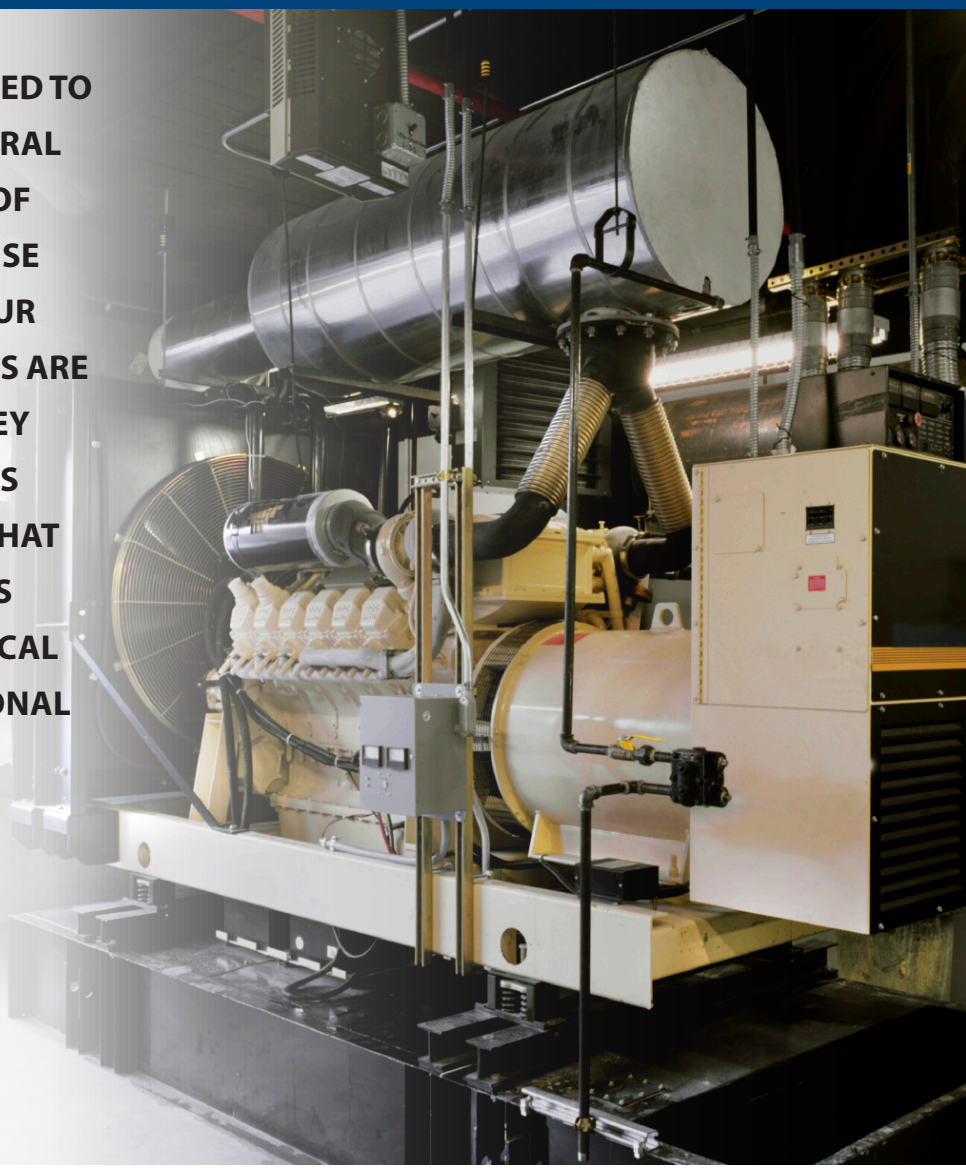
Insurance Institute for Business & Home Safety

Berkley Southeast Insurance Group
a Berkley Company

How to Navigate Stormy Weather:
EMERGENCY PREPAREDNESS AND RESPONSE PLANNING



MANY BUSINESSES ARE NOT PREPARED TO RESPOND TO A MAN-MADE OR NATURAL DISASTER. STATISTICS SHOW THAT, OF THE BUSINESSES THAT CLOSE BECAUSE OF A DISASTER, AT LEAST ONE IN FOUR NEVER REOPENS. SMALL BUSINESSES ARE PARTICULARLY AT RISK BECAUSE THEY MAY HAVE ALL OF THEIR OPERATIONS CONCENTRATED IN ONE LOCATION THAT IS DAMAGED OR DESTROYED. THAT IS WHY DISASTER PLANNING IS A CRITICAL PART OF EVERY BUSINESS' OPERATIONAL OBJECTIVES.

