

## ADDITIONAL RESOURCES:

### American Red Cross

<http://www.redcross.org>

Contact your local Red Cross chapter for publications on disaster planning for yourself and your employees. The Red Cross also offers emergency training.

### Association of Contingency Planners

7044 South 13th Street  
Oak Creek, WI 53154  
Tel: 1-800-445-4ACP  
Fax: 414-768-8001  
<http://www.acp-international.com>

The Association of Contingency Planners (ACP) is a non-profit trade organization dedicated to fostering continued professional growth and development in effective Contingency & Business Resumption Planning.

### Federal Emergency Management Agency

500 C Street, SW  
Washington, DC 20472  
Tel: 1-800-480-2520  
<http://www.fema.gov>

FEMA publishes many publications that may be helpful to businesses. You can obtain a catalog at the above number, and most of the publications are free of charge.

### Insurance Information Institute

110 William Street  
New York, NY 10038  
Tel: 212-346-5500  
Fax: 212-732-1916  
<http://www.iii.org>

I.I.I. is a primary source of information, analysis and referral on insurance. The I.I.I. has several publications about the insurance needs of businesses. It also manages the National Insurance Consumer Helpline, which answers questions about business insurance. NICH can be reached at 1-800-942-4242.

### National Emergency Management Association

c/o Council of State Governments  
P.O. Box 11910  
Lexington, KY 40578  
Tel: 859-244-8000  
Fax: 859-244-8239  
<http://www.nemaweb.media3.net/index.cfm>

NEMA is the professional association of state emergency management directors.

### U.S. Small Business Administration

3rd Street, SW  
Washington, DC 20416  
Tel: 202-205-6734  
Fax: 202-205-7728  
<http://www.sba.gov>

The SBA provides disaster relief via loans to qualifying businesses after disasters. The SBA also offers publications that can assist businesses in preparing for and dealing with the effects of disasters.

### IBHS Commercial Lines Committee,

Chair: Ken Zimmerman, Assistant Vice President, CNA Insurance Companies

#### INSURER MEMBERS

Allstate Insurance Company  
Bankers Insurance Group  
Chubb Group of Insurance Companies  
FCCI Insurance Group  
FM Global  
Liberty Mutual Group  
Main Street America Group  
Royal & SunAlliance USA  
SAFECO Property & Casualty Insurance Companies  
State Farm Fire and Casualty Company  
The Hartford Financial Services Group  
Yasuda Fire & Marine Insurance Company of America

### IBHS Response and Recovery Committee,

Chair: Mark Divoll, Assistant Vice President, Amica Mutual Insurance Company

#### INSURER MEMBERS

Alfa Insurance Companies  
Allstate Insurance Companies  
American Family Insurance Group  
Bankers Insurance Group  
Chubb Group of Insurance Companies  
CNA Insurance Companies  
ENCOMPASS INSURANCE  
Farmers Insurance Group  
Kemper Insurance Companies  
Liberty Mutual Group  
Nationwide Insurance  
State Farm Fire and Casualty Company  
The Hartford Financial Services Group

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# Getting Back to Business - A Guide for the Small Business Owner Following Disaster

## Inside:

- **Steps to Recovery:**  
Reporting Losses, Putting Safety First, Assessing Damage, Cleaning Up, Evaluating Business Interruption, Returning to Business
- **Questions For Your Insurer**
- **Establishing a Disaster Preparedness Plan for the Next Time**
- **Resources**

The Institute for Business & Home Safety® has developed *Open for Business: A Disaster Planning Toolkit for the Small Business Owner*. This resource, developed with the U.S. Small Business Administration, is available online along with other IBHS resources at [www.ibhs.org](http://www.ibhs.org).

IBHS is an initiative of the insurance industry to reduce deaths, injuries, property damage, economic losses and human suffering caused by natural disasters.

The Institute for Business & Home Safety® is located at 1408 N. Westshore Blvd., Suite 208, Tampa, FL 33607. For more information on *Open for Business*, please call 1(866)657-4247 or fax at (813)286-9960.



## STEPS TO RECOVERY

Following a disaster, it is anything but “business as usual” for you, your employees and customers. But the faster you can return your business 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 from you.

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 Right Away

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 are key considerations following a disaster. Buildings must be safe for occupancy before employees and customers re-enter.

- 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. But whether you own the property or not, you are responsible for the safety of your employees, customers and anyone else who may be on the premises.
- If the building is not usable, you will need to find an alternative location to conduct your business.
- Restoring your utilities, phone service, gas lines and other important links should be done as soon as possible. If you discover gas leaks or live wires, be sure to immediately contact your utility provider.
- Get your 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 during cleaning. Also, separate the damaged stock from the undamaged 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 shutdown 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.

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.)

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.

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.

## 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.

## Establishing a Disaster Preparedness Plan for the Next Time

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. 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.

These are some frequently asked questions of insurance representatives following disasters. You may want to have this list when you first make contact with your insurer to avoid multiple follow-up calls.

- What coverage do I presently have?
- Should I make temporary repairs and begin the clean-up process?
- Should I look for another facility in which to run my business?
- Who will be my adjuster and when will I be contacted?
- Should I begin the inventory process, and what is needed in terms of verification for my claim?
- If I do not have any property damage, but have lost revenue, can I claim that?
- I had to close my business due to the orders of civil authorities. Can I make a claim for the revenue I lost during this time?