

## Preparing for Hurricanes and Other Crises

The official season runs from June 1 through November 30; but historically, the worst hurricanes tend to happen later in the season. Think Ike (September 2008), Katrina and Rita (August and September 2005), Andrew (August 1992), and Hugo (September 1989). Hurricanes are not the only phenomena that can hurt your business. In some states, there are tornadoes or floods; in others, earthquakes or wildfires. When winter comes, some of you face blizzards. And not every crisis is caused by a natural disaster. Imagine being told by local authorities, with no prior notice, that your entire staff must leave the office in the middle of a workday due to a pollution event at a construction site next door.

Many of the preparations for hurricanes are also good advice for other crises. It's mostly common sense, but it pays to have your plans in place well before the storm so that you're not trying to think of what to do next when a storm or other event is imminent; you're following a checklist. In this article, we list some of the things you should do to protect your firm's people and your firm's property and operations.

These checklists are only a starting point. You should add to them as necessary to tailor them to your firm's specific needs.

### Your Firm's People

Your firm's most important asset is its people. They are the ones who conceive and create. Without them, nothing happens. For this as well as for humanitarian reasons, protecting them should be at the top of your list. The following are some steps you should take to be prepared:

1. Have a contact list that includes each employee's home-phone and cell-phone number. Update the list periodically to be sure you have correct information, and don't keep the only copy in the office.
2. Establish a method of communicating with your employees in the event of impending or emerging disasters. This can be a number where they can call for instructions (such as, "Our Tampa office will be closed today due to the impending hurricane"). It can be a phone chain, where the top person calls or texts 10 people, each of those calls or texts 10 people, and so on.\* It can be to link your offices with local government (such as, "If city offices are closed, so are we").
3. If you decide to be fully staffed or run with a skeleton staff in an at-risk area, be sure there are adequate supplies, such as flashlights; potable water; first-aid kits; portable, battery-powered radio or television and extra batteries; area maps for storm tracking, evacuation routes, and so on; nonperishable food; blankets (for cold-weather emergencies); and other supplies you deem necessary. Be sure the building to be occupied by your staff is safe under storm conditions.
4. Establish procedures to account for everyone so you'll know, in worst-case scenarios (such as post-Katrina New Orleans) if everyone has survived.
5. Even if your firm normally requires employees to be on-premises during the workday, set up procedures for people to work from remote locations, such as their homes.

\*Telephone chains can be perilous if there's a break in the chain. If your firm opts to use this method, it should provide clear instructions on what alternative steps should be taken if someone cannot be reached.

## Your Firm's Property and Operations

Second only to your firm's people are its property and its capacity for continuing operations.

### Risk Management Considerations

1. Much of your property is electronic. It should be backed up on media stored offsite, preferably in another geographic area. There are plenty of online storage companies that will store copies of your electronic records at minimal cost. Backup should be automatic or should be a daily—or at least weekly—protocol for all employees. Be sure it is accessible from other locations.
2. Be sure anything stored—especially at the bottom layer of your building, whether first floor or basement—is **not** resting on the floor. Anything that could be damaged by minor flooding—computers, printers, tools, and so on—should be stored at least several inches off of the floor.
3. If you have equipment that needs to run continuously, be sure that any battery-operated backup systems are fully charged and operational. Be sure any gas-operated generators have adequate fuel.
4. Determine if there are additional resources or activities required before, during, or after an event, such as boarding up windows, hiring security personnel, and/or erecting temporary fencing. And determine where you can obtain necessary resources.
5. Establish a phone list of those resources—heating or air-conditioning contractors, computer experts, electricians, roofers, and others—and keep it current. Be sure key personnel have this list with them, not just at their work stations.
6. Establish reciprocal arrangements with suppliers, clients, and/or competitors to use their premises—and for them to use yours—if the damage or a civil authority does not allow you back into certain buildings in a timely manner.

### Insurance Considerations

1. At least once a year, look at your property insurance limits. Are they adequate to cover you if, for example, your roof is breached and wind-driven rain floods your premises?
2. Not all policies cover flood, windstorm, and/or earthquake. Determine if your policy covers or excludes these perils.
3. Check your policy for sublimits. Certain types of property—such as valuable papers, computers, and accounts receivable—are not covered for the full limit by some policies.
4. Be sure your business income and other time-element coverage limits are adequate to keep your firm going while you restore damage to your premises and get back to work.
5. Know what your deductibles are. Some policies have one deductible applicable to all loss; others have different deductibles for different perils—particularly flood, windstorm, and earthquake.
6. Understand your reporting requirements. You do not have unlimited time to report a loss. Know how many days your policy gives you. If you end up needing more time, be sure to get any extension **in writing**.

### Additional Resources

There are many resources that can provide you with more information about preparing for hurricanes and other emergencies. One is your insurer. It is in the insurer's best interest for you either not to have a claim or to mitigate your loss in the event of a claim. You can find information on the Federal Emergency Management Agency's Web site: [www.fema.gov/index.shtm](http://www.fema.gov/index.shtm). Local governments are also a likely resource.