

Risk Management Guidebook

Natural Disasters and Emergency Preparedness



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Property & Casualty
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This Natural Disasters and Emergency Preparedness guide was developed to assist employers and residents in addressing the challenges of a catastrophic event, such as a flood, earthquake, tornado, hurricane, or wildfire.

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Is Your Organization Prepared?

Don't wait until a natural disaster is imminent: proactively prepare before the next hurricane, flood, earthquake, wildfire, or severe weather event to help keep yourself, your business, and your employees safe.

The potential for future surges of infectious diseases could create additional challenges in the wake of a catastrophic event. In addition to preparing for natural disasters, businesses should also refer to state and local guidelines to help mitigate any further challenges and risks. See [Resources and Links](#) below for more information, or visit the [USI Public Health Emergencies](#) site for additional articles and resources.

Not every business requires the same preparations. Consider customizing your plan based on the specific needs of your business and property that adhere to state and local protocols. Help speed recovery following a natural disaster by “preparing for the worst and hoping for the best.”



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Prepare for a Property Loss

A large property loss can dramatically impact a property claim outcome and lengthen the time it takes to get back into business. It is important to review your property and difference in conditions (DIC) insurance policies prior to an event to ensure the coverage limits, terms and conditions are adequate for your location. If assistance is needed in understanding your insurance policy, please contact your USI representative or insurance carrier.

USI's property placement and analytics teams can assist you with:

- Utilizing catastrophe modeling tools to evaluate property limits and identifying locations that pose the greatest risk of loss
- Modeling for property acquisitions or divestitures
- Reviewing of flood and storm surge limits
- Evaluating flood zones and their impact on coverage and deductibles

- Modeling probable maximum loss for earthquake and fire scenarios
- Updating insured values at each location, as coverage restrictions for property insurance are now more common
- Ensuring that sub-limits are appropriate for the risk
- Funding forensic accounting and engineering services in the insurance program
- Calculating deductible scenarios and options for deductible buydowns

Given the uncertain nature of natural disasters, it is critically important to consider changes in exposures and limits sooner rather than later.

Establish an Agreeable Claims Service Team

The claims adjuster is your point of contact with the insurance carrier. It is important to understand that the adjuster represents the insurer. The adjuster investigates, negotiates, and settles the claim. When applicable, an account adjuster should be assigned to the program at the time of policy inception.

Having an account adjuster who has been pre-approved by both the insured and insurer often makes for a good working relationship and partnership during the adjustment process. Advance assignment allows the adjuster to be involved in pre-event planning, and helps them understand the process and pre-designated flow of information and documentation. The claim process will be streamlined if the adjuster and their team are familiar with the insured's operations, eliminating the "learning curve" after the loss.

Select an Emergency Response Contractor

Following a catastrophic event, businesses can typically expect longer recovery times and higher post-event inflation on contractors, restoration firms, and construction suppliers. We suggest identifying and working with your restoration project manager in advance of a loss, so they fully understand your operations and equipment needs.

USI can connect companies of all sizes with emergency response firms that have national and international capabilities. An arrangement with one of these firms allows companies to receive a priority response in the wake of a major catastrophe, and keeps all parties apprised of developments during the recovery period and claim process. Additionally, a written response plan, developed in advance of the loss, can be tailored to a company's specific needs and exposures.



Benefits of choosing an emergency response contractor in advance

Whether the crisis is part of a major catastrophe or not, clients of an emergency response vendor receive a priority response from disaster recovery experts who have planned for the client's specific exposures in advance. In the case of a hurricane, flood, earthquake, or wildfire, for instance, a prompt response can help mitigate both the property damage (e.g., spread of mold, fire, etc.) and business interruption.

- The contractor works with the client to develop a comprehensive plan that is tailored to the client's specific exposures by evaluating the client's needs and expectations prior to a loss.
- The contractor may have a pricing agreement with the client's insurer(s), which can help avoid any post-loss scope, pricing, or invoicing disputes.
- The client also benefits from having a single point of contact with a national firm that has the necessary resources and technical expertise to respond in all areas of disaster recovery. The emergency response contractor can work within the claims process and facilitate recovery by leveraging critical insurance industry relationships.
- When it comes time to renew a policy, the client has an advantage, as advance planning can be very compelling and beneficial during renewal negotiations with underwriters.

Develop an Emergency Response Team and Emergency Action Plan

Studies of severe windstorms, floods, and wildfires show that related **damages and losses can be prevented or reduced with an organized plan** that is activated before, during, and after the storm. For this reason, USI encourages clients to establish an emergency response team (ERT) and emergency action plan (EAP).