To help keep small businesses "open for business," the Insurance Institute for Business & Home Safety (IBHS) has developed OFB-EZ (Open For Business-EZ), a streamlined business continuity program that gives business owners tools to better understand the risks they face; plan for how to contact key suppliers, vendors and employees; understand how to access data; and identify where to go for help after a disaster. Download the free OFB-EZ planning toolkit at: www.disastersafety.org/disastersafety/open-for-business.

OFB-EZ is an essential tool not only for business continuity but also to help identify priorities and organize essential information. Once this initial step is done, the next focus should be on emergency preparedness and response planning—the specific actions and tasks needed to protect people and property from physical and economic damage should disaster strike, as well as those to be taken directly following a disruption to your business. Not having a plan, or a having poorly prepared or misunderstood plan, could lead to disorganized preparation or confused response, with the possibility of harm to your employees or property.

Most storms and many other types of natural hazards can provide advanced notice and be tracked, which allows for at least some preparedness planning. But even if that is not the case, a number of the steps identified here will help to make your business more resilient and better able to withstand even an event that happens without warning.

COMPONENTS OF YOUR EMERGENCY PLANNING

Creating an emergency plan that deals with issues specific to your worksite and location is not difficult, time consuming, or expensive. The starting point should be your OFB-EZ (or other business continuity) plan, which identifies the risks to which you are most vulnerable. This will allow you to make sure that the emergency plan you create is right for the hazards or situations of greatest concern, such as severe weather, internal fire, chemical spills or other manmade disasters, civil disturbance, or building system failures.

The next step is to inventory your worksite layout, structural features, and emergency systems, so that you can tailor your plan to your situation. Just as with your business continuity plan, your emergency plan should include your employees in the planning process. While every employee eventually will be involved in how you prepare for and respond to an emergency, it makes sense to designate an Emergency Operations Team (EOT) to develop, oversee, and implement specific plans and procedures. The EOT should include a cross-section of employees, ranging from senior management to maintenance personnel, with all functional areas of your company represented.

GET A HEAD START IN ADVANCE OF SPECIFIC SEVERE WEATHER THREAT

While emergency planning ideally is a twelve-month priority, the start of the severe weather season in your area is a good time to refocus your efforts. This is the time to:

- ✓ Designate an employee to monitor weather reports and alert your team to the potential of severe weather.
- ✓ Review your business continuity plan and update as needed, including employee contact information.
- ✓ Remind employees of key elements of the plan, including post-event communications procedures and work/payroll procedures. Make sure all employees have a paper copy of the plan. Review emergency shutdown and start-up procedures, such as electrical systems, with appropriate personnel, including alternates.
- ✓ If back-up power such as a diesel generator is to be used, test your system and establish proper contracts with fuel suppliers for emergency fuel deliveries.
- ✓ Re-inspect and replenish emergency supplies inventory, since emergency supplies are often used during the offseason for non-emergency situations.
- ✓ Test all life safety equipment.
- ✓ Conduct training/simulation exercises for both your business continuity and emergency preparedness/ response plans.

United States Natural Disaster and Severe Weather Seasons

While natural disasters and severe weather can strike at any time and in any location, there are specific times of year and geographic locations where certain types of disasters and severe weather are more prevalent. These are general guidelines, which vary depending on changes in annual weather patterns and other factors.

NATURAL DISASTER	SEASONS	GEOGRAPHIC LOCATION
Severe winter weather	Nov. 1 – Mar. 1	Northeast, Midwest, Mountain West, Northwest, High Elevations in Southwest
	Jan. 1 – Mar. 1	Mid-Atlantic
Flooding	Mar. 1 – June 30	Northeast, Mountain West, Northwest, Midwest
Flash Flooding	Year-round	Nationwide
Tornadoes	Mar. 1 – June 30	Midwest, Southeast, Southwest, Mid-Atlantic
Hurricanes	June 1 – Nov. 30	Gulf Coast & Atlantic Seaboard States
Thunderstorms and Lightning	Mar. 1 – Sept. 30	Central Plains, Southeast, Mid-Atlantic, Southwest
Hailstorms	Mar. 1 – Sept. 30	East of the Rockies
Wildfire	Mar. 1 – June 1	Southeast
	June 1 – Nov. 1	Mountain West, Pacific West, Southwest

LIFE SAFETY COMES FIRST

Every emergency plan should focus first on life safety protections:

- ✓ Procedures on how to report emergencies (fire alarm, dialing 911, calling an internal emergency number);
- ✓ Medical emergency procedures (who can perform them and to what extent, or will your business rely on the fire department or ambulatory services to provide these services?);
- ✓ Evacuation procedures (who can order an evacuation, under what conditions, how to evacuate, and what routes to take; etc.);
- ✓ Procedures on how to account for all employees after an emergency evacuation (sweep the area, check offices and restrooms, conduct roll call in the assembly area, etc.);
- ✓ Shelter-in-place procedures (who can order employees to shelter-in-place, actions employees should take before and while sheltering, etc.); and
- ✓ Shut down and start-up procedures including computer systems, special equipment, refrigeration systems if applicable, and building systems such as electric, gas and/or other utility systems.

