



When Disaster Strikes: Emergency Preparedness Helps Ensure Business Continuation

The events from 9/11, Katrina, Wilma, and the blackout of 2003 are wake-up calls to the kinds of dangers and challenges facing America, including American businesses. In the months following each event, companies across the country took steps to ratchet up security and emergency preparedness, in the event that they-their operations and employees-might someday be directly impacted by an attack or other major disaster.

A 2002 Hartford Financial Services Group survey found that security measures instituted or improved upon by companies after 9/11 drastically reduced the number of unauthorized visitors entering workplaces. As time passed, however, companies relaxed their post-disaster security consciousness. Unfortunately, emergency preparedness gaps are particularly apparent in smaller businesses.

As we know very well, natural disasters (hurricanes, tornadoes, blizzards), fires and power outages all can endanger employee security and stymie business operations. The extent to which a company is prepared for such events can mean the difference between being able to continue operations and shutting down. The American Red Cross' statistics show as many as 40 percent of small businesses do not reopen after a major disaster.

According to the Hartford survey, the top workplace safety threat continues to be that posed by unauthorized entries into a business. Employers can take measures to reduce the number of unauthorized entries: check that all entry doors have working locks; reduce the number of entry points, and have all of them set up so that individuals coming in through them must pass by a receptionist or other staffed workstation; implement photo ID's for employees, require that visitors sign in and wear visitor badges; and establish a procedure that receptionists can use to inconspicuously signal that they need help (such as a call button).

The survey found that fewer than half of small businesses hold regular emergency evacuation drills. While such drills for all companies are valuable and necessary, they are suited only for situations in which safety is to be found outside of the business premises. Companies also must be prepared for emergencies that confine employees inside the building, such as a blizzard, or a situation involving outside release of a chemical or biological agent. Businesses should have on site a supply of bottled water and nonperishable food; flashlights and batteries; a battery-powered radio; a landline phone that can operate without electricity; and first-aid supplies. Detailed lists suggested

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“emergency” items for businesses can be found on the Web site of the American Red Cross (www.redcross.org).

Other basic steps businesses should take to prepare for disaster situations include-

- Establish emergency evacuation routes and conduct regular emergency evacuation drills.
- Copy or back up important, valuable, or irreplaceable documents, and store these off site.
- Keep an up-to-date list of contact information for employees, customers, suppliers, distributors, and professional service providers (e.g., insurance agent, accountant, lawyer), and store this list off site.
- Establish procedures for handling suspicious mail
- If the nature of the business permits, formulate a plan for continuing operations from an alternate site.
- Make sure that the insurance coverages held by the business are appropriate and adequate, and store a copy of the policies off site.

Depending on a company’s location and the nature of its business, it may be more or less susceptible to certain risks than others. Please call our office for help in evaluating your risk profile and for learning about business safety and emergency preparedness programs.

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