Emergency Response Team

- Members of the ERT should understand their specific roles and the overall goal and procedures outlined in the EAP. Members should also be trained to carry out their specified responsibilities, and have alternates to cover all hours of operation.
- Members of the ERT should identify personnel to monitor wildfire flame spread, weather conditions, and/or increasing water levels relative to the path and intensity of the event.
- The ERT leader should have authority to implement the EAP as based on pre-designated benchmarks. Responsibilities should include when to shut down operations and send personnel home.

Emergency Action Plan

The EAP should include, but not be limited to:

- Guidelines for inspections and structural repairs.
 - Identification of all critical areas of the facility and operations, and the appointment of someone on all shifts who is trained on shutdown procedures and has authorization to implement them.
 - Up-to-date telephone numbers and contact information for ERT members, all relevant civil authorities, and any insurance contact or pre-assigned adjuster, or restoration project manager.
 - Provisions for backup communications, and confirmation that all cell phones and two-way communication devices are charged with back-up batteries available.
 - Arrangements for an off-site emergency communications center.
 - Determination of vital company records and plans to protect and relocate them.
- In the event of a storm, availability of pre-fitted window shutters or plywood for windows and doors, where practical; a dry run of installation should be performed, if possible.
 - Preparations for windstorm-related flooding.
 - Identification of key equipment and stock that require protection with tarpaulins and waterproof covers.
 - Consideration for the removal of trees that could potentially fall and cause damage to buildings or adjacent power/communication lines, serve to spread a wildfire, etc.
 - Plans for site security in the event of evacuation before a fire/storm hits or following a required evacuation event.
 - Arrangements with contractors for supplies and repairs needed after the storm.

Severe Storm/Wildfire/Flood Preparedness

When the National Weather Service (NWS) issues a severe storm or flood warning or a wildfire red alert, an emergency condition should be declared.

Pre-Storm/Flood/Wildfire Planning

Action items for an impending catastrophic event include:

- Tracking the progress of the event and its intensity.
- As benchmarks are realized, determine if, or when, your plan is to be activated.
- Shut down operations that depend on outside power sources, following established procedures.



Outside the Building(s)

- When practical, bring yard storage, machinery, and equipment into buildings or otherwise secure it in place to prevent it from being damaged. If hazardous materials are involved (e.g., flammable liquids, oxidizers, toxic materials), their relocation should be carefully assessed so as not to increase the loss exposure.
- Check roof-mounted equipment to ensure it is securely connected to the building's structural steel. Bolts and guide wires should be tight and free from rust and corrosion. Remove any roof storage.
- To help prevent water leakage or roof collapse, check roof drains to ensure they are clear and able to drain off heavy rains. Have repairs made to any portion of the roof covering that appears loose, bubbled, or otherwise weakened.
- To help prevent water from entering the property and causing flooding, obtain or have on hand an adequate number of sandbags to be placed at building entrance low points.
- Move combustible goods at least 100 feet from structures to create a fire break and minimize the spread of fire.
- Cover window and door openings with storm shutters or substantial protective panels. If any fire exits are to be covered, the building must be evacuated first.
- Inspect the sprinkler system riser to assure the system is charged, with the valve in the open position.
- Test emergency generators and maintain an adequate supply of fuel; when using a portable generator, make sure to keep it outside at all times and take necessary precautions to prevent carbon monoxide poisoning.

Inside the Building(s)

- Duplicate important records and papers and move them to a secure location. Backups of important computer records should be current and kept in a secure location, preferably off-site and in a different natural hazard geographical area.
- Move important materials or equipment away from water-intrusion-susceptible and fire-susceptible areas like windows, doors, or walls that are not of substantial construction.
- Move hazardous materials (e.g., flammable liquids, oxidizers, toxic materials) into approved cabinets that are isolated from exposures.
- Close fuel valves to non-essential and non-emergency equipment.
- Disconnect power to non-essential equipment that is susceptible to power surges, or that is located where water leakage or flooding may cause damage or electrocution.
- Review secondary supply chain options and store additional supplies off-site at an alternative location.

Severe Storm/Wildfire/Flood Advisories

Natural disasters such as hurricanes, wildfires, and floods are occurrences that typically provide advance warnings for the probability of an occurrence. Listen for additional advisories and be prepared to act upon state and/or local agency warnings to either evacuate or shelter in place. The unpredictable nature of climate and weather events makes it difficult for underwriters to assess risk, but that does not stop them from trying.



During the Event

If necessary, arrangements should be made to evacuate the ERT before the catastrophic event strikes. If the ERT can stay on-site, a safe area of substantial construction should be available for the team to occupy.