5 DAYS BEFORE STORM CONDITIONS

START TO FOCUS ON WHAT NEEDS TO GET DONE

- ✓ Notify employees of the potential for severe weather and to be prepared for the emergency plan possibly to be implemented.
- ✓ Inspect the roof and grounds for loose debris, which may become a hazard in high winds. If staff or temporary help is available, begin removal of the debris, otherwise the removal may be done at the 72-hour interval.
- ✓ Provide a list of storm tips and needed supplies to help your employees prepare their homes and families. The Insurance Information Institute (III) has developed a free "Know Your Plan" app to help families make their own emergency plan; it also features property protection guidance from IBHS. The app is available in iTunes, or by searching "Insurance Information Institute" in the App store from any Apple device.
- ✓ Ensure all employees have your business' designated emergency telephone numbers and key contact other information (i.e., employee emergency wallet card).

72 HOURS BEFORE STORM CONDITIONS

TIME TO ACTIVATE THE PLAN

- ✓ If not completed already, remove or secure all loose roof and ground items, including landscaping that may become wind-borne debris.
- ✓ Clear roof drains, gutters and downspouts of debris, to prevent water back-up.
- ✓ Clean out all debris from outdoor perimeter drains, especially in areas where water may collect such as shipping and receiving areas where the ground slopes towards the building.
- ✓ Fill emergency generators with fuel and contact fuel suppliers with anticipated needs for post-storm deliveries.
- ✓ Ensure fire protection systems are in proper working order.
- ✓ Notify key customers, suppliers, and partners of office/facility closing and contingency plans (post office, Fed Ex, UPS, cleaning service, building management, vendors, etc.).
- ✓ Make decisions on when to excuse employees so that they have sufficient time to prepare their homes and families, and notify employees of office closure details.
- ✓ Make any necessary alternative travel arrangements for employees away on business.
- ✓ Customize messages for business' website, telephone recording, employee intranet, etc.
- ✓ Decide which outstanding invoices, bills, expense reports, etc. should be paid by your accounts payable department, before a possible closure.
- ✓ Instruct employees with laptops to take them home at the end of each day and confirm that they can connect to your business' server from home.
- ✓ Remind employees to make sure their cell phones are fully charged and that they have a power cord and car charger.
- ✓ Advise employees to begin checking your employee emergency hotline and/or company intranet/website for updates on the status of your office/facility.

48 – 24 HOURS BEFORE STORM CONDITIONS

FINALIZE PREPARATIONS AND MAKE SURE EMPLOYEES ARE SAFE

✓ Process accounts payable and payroll. Protect or relocate vital records.

✓ Make sure all employees with calling responsibilities have the most updated version of the company telephone call list and have it in multiple formats (hard copy, electronically, etc.).

✓ For hurricanes and other high wind events, install window protection; if window protection is unavailable, close all window blinds, and cover office equipment with plastic sheets or tarps.

✓ Close and lock all office doors, especially perimeter offices.

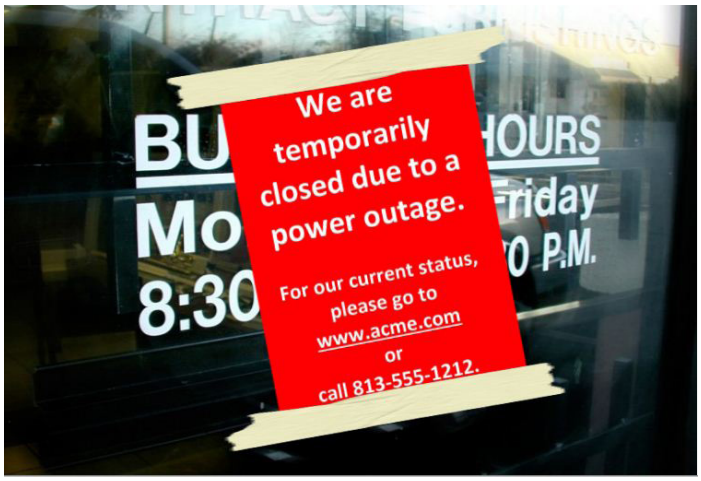
✓ If you expect your building to be exposed to flooding or storm surge, seal all water entry points such as utility penetrations into the building and install flood protection including first-floor drain plugs.

✓ Conduct full/partial shutdown procedures. If volunteers are to remain onsite during the storm, make sure they can remain in a safe and secure area. If conditions permit, instruct them on how to monitor, document, and mitigate against leaks and water infiltration in critical areas with vital equipment.

✓ Advise employees to check the status of your office/facility at least twice per day.

