

RETURNING TO BUSINESS

The time it takes to return your business to normal operating levels depends much on the decisions you and your insurance representative make together. The key decisions may involve these considerations:

- Overall damage assessment.
- Repairs to current location while conducting business.
- Current location use vs. a new location to conduct business.
- Amount of modifications to current or new location.
- Reordering inventory, supplies and other materials.
- Communications with customers, suppliers and employees.
- Insurance coverage review.

PREPARE FOR FUTURE INTERRUPTIONS

An emergency preparedness plan, at a minimum, should include the following elements:

- Pre-disaster actions to protect people, facilities and contents.
- Emergency evacuation procedures and assignments.
- Essential facility operations (or shut down) procedures.
- Off-site storage (back-up) of information.

You should discuss your emergency plan with your employees, and provide training and periodic testing of the plan. Employees should be notified any time changes are made to the plan. A current copy of the plan should be kept where employees can refer to it easily.

The Open for Business® Disaster Protection and Recovery Planning Guide is designed for small and mid-sized businesses. Download a free copy at http://www.disastersafety.org/ofbInfo?&type=ofb_basic.



STEPS TO RECOVERY

Following disaster, it is anything but business as usual. The faster you can return to some level of normal operations the quicker you can restore income, jobs, and the goods and services your community has come to depend on.

There are many resources available to help in this process (See "Additional Resources"). This brochure's focus is on how to work with your insurance company's representatives.

These professionals are experienced in helping businesses recover from disasters and will have specific advice pertaining to your losses, coverage and recovery. Most of the suggestions and tips offered here are meant to help start that process.

REPORTING THE LOSS

Call your insurance agent, broker or insurance company immediately to report how, when and where the loss or damage occurred. Have your policy number handy, and give them a general description of damages.

PUTTING SAFETY FIRST

The safety of people and property is a key consideration following a disaster. Buildings must be safe for occupancy before anyone re-enters.

ADDITIONAL RESOURCES:

American Red Cross
<http://www.redcross.org>

Association of Contingency Planners
<http://www.acp-international.com>

Federal Emergency Management Agency
<http://www.fema.gov>

Insurance Information Institute
<http://www.iii.org>

National Emergency Management Association
<http://www.nemaweb.media3.net/index.cfm>

U.S. Small Business Administration
<http://www.sba.gov>

Report any property damage to your insurance agent or company representative immediately after a natural disaster and make temporary repairs to prevent further damage. For information about filing an insurance claim after a natural disaster, contact:

Your insurance agent or insurance company



P.O. Box 816
Hartford, CT 06142-0816
Toll Free 800-203-3447
www.ct.gov/cid



**Insurance
Institute for
Business &
Home
Safety**

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4775 E. Fowler Avenue, Tampa, FL 33617
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DisasterSafety.org

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COMMERCIAL



Emergencies can include natural and man-made disasters. You will have

a better chance of minimizing employee deaths, injuries and illnesses, reducing property damage and accelerating business recovery if you plan ahead.

- If you own the building your business occupies, have it inspected by structural engineers and contractors to determine its safety and the extent of the damage.
- If you do not own the building, work with the owner to have the building inspected. Whether or not you own the property, you are responsible for the safety of employees, customers and anyone else on the premises.
- If the building is not usable, you will need to find an alternative location to conduct business.
- Restoring your utilities, phone service, gas lines and other important links should be done as soon as possible. Immediately contact your utility provider if you discover gas leaks or live wires.
- Get your fire sprinkler system back into service as quickly as possible.

ASSESSING DAMAGES

Make note of the damages caused to the structure by the disaster, such as to roofing, siding, windows and signage. Photos and videotapes could supplement your documentation. Also note damages to business equipment and property, including product inventory and raw materials.



You'll also want to avoid additional property damage by making temporary repairs to the building, boarding up windows or covering holes in the roof to make it weather tight, for instance. (If you don't own the building, let the owner know what you plan to do.) You may also want to partition the building if some areas are not usable.

Finally, consider securing the building from casual entry by using temporary signs to redirect parking or traffic access. You may want to notify your customers and suppliers about temporary changes being made to continue operations, including change of address if necessary.

CLEANING UP

Your insurance company may instruct you to hire a professional cleaning service for your place of business. Any clean-up effort should be done in a safe and healthful manner. If you or your employees are involved in this effort, use safety items such as proper eyewear, gloves, hardhats and dust masks/respirators. Separate the damaged stock, and remove all debris as soon as possible, after you receive authorization from authorities and your adjuster.

Sanitation systems within the facility should be working or repaired immediately. If the workspace has a kitchen, inspect oven hoods and other ventilation devices to ensure they are not clogged and are working efficiently.

Discard perishable food items. If the business is a food service, keep a list of these items.

EVALUATING BUSINESS INTERRUPTION

Business interruption insurance helps replace the income your business would have generated if it hadn't been temporarily shut down by the disaster. If your coverage includes a business interruption clause, take the following steps:

- Prepare a list of steps required for your business to promptly resume operations on a full or even partial basis.
- Financial considerations should include payroll and debt needs and obligations.

You'll also want to maintain accurate records of extra expenses made to expedite the resumption of operations. Also, keep a record of communications regarding orders to evacuate, including who ordered the evacuation along with the date and time.

If portions of your inventory are lost or damaged beyond recognition, you'll need records to evaluate your loss, such as receipts. Again, if those records are also lost or damaged, you might want to look at outside documentation available from your accountant, your insurance agent or the IRS. It is important that any shipments received or sales made after the disaster are documented separately from pre-disaster business.



To help you calculate the amount of business income losses, your adjuster will need:

- Historical sales records.
- Income and expense information as shown in recent profit and loss statements and/or income tax forms.
- Other business records that might assist in projecting what your profits would have been had your business not been interrupted. (You may need to look to outside resources for these materials if your paper and computer files were damaged or destroyed.)

If you have extra expense coverage, you could be reimbursed for extra expenses such as continuing operations at another location, temporarily renting equipment until damaged equipment can be replaced, moving expense etc.