

Preparing For A Catastrophe

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Preparing for a Catastrophe

- Most costly natural disasters – Hurricanes
- Coastal businesses especially vulnerable
- After storm passes – What now?

Preparing for a Catastrophe

- Business owner must substantiate losses
- Process starts prior to catastrophe
- Must be ready immediately
- Therefore, must have recovery plan prior to catastrophe
- Detailed financial records must be available in order to support losses

Preparing for a Catastrophe

- Types of records to be required in support of loss
 - Profit and loss statements
 - Income tax returns
 - Inventory listings
 - Asset listing details – including depreciation schedules
 - Contracts
 - Leases
 - Customer lists
 - Etc.

Preparing for a Catastrophe

- Recovery plans are vital to disaster response
- Must be planned well before disaster strikes
- Thinking through business and possible catastrophe situations to establish plan
- Must be in writing
- Must be understood by all necessary personnel

Preparing for a Catastrophe

- Start with the following questions:
 - Who will back-up and recover data?
 - What information needed to be backed up?
 - What information to be retrieved immediately?
 - Where is back up located?
 - Where will recovery be located?
 - How often will back up be done?
 - How will back-up process work?

Preparing for a Catastrophe

- Remember the following when establishing catastrophe plan:
 - Capture data early and often
 - Segment relevant data during back-up
 - Software programs in use
 - Copies
 - Off the shelf
 - Customized
 - Convert hard copies
 - TEST, TEST, TEST AGAIN

Preparing for a Catastrophe

- Disaster plan should include:
 - Pre-loss valuation of business
 - Pre-loss valuation of potential losses that may be incurred
 - Pre-loss valuation of limits:
 - Extra Expenses
 - Business Interruption
 - Physical Damages

Preparing for a Catastrophe

- Disaster plan should include:
 - Separate accounts to capture loss amounts and charges
 - Understandable directions and instructions
 - Should be in hands of proper individuals prior to catastrophe
 - Loss mitigation possibilities

Preparing for a Catastrophe

- Do not forget personnel!
- Plan for locating everyone
- Plan for assistance for those who need it
- Potential for providing food and living space

Preparing for a Catastrophe

- Remember:
 - Without a proper business catastrophe plan, the post-disaster period and recovery will be costly and time consuming to you, your employees and your business!