Launch the homeowner component of the Tessi platform this summer, including enabling homeowners to input data and receive damage assessments and restoration plans.
- Continue onboarding and working with pilot restorer partners in target markets for upcoming hurricane and flood disaster responses.
- Expand the Tessi network by recruiting and certifying additional contractors, especially those qualified for resilient/fortified building practices, as the platform grows.
- Prepare for and participate in relevant industry events (e.g., InsurTech Connect, RIA Convention 2027 in Phoenix) to build network and visibility.
- Establish and announce insurance industry advisor(s) to support policy evaluation and adjustment aspects of the platform.
- Continue to seek and engage with potential funders (building tech, adaptation/resilience, etc.) to support expansion after the pilot phase.
- Reach out to Pete Consigli for introduction to Patty Harmon at InsurTech Connect to explore speaking/attendance opportunities.
- Welcome inquiries from potential pilot participants and interested industry contacts via susan@tessie.ai.

Z-Man signing off

Trivia Question:

Who was the first European to land in America?

Answer: Leif Ericsson

Sorry no correct answer