The ERT's plans should be communicated in advance to local law enforcement officials. The ERT should continually patrol the facility if it is safe to do so, and complete the following:

- Watch for structural damage and make repairs as necessary.
- Watch for causes of fire (e.g., electrical short circuits) and take corrective action as needed. Check sprinkler water pressure frequently and watch for loss of pressure.
- Watch for flooding from rain or tidal surge, and deploy sandbags as necessary.
- Watch for flying embers that may ignite roof structures.

After the Event

- Enforce "No Smoking" rules and curtail the use of heat- or spark-producing equipment until it is determined that there are no flammable liquid or gas releases. Shut off any natural/propane gas lines that feed to the buildings.
- Use caution before turning on electricity to areas where equipment may be damaged or moisture-laden. Use caution when opening fuel control valves. Check to ensure that piping and equipment is intact, properly supported, and not leaking.
- Make temporary repairs to the structure and property, only when it has been deemed safe to do so, to prevent further damage. Cover machinery, equipment, or materials that may be exposed to the elements. Check fire protection equipment (e.g., fire pumps, alarm systems, and automatic fire suppression) to ensure they are in service.
- Take photographs of damages and maintain an itemized listing of materials and labor used to repair the property and to restore operations. Separate undamaged stock from damaged stock.

Natural Disaster and Disaster Recovery/Restoration Checklist (Pre- and Post-Event)

This checklist outlines information and action steps the ERT can use to prepare for and recover from hurricane, floods, wildfires, earthquakes, tornadoes, and other natural disasters.

Description	Details
Broker Information	<ul style="list-style-type: none"><input type="checkbox"/> Office phone<input type="checkbox"/> Cell phone<input type="checkbox"/> Fax number
Property Insurer Information	<ul style="list-style-type: none"><input type="checkbox"/> Policy number<input type="checkbox"/> Claim reporting phone number<input type="checkbox"/> Claim reporting email or web-based loss notification site<input type="checkbox"/> Assigned/designated adjuster contact information
Additional Information (if applicable)	<ul style="list-style-type: none"><input type="checkbox"/> Property and difference in conditions (DIC) insurer<input type="checkbox"/> Property and DIC policy number<input type="checkbox"/> Claim reporting phone number<input type="checkbox"/> Claim reporting email or web-based loss notification site
Additional Insurer Information (i.e., specific wind or wind buy-back policies, etc.)	<ul style="list-style-type: none"><input type="checkbox"/> Policy numbers<input type="checkbox"/> Claim reporting phone number
Information Needed to Report a Claim	<ul style="list-style-type: none"><input type="checkbox"/> Insurer and policy number<input type="checkbox"/> Address of loss<input type="checkbox"/> Brief description of damages and date/time incurred<input type="checkbox"/> Contact information for adjuster (provide phone number and cell number, if applicable)<input type="checkbox"/> Secure a claim/reference number from your insurer when you report your claim

Next Steps	Actions
What to Do After Event Has Passed and Claim Is Reported	<ul style="list-style-type: none"><input type="checkbox"/> Notify employees' families about status of personnel on premises<input type="checkbox"/> Document damages with photos, videos, estimates, etc.<input type="checkbox"/> Whenever possible, make temporary/emergency repairs to mitigate or prevent further damages, as required by your policy<input type="checkbox"/> Make sure your adjuster is properly licensed<input type="checkbox"/> Hire licensed, insured, and reputable contractors to perform work<input type="checkbox"/> Maintain your own copies of all receipts and invoices relating to your loss

What to Do After Emergency Service	<ul style="list-style-type: none"> ❑ Notify and meet with insurance carrier/assigned adjuster to discuss claim and restoration plans ❑ Notify federal, state and local government agencies for assistance (with permits, inspections, certification of occupancy, debris removal/transport/disposal, etc.), and inform them of major restoration plans ❑ Enact pre-loss agreements (emergency restoration, forensic accounting, etc.) ❑ Determine need for alternate facility, if necessary, and arrange for move ❑ Ensure availability of key management personnel ❑ Provide cash advances, if appropriate (management) ❑ Separate damaged property from undamaged property (employees)
Damage Assessment	<ul style="list-style-type: none"> ❑ Take photos or videos of the damage so you can account for all damage-related costs ❑ Take inventory of damaged goods (this can be done with insurance adjuster) ❑ Assess the value of damaged property ❑ Assess the impact of business interruption ❑ Keep damaged goods on hand for insurance adjuster ❑ If you release goods to adjuster or salvage goods, obtain a signed inventory, detailing goods type and quantity ❑ Establish special job and charge codes for purchases and repairs ❑ Protect undamaged property and secure the property
Resuming Operations	<ul style="list-style-type: none"> ❑ Coordinate power restoration with utility companies (to prevent damage to equipment or injury to yourself and others, do not power up the facility on your own) ❑ Restore sprinkler systems and other fire protection equipment ❑ Inspect buildings for structural and/or fire damage that would jeopardize the structural integrity of the buildings and create life safety exposures ❑ Restore equipment and property for critical operations ❑ Move backup power and equipment into place, including backup communication systems ❑ Ensure personnel safety and security ❑ Conduct an employee briefing ❑ Provide employees with Material Safety Data Sheets (MSDSs) ❑ Maintain contact with customers and suppliers

Note: This list is not intended to be all-inclusive. It is a guide to some of the things you should consider in assessing your vulnerabilities and capabilities to respond to a natural disaster or catastrophic event.

