



# Loss Prevention

## Please route to:

- Owner
- General manager
- Sales manager
- Service manager
- Office manager

## Disaster preparedness: plan to survive.

Recent events have shown that if your company is to survive a disaster, you must develop a plan for business recovery. Many businesses have contingency plans in place to help them recover from floods and hurricanes; but who actually plans for computer viruses or anthrax? The purpose of this bulletin is to discuss the elements of a Disaster Recovery Plan - why you need a plan, how to get started, what to consider, and where to find help.

### Great reasons to plan

The overall goal is to return your business to normal operations as quickly as possible and, perhaps more importantly, before your competitor is back in business. Many businesses fail each year after suffering damage from serious fires, floods or other natural disasters because they were unprepared for the disaster. Property insurance will pay to repair or replace buildings and content, and business interruption coverage can provide funds for loss of income, but they can't replace lost customers, employees or vendors.

Now is the best time to review your insurance policies and ensure you have all the proper coverage in place. Developing a comprehensive plan may ensure that your business and employees' livelihoods survive.

There are many reasons for developing a Disaster Recovery Plan, the most important being:

- Maintain cash flow
- Protect employees

- Moral and legal obligations
- Defend legal action from shareholders
- Maintain customer relations and client base

### Don't delay!

If you do not currently have a Disaster Recovery Plan, begin working on it immediately. First, develop a process outline. The "process" should consist of the following:

- **Involve owners and top management** in the planning process, they should support the overall plan.
- **Establish a planning committee** – it can be as small as two or three individuals.
- **Review your current insurance program** with your account executive to ensure adequate coverage for potential disasters.
- **Identify disaster exposures** – what natural, man-made, or political disasters is your business susceptible to? Consider this partial list\*:

Fire	Flood
Freezing	Tornadoes
Hurricanes	Hailstorms
Storm Surge	Landslides
Windstorms	Earthquakes
Computer Virus	Mail Interruption
Civil Disturbances	
Computer/Data Loss	
Loss of an Important Vendor	
Loss of an Important Supplier	

*\*Some of these disasters are not insurable or would not be covered by insurance.*

- **Identify critical personnel, equipment, and data.** “Critical” refers to their relative importance to your business. What must you have to return your business to normalcy?
- **Collect information** – you will need a list of every important piece of information needed in the event of a disaster including inventories, telephone numbers, equipment listings, vendor lists, software inventory, etc.
- **Develop a formal, written Disaster Recovery Plan** – incorporate all of the above information into a plan that identifies specific disaster scenarios, steps that will protect your business prior to the disaster, and most importantly, instructions for getting your operation back to normal as quickly and efficiently as possible.
- **Test the plan** – both initially and annually thereafter. It is important to review and update the plan periodically as your exposures to loss change.

#### Online resources

The Institute for Business & Home Safety (IBSH) has developed two guides to assist small business owners with disaster planning. These publications are available on the IBSH website at no cost or ordered from the IBSH by calling 866-657-4247.

- [Getting Back to Business - A Guide for the Small Business Owner Following Disaster](http://www.disastersafety.org/resource/resmgr/pdfs/gb2b10.pdf) – [www.disastersafety.org/resource/resmgr/pdfs/gb2b10.pdf](http://www.disastersafety.org/resource/resmgr/pdfs/gb2b10.pdf)
- [Open For Business - A Disaster Planning Toolkit For The Small Business Owner](http://www.disastersafety.org/resource/resmgr/pdfs/OpenForBusiness_new.pdf) – [www.disastersafety.org/resource/resmgr/pdfs/OpenForBusiness\\_new.pdf](http://www.disastersafety.org/resource/resmgr/pdfs/OpenForBusiness_new.pdf)

The IBHS also recommends the following resources:

- [American Red Cross](http://www.redcross.org) – [www.redcross.org](http://www.redcross.org)
- [Association of Contingency Planners](http://www.acp-international.com) – [www.acp-international.com](http://www.acp-international.com)
- [Federal Emergency Management Agency](http://www.fema.gov) – [www.fema.gov](http://www.fema.gov)
- [Insurance Information Institute](http://www.iii.org) – [www.iii.org](http://www.iii.org)
- [National Emergency Management Association](http://www.nemaweb.org) – [www.nemaweb.org](http://www.nemaweb.org)
- [U.S. Small Business Administration](http://www.sba.gov) – [www.sba.gov](http://www.sba.gov)

Another excellent resource for information and guidance is the Disaster Recovery Journal ([www.drj.com](http://www.drj.com)). This website offers free subscriptions to their magazine, business continuation models, pertinent disaster recovery articles from various publications, sample plans and other information. It is not providing legal advice and assumes no liability concerning the information set forth above.

#### Loss prevention information

For questions about this loss prevention topic, contact the Zurich Risk Engineering Department at 800-821-7803.

#### Product and service information

For more information on any of Zurich's products or services, visit [www.zurichna.com/zdu](http://www.zurichna.com/zdu) or call 800-842-8842 x 7449.

*The information in this publication was compiled from sources believed to be reliable for informational purposes only. All sample policies and procedures herein should serve as a guideline, which you can use to create your own policies and procedures. We trust that you will customize these samples to reflect your own operations and believe that these samples may serve as a helpful platform for this endeavor. Any and all information contained herein is not intended to constitute legal advice and accordingly, you should consult with your own attorneys when developing programs and policies. We do not guarantee the accuracy of this information or any results and further assume no liability in connection with this publication and sample policies and procedures, including any information, methods or safety suggestions contained herein. Moreover, Zurich reminds you that this cannot be assumed to contain every acceptable safety and compliance procedure or that additional procedures might not be appropriate under the circumstances. The subject matter of this publication is not tied to any specific insurance product nor will adopting these policies and procedures ensure coverage under any insurance policy.*