

RIMS GIVES THUMBS-UP TO GOVERNMENT STANDARDS ON PREPAREDNESS

By Joe Stavish

Now it's official. Thanks to the three-year-long efforts of Homeland Security and RIMS advisers, who finally settled on the voluntary certification program rules, you need an outside voice if you are to be certified as adequately prepared. You will almost certainly be glad you took advantage of this program. You will be better protected, and you will improve your risk profile in the marketplace. The return on investment may be quicker than you think – to the point where you may wonder why you ever delayed.

The new certification program is in some ways a natural follow-up to the Support Anti-Terrorism by Fostering Effective Technologies Act of 2002 (SAFETY Act). The act was designed to encourage security and anti-terrorism service and product providers by capping their liability if they attain certain standards. The SAFETY Act reflected the government's understanding of the difficulty in dealing with a new threat, about which so little can be predicted. The preparedness certification program expresses a broader view – that your catastrophic exposure is not only your responsibility, but impacts the smooth functioning of society at large. And now is the time to address it.

The Risk and Insurance Management Society Inc. praised the Department of Homeland Security (DHS) for its recent


adoption of private sector emergency preparedness standards.

Since the voluntary preparedness framework was released in 2007, RIMS said it has been closely involved in discussions surrounding the **Voluntary Private Sector Accreditation and Certification Preparedness Program** and is pleased to see the implementation of this program move forward. It added that as an association for risk management professionals, it understands firsthand the importance of business continuity and preparedness.

“RIMS believes very strongly that business continuity and emergency preparedness are a critical component of any organization's enterprise risk management plan,” said Carol Fox, chair of RIMS' Standards and Practices Committee. “We believe that the standards adopted by DHS allow organizations necessary flexibility in adopting a standard that meets their specific business objectives and budgets.”¹

The three adopted standards developed by the National Fire Protection Association, the British Standards Institution and ASIS International are intended to provide guidance and structure for an organization looking to attain certification in private sector preparedness. A sound business continuity

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and emergency preparedness plan significantly enhances an organization's ability to absorb and mitigate the effects of an unexpected event or disaster.

PS-PREP

The Voluntary Private Sector Preparedness Accreditation and Certification Program (PS-Prep) is mandated by Title IX of the Implementing Recommendations of the 9/11 Commission Act of 2007 (the Act). Congress directed the DHS to develop and implement a voluntary program of accreditation and certification of private entities using standards adopted by DHS that promote private sector preparedness, including disaster management, emergency management and business continuity programs. The purpose of the PS-Prep Program is to enhance nationwide resilience in an all-hazards environment by encouraging private sector preparedness. The program will provide a mechanism by which a private sector entity – a company, facility, not-for-profit corporation, hospital, stadium, university, etc. – may be certified by an accredited third party establishing that the private sector entity conforms to one or more preparedness standards adopted by DHS.

VOLUNTARY PROGRAM

Participation in the PS-Prep program is completely voluntary. No private sector entity will be required by DHS to comply with any standard adopted under the program. However, DHS encourages all private sector entities to seriously consider seeking certification on one or more standards that will be adopted by DHS.

UNDERSTANDING THE CERTIFICATION PROCESS

Over the next several months, the ANSI-ASQ National Accreditation Board (ANAB), the accreditation body selected by DHS to develop and oversee the certification process, will manage the accreditation and accredit qualified third parties to carry out the certification in accordance with the accepted procedures of the program. Private-sector organizations, including businesses and critical infrastructure and key resources (CIKR) entities, may apply for certification to the applicable requirements of preparedness standard(s) adopted by DHS. Certification, in the context of this program, is confirmation that an accredited third-party certification organization has validated a private sector entity's preparedness to a standard. Once an organization is certified, there will be a periodic reassessment and audit process so the certification organization can continue to have confidence in the organization's conformity to emergency preparedness and a business continuity management system. The certifying organizations will be accredited by ANAB. DHS will maintain and make public a listing of any private-sector entity certified as being in compliance with PS-Prep, if that private-sector entity consents to such listing.

DHS will review the accreditation and certification program annually to ensure its effectiveness, to include the operations and management of any of the accreditation and certification bodies and the designated standards. DHS will make improvements and adjustments to PS-Prep as necessary and appropriate.²

The previous information was obtained from the National Underwriter online edition and from the FEMA website. Note the use of the three voluntary standards was approved in June 2010.



CONTACT

For further information on this ground-breaking development and how to protect your business, please contact your local Willis Client Advocate®/Property Risk Control Consultant or:

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For information on other claim and loss prevention issues, please visit willis.com.

The observations, comments and suggestions we have made in this publication are advisory and are not intended nor should they be taken as legal advice. Please contact your own legal adviser for an analysis of your specific facts and circumstances.

¹ **National Underwriters**

² **FEMA**