Catastrophic Event Preparedness Checklist for Facilities

When preparing for a possible natural disaster or catastrophic event, develop a detailed checklist indicating the order in which to shut down processes and secure the facility. To initiate appropriate actions, the length of time needed to accomplish these tasks must be determined in advance. Complete each task during either an event watch or post-event restoration period.

Action	Time It Takes	Done
1. Shut down processes safely.		<input type="checkbox"/>
2. Inspect roof edging strips, gutters, flashing, covering, and drains.		<input type="checkbox"/>
3. Inspect sign and stack supports, guy wires, and anchorages.		<input type="checkbox"/>
4. Check for weak door and window latches or hardware, as well as for insecure panel fastening. Expedite repairs.		<input type="checkbox"/>
5. Protect vulnerable windows from flying debris.		<input type="checkbox"/>
6. Brace unsupported structural members at construction sites.		<input type="checkbox"/>
7. Protect important records from wind, debris, and rain.		<input type="checkbox"/>
8. Update important backup records and move them to a location not vulnerable to the same incident.		<input type="checkbox"/>
9. Fill above-ground tanks to capacity with product or water to minimize wind damage.		<input type="checkbox"/>
10. Anchor outdoor structures or items that can be moved by high winds, such as trailers, lumber, or any loose yard storage. Move stored materials inside when practical.		<input type="checkbox"/>
11. Create a buffer between buildings and potential combustibles. Remove dead plants, debris, idle pallet storage, and other combustibles that are within 100 feet of the structures.		<input type="checkbox"/>
12. Assemble the following supplies and equipment at a central, secure location: <div><div><ul style="list-style-type: none">Emergency lightingTarpaulinsLumber and nailsSandbagsTape for windows</div><div><ul style="list-style-type: none">Shovels and axesTools (power and manual)Roofing paperCaulking compoundChain saws</div></div>		<input type="checkbox"/>

Note: This list is not intended to be all-inclusive. It is a guide to some of the things you should consider in assessing your vulnerabilities and capabilities to respond to a natural disaster or catastrophic event.

Resources and Links

Disaster Preparedness Planning

[Ready.gov](https://www.ready.gov)

Offers preparedness information for business continuity planning.

[OSHA — Emergency Evacuations](https://www.osha-slc.com/emergency-evacuations)

OSHA e-tool on emergency planning — Emergency Evacuations and Procedures

[Federal Emergency Management Agency \(FEMA\) Local Offices](https://www.fema.gov/emergency-managers-local-offices)

FEMA local office finder. 1-800-621-3362

Wildfire Preparedness and Mitigation

[National Fire Protection Association \(NFPA\)](https://www.nfpa.org/wildfire)

National Fire Protection Association Wildfire Resources.

Infectious Diseases Preparedness and Risk Mitigation

[USI Public Health Emergencies Site](https://www.usa.gov/public-health-emergencies)

Helping clients prepare and respond to public health emergencies and steer through epidemic and economic recovery.

[OSHA.gov/coronavirus](https://www.osha.gov/coronavirus)

OSHA COVID-19 Guidance.

[National Association of County and City Health Officials \(NACCHO\)](https://www.naccho.org)

Directory of local health departments.

NOAA National Weather Service and National Hurricane Center

[National Weather Service](https://www.noaa.gov)

The National Weather Service (NWS), part of the National Oceanic and Atmospheric Administration (NOAA), is an excellent source of up-to-date and accurate information on hurricanes, tropical storms, and wildfires.

[National Hurricane Center](https://www.nhc.noaa.gov)

Excellent NWS resource page tracking current storms and discussing hurricane hazards, risks, and preparedness activities.

[American Red Cross — Hurricane Preparedness](https://www.redcross.org/hurricane-preparedness)

American Red Cross Information on preparing your workplace and your employees. 1-866-438-4636

Protect Your Home, Yourself and Your Family

[National Flood Insurance Program \(NFIP\)](https://www.floodsmart.gov)

National Flood Insurance website offers information on hurricane preparedness.

[FEMA Earthquake Information](https://www.fema.gov/emergency-preparedness-response-recovery/earthquake)

National earthquake technical assistance program.