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

ADDITIONAL RESOURCES:

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

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

Association of Contingency Planners
7044 South 131st Street
Oak Creek, WI 53154
Tel: 1-800-445-4ACP
Fax: 414-769-8001
http://www.arp-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: 212-733-1916
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. NICI 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: 859-234-8800
Fax: 859-234-8729
http://www.nemaweb.media3.net/index.cfm

NEMA is the professional association of state emergency management directors.

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.

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

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### 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 need 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 you have the building inspected by structural engineers and contractors to determine its safety and the extent of the damage.**

- **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.**

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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

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**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.

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