✓ Disconnect all electrical equipment and unplug from power source.

✓ Place a "Closed" notice on office/facility main entrance.



Don't forget to post a notice on your front door if you close.

DURING AND IMMEDIATELY AFTER THE STORM

✓ Update employee emergency hotline and/or company intranet and company website with postings on the status of your operations.

✓ Activate the company telephone call list process, in order to contact all employees regarding the status of your office/facility.

✓ Designate times for key staff members to call into conference calls for situation overviews.

RECOVERY: AFTER THE STORM

✓ Designated personnel should return to the facility, assess conditions, document damages, and notify the emergency operations teams of their findings.

✓ When it is deemed safe, designated personnel should begin start-up procedures.

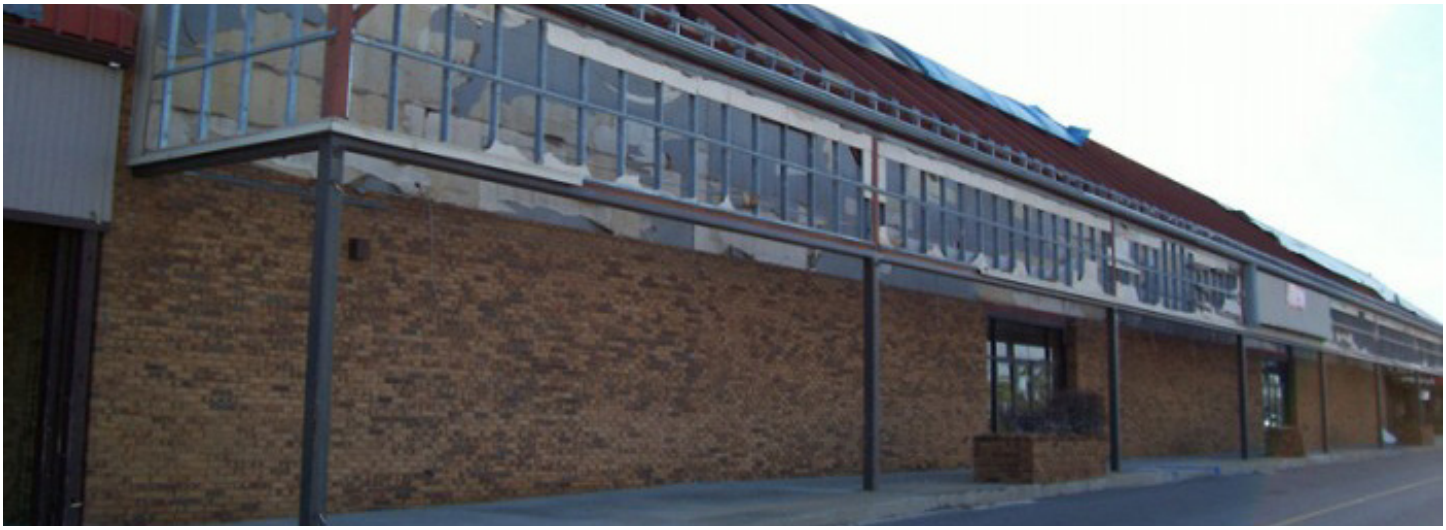
✓ When all safety and operational concerns are addressed and an "All Clear" is provided, employees can return to work.

✓ Activate employee communications tools and local media contacts to give notice of re-opening.

✓ Take an overall inventory, including photos of all damaged property, and report damage and related expenses to your insurance company.

✓ Employees returning to the building should be instructed to examine their work area, test all office equipment and report findings back to the designated staff contact.

✓ Notify key customers, suppliers, and partners of office/facility re-opening and any necessary property or operational changes resulting from storm damage.



Inspect and inventory any damage to your property.

LONGER-TERM PLANNING AND REPAIRS

Once you get through a major disruption, it is important to remember that the next storm season is only a few months away. Now is the time to begin inspecting your building and premises and initiating repairs to the building envelope (roof, windows, walls, doors), as well as improvements that will help you to reduce damage in the future. IBHS provides a wealth of resources on strengthening your buildings against natural hazards on its website at: www.disastersafety.org/commercial_maintenance/.

This is also the time to debrief on the successes and shortcomings of your emergency plan, compile a log of actions to be taken, and incorporate improvements into your plan for the future. You also should make sure that you are ready should another disaster occur without warning by replenishing your disaster/emergency supply kit, and updating your plan every time you have a significant change in operations, equipment, or employees. Finally, remember that your team's ability to safeguard themselves and your business in an emergency reflects their understanding of the overall plan and their own responsibilities, so practice during the off-season so that everyone is prepared on game day.

IBHS is a non-profit applied research and communications organization dedicated to reducing property losses due to natural and man-made disasters by building stronger, more resilient communities.

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