

The Miami Herald

BUSINESSMONDAY

June 9, 2014

MIAMI HERALD | MiamiHerald.com

MY VIEW

For weathering the storm, businesses must have a plan

BY BRIAN TENZER
Special to the Herald

There are always going to be circumstances beyond our control. That's life. Count natural disasters among them. In South Florida, they're usually weather-related and, while it doesn't take as much as a hurricane or tropical storm to disrupt business, hurricane season officially is here so now's a good time to review your disaster plan. Or make one, if you haven't



TENZER

already.

As the firm's partner who specializes in property and casualty insurance, I took ownership of our disaster plan, a manual we laughingly refer to as our Drop Dead Book. As you might guess from that "title," we believe a crisis plan needs to cover everything. Working closely with property insurance companies, we have a solid understanding of how a business can be impacted and what precautions should be in place to keep it up and running. That's why I recommend starting a disaster update with an insurance analysis.

• **Review your insurance policy.** Take it out and go over everything. Given South Florida's ever-increasing property values, make sure your coverage limits are sufficient to replace your business or home, if needed. Now's the time to call your agent to ensure you understand your coverage — wind, flood or other — and the procedures for seeking reimbursement. Property coverage is important, but what about business interruption coverage? Ask about coverage for lost income in the event you're forced to shut down. If your carrier doesn't offer it, find one that does. It could mean the difference between keeping your business solvent ...

or losing it.

• **Store your insurance policy in a safe place, but also keep it handy.** Take it and your agent's contact info with you if you are forced to evacuate. Create a disaster plan, then make sure key personnel have a copy and are familiar with it. If the office manager is the only person who knows who to call for building problems or equipment repairs, your business operations will be interrupted if he or she is displaced by the disaster.

• **See to it that all departments (or individuals, in small businesses) complete a full inventory** of the equipment, computers, etc., used by their department or for their jobs so they're prepared to get you back up and running quickly. Having photos of all technology, equipment and office spaces and lists with model and serial numbers lets insurers document losses and deliver reimbursements more efficiently.

• **Cross-training your staff** should be an essential disaster plan component. Having staffers trained in multiple disciplines helps maintain office production in the event of a disaster and ensures that if the staff of one department is unavailable, one or more other staffers have the training to keep the understaffed department functional. Be sure to conduct training (or retraining) annually to ensure all members of one department are totally familiar with the essential duties of another. In South Florida, we advise training be scheduled two to three months before the start of hurricane season. Pencil in some training hours for this year (if you have not done so) and plan ahead for 2015.

• **Make a list — check it twice.** Whenever possible, files, equipment, anything that may be damaged by high winds and water, should be stored in windowless, interior rooms. If in a flood zone, identify a secure second floor

room. When you have advance warning, such as with a hurricane, make sure your plan assigns an individual (or several) to check items that could be damaged and move them into secure areas. Provide a checklist detailing what needs to be moved, where to put the items, under what circumstances they should be moved, and who is responsible. As part of your overall plan, every employee should have individual checklists outlining how computers, telephones, etc., are to be shut down and restarted so everything works properly after the disaster.

• **Plan your communications.** A "phone tree" — a master list of emergency numbers and emails for employees, with specific people assigned to make the calls and update the list — is a tried and true way to communicate in or after a disaster. However, when phones and electricity aren't working, mobile texts sometimes get through. An executive should maintain relationships with broadcast news desks — many people may be relying upon battery-operated radios or TVs for their news. Be sure everyone knows to look for texts or check radio and TV as communication backups.

A lot of what goes into a natural disaster plan is common sense. But if you're not sure whether you've covered all bases, ask if your insurer offers disaster planning workshops. They represent the one business we count on to be there after a disaster. They know how to prepare. Why not learn from the best? My experience with property insurers demonstrates the importance of planning. Ideally, you'll never have to use your disaster plan but, if a crisis arises, you'll be glad it's there.

Brian Tenzer is a partner at Goldstein Law Group, a Fort Lauderdale firm concentrating on the investigation, detection and litigation of fraudulent insurance claims.

