

MAKING THE BIG ONE A LITTLE SMALLER

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Thinking about readying your organization for a natural or man-made catastrophic property damage and business interruption loss? Good. That's the first step. Now you need a plan! Willis can help you design one that will facilitate a speedy and successful recovery following a catastrophic event.

Buying insurance is only one step in preparing your company for the worst. Having a plan – knowing what to do and what resources are needed and available – is key to guiding your organization through the steps that must be taken following a disaster. Companies that have a robust, up-to-date business continuity plan tend to recover more quickly than those that struggle to find their footing in the first days after a loss.

Following are points to consider in preparing for the BIG ONE, including a few so basic they are sometimes overlooked or taken for granted.

- Do a critical self-evaluation and an assessment of the skills and resources available to you. Understand the skill sets of your employees and the available time they have in addition to their day jobs. Can your accounting staff manage the additional paperwork that will surely be part of the recovery process? Do your engineers have experience in the various disciplines that might come

into play during an emergency? A negative answer is not a bad thing – it simply means you need to consider obtaining additional resources from outside your company.

- Identify those resources you might need to screen and approve. Your Willis Client Advocate® or Risk Consultant can advise you as to the various national or local restoration, forensic accounting, engineering, environmental, generator rental and metallurgical firms available. We suggest you make arrangements to meet them well before you need to employ their services. In fact, some restoration companies have “preferred customer” programs where, for an annual retainer, they will put a client at the top of their list. This might be critical in a wide area catastrophe where generators and other supplies are scarce or at a premium.
- Understand your insurance policy's terms and conditions and how it will respond in the event of a loss. Work with your Willis representative to develop possible scenarios and how the policy will or will not respond to a given situation.
- Review your data collection mechanisms. During the course of a major loss, large quantities of data will need to be

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collected and provided to the insurance company and its representatives. Make certain that your systems are robust and flexible enough to function under the additional stress during a loss.

- Review your business continuity plans and expand them to include the insurer and its adjustment team. The insurer will bring in a team of adjusters and consultants, and proper coordination of tasks is critical. Make certain your people know what is expected of them so that you can avoid surprises. If given the opportunity prior to a loss, develop a loss-handling procedure integrating the insurer's team and activities with your own.
- Understand the impact a loss will have on your staff and customers. Special arrangements might need to be made for personnel emergency needs. Your customers are key to your existence – figure out how you will continue to provide them goods and services under the harshest circumstances possible. Will you need to deplete critical inventories? Will you have to buy product from the competition at a premium? Will you have to divert shipments from other customers? All should be considered prior to the event.

They say experience is the best teacher, so it follows that organizations that have previously recovered from a catastrophic event and developed their own best practices for future events will have an easier time should other major disasters occur. But while experience is good, thorough preparation is better – and often safer and less costly. So first-timers should not be discouraged; with proper planning and management they too can handle a catastrophic loss like a seasoned pro!

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