# AmTrust Property Zone

## Developing Your Disaster Recovery Toolbox

Disasters are, by definition, serious disruptions that can cause significant damage. In addition to the immediate danger, disasters can pose long-term threats to your business, operations, finances and reputation.

To face disasters successfully and come out of the other side with your business intact – you need to develop the right disaster recovery resources, including having a disaster recovery toolbox that gives procedures to prepare, respond and recover from disasters that could affect your business.

### Step 1: Assess Your Potential Risks

Your business likely faces many potential risk exposures. Identifying these dangers is the first step in preparing for them.

Some threats will depend on your location and may occur in seasons, while other risks could strike anywhere, anytime. When identifying potential hazards, consider human, environmental, natural and technological disasters, including:

- Severe storms
- Flooding
- Wind
- Fire
- Earthquake
- Extreme heat
- Winter weather
- Pandemics
- Hazardous material spills
- Civil unrest
- Terrorism
- Workplace violence
- Power outages
- Equipment failure
- Cyberattacks and ransomware

### Step 2: Conduct a Business Impact Analysis

If a disaster occurs, what will the potential impacts be on your business? A Business Impact Analysis can help you identify the potential losses so you can make appropriate plans. Below are some examples to consider as you think through your business impact scenarios.

- Property may be damaged, and worksites may be inaccessible
- There may be a staffing/personnel shortage due to a pandemic
- Equipment, supplies and inventory may be damaged or destroyed
- Repairing and replacing property, equipment, supplies and inventory may lead to additional costs
- Required overtime may lead to increased labor costs
- Business disruptions may lead to lost income
- Regulatory fines may be incurred
- Contracts may be breached, resulting in penalties or other costs
- Reputational damage may result in losses that are difficult to quantify

### Step 3: Construct a Business Continuity Plan

Business interruption caused by disasters can have a profoundly negative impact on operations and finances. However, any interruption can be limited through the implementation of a business continuity plan that addresses the following issues:

- Which business operations must be prioritized?
- How long can essential operations be delayed before negative impacts occur?
- What contractual, regulatory or reputational impacts may occur as a result of business interruption?
- Can business operations be performed at another location if needed?
- What resources will be needed to perform business operations, including equipment, data and supplies?

### Step 4: Write an Emergency Preparedness Plan

Although your business may not be able to prevent a disaster from occurring, a good emergency preparedness plan can reduce the damage that could occur.

- Strengthen your building against natural disasters, including storms, winter weather and fire
- Have the building inspected before and after storm season and carry out repairs and improvements as needed
- Keep the roof and gutters free of debris, and keep any trees around the building trimmed
- Create a checklist of tasks that should be completed when a wildfire, hurricane or other severe storm threatens
- Stock the building with emergency supplies
- Have an evacuation plan in place
- Run emergency drills and practice your plan
- Review and update your plan periodically

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## Step 5: Prepare Your Crisis Communication Plan

A crisis communication plan ensures timely and accurate information is given to all employees, the media, customers, suppliers, vendors and the public. During an emergency, communication is essential to all stakeholders.

- Appoint a communication coordinator
- Keep current contact information for all employees
- Give employees an emergency contact they can use to get information during a crisis
- Decide which main and backup communication methods will be used, such as phone, text, email, online portal, website or social media
- Consider what other groups need to be communicated with during a crisis.
- Create templates for communications, memos and press releases that are likely, such as a notice of closure/do not report to work.

## Step 6: Also, Create a Disaster Recovery Plan

After a disaster, the recovery process begins. Having a disaster recovery plan in place can help the recovery process go smoothly.

- Maintain a list of plumbers, electricians and other professionals who may be needed after a disaster. Check references, insurance coverage and licensing.
- Prioritize business operations to determine which operations must resume first.
- Determine which workers will need to return first.
- Do not allow workers back into the building until it has been cleared for safety.

## Step 7: Know Your IT Disaster Recovery Plan

After a natural disaster, computer failure or cyberattack, a loss of information technology can cause significant business interruption. Because information technology is essential to most businesses, it must be included in your disaster plans.

When creating your IT disaster recovery plan, consider the following questions:

- How would IT failures impact business operations and finances?
- What amount of downtime, if any, is acceptable?
- How can hardware be protected during a hurricane, fire or other natural disaster?
- What cybersecurity measures are in place to prevent cyberattacks?
- What backup power sources, if any, are available?
- If data is lost, how can it be restored?
- What backups are kept? How often are they updated? Are they stored digitally or at a separate location? Are the backups secure?

## Step 8: Review Your Business Insurance Annually

If possible, secure insurance to protect against the exposures most likely to affect you. Coverages to consider include property and business interruption insurance, flood and earthquake insurance, cyber liability insurance, boiler and machinery coverage and workplace violence coverage, among others.

## Sources:


https://www.ready.gov/risk-assessment

https://www.ready.gov/business-impact-analysis

https://www.ready.gov/business/implementation/IT


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For additional information and resources on this topic and other safety and risk management subjects be sure to visit the Loss Control section on our website:

**www.amtrustfinancial.com/loss-control**




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