



Is Your Small Business Ready for an Emergency?

HSB, part of Munich Re, is a technology-driven company built on a foundation of specialty insurance, engineering and technology, all working together to drive innovation in a modern world.

How quickly your small business returns to normal operation after an emergency depends upon how well prepared you are. This guide was developed by HSB's engineers to help a small business owner identify mission-critical equipment and set up a basic pre-emergency plan for their business.

Why Prepare?

The lack of preparedness on the part of businesses costs millions of dollars and many thousands of hours of productivity each year. U.S. government agencies estimate that more than 40 percent of businesses never reopen after a disaster. Yet, most small business owners don't recognize the importance of a pre-emergency plan before trouble strikes.

You need a plan

Quick recovery depends on a fast, effective response, based on a predetermined action plan for a series of probable emergency events. This plan should be saved and available in hard copy and electronic formats and be reviewed and updated periodically.

Start by asking, "What if"

Ask yourself the following questions:

- What if the electric power is lost for an extended period of time?
- What if I have major problems with the main electrical panel or meter?
- What if central air conditioning or heating is lost?
- What if my freezer, walk-in cooler, electronic cash registers, ovens, diagnostic systems, elevators, electronics, machinery, boiler, compressor, or other vital equipment breaks down at a busy time?

Identify key equipment

Now is the time to identify key equipment, operations and personnel. Know who to call for repairs. A crisis is no time to be searching for service contractors, who may be too busy helping their regular customers. Don't

forget backup communications to reach employees, customers and vendors.

Keep basic items on hand

Stock strong plastic or fabric tarps, large trash bags, caution tape, flashlights, batteries, duct tape and a small inverter. Useful supplies also include heavy duty (10- or 12-volt) outdoor extension cords, mobile phone charger with 12-volt plug, and battery operated radio and lanterns. Also consider common hand tools, a cordless drill and bits, plywood, buckets, nails, screws and other hardware, and spray paint to leave a message for emergency personnel, insurance adjusters and other responders.

Electric Power Systems

Loss of electric power is one of the critical services over which your business may not have control. At your main electric box, label all branch circuits/circuit breakers and turn off most circuits, including those with sensitive electronic loads, when the power goes out to isolate electrical equipment from electrical surges when the power is initially restored.

With portable battery backup you may be able to operate equipment sparingly during business hours then recharge later if power is available nearby. The main computer should have at least a small battery operated uninterruptible power supply (UPS). In addition to providing short-term power, it can isolate, filter and protect the computer from the “dirty power” output of some portable generators.

Backup generators

Many small business owners have purchased emergency generators. Improper installation or operation, however, can cause fires, property damage and serious injuries. Don't connect generator outlets directly into

a wall outlet; never use it indoors where carbon monoxide gas can build up; make sure the generator is properly grounded and not overloaded; and be careful with highly combustible fuel. We recommend you consult a licensed electrician.

Refrigeration, AC and Heating

Humidity, ventilation, and temperature control are critical for comfort and to prevent spoilage. Loss of refrigeration, air conditioning, fresh air, or heating could have a devastating effect on your business. During power outages, keep freezer, cooler and refrigerator doors closed if possible, or cover the product if the cooler is an open type

Communication Systems

One of the biggest obstacles to getting a business back in operation after a widespread disaster is the inability to communicate with employees. If you don't do anything else, set up a business continuity communication plan.

Back up electronic records to a location outside the area. Scan hard copies of other critical papers and include them with your backup files. Set up a system for transferring your main telephone lines to another location or to voicemail so you can stay in touch with customers, employees and vendors..

Keeping the Internet connection for your business may be a high priority. If so, install UPSs for both your router/modem and your computer. If possible, switch from using a desktop computer to a laptop.

Start planning now

Don't wait to start planning. A catastrophe can strike at any time. In summary, here are steps to consider when preparing your pre-emergency plan.

- Identify critical business processes, equipment, systems and supplies.
- Have important telephone numbers and contact information readily available in hard copy.
- Develop an action plan to restore equipment as quickly as possible, or to temporarily reroute business.
- Maintenance contracts play a key role in planning for the unexpected. Contact repair firms, rental companies and other vendors in advance to arrange for service in an emergency.
- Stock common spare parts for circuit breakers, refrigeration, air conditioning and heating equipment to expedite repairs. Ask your service technician to identify the most important items.
- Have a business continuity plan, including a backup communications strategy, to reach employees, service contractors and customers.
- Document your emergency plan, update it regularly and share it with employees.

For more about emergency planning, consult the loss prevention documents on the Pre-Emergency Planning and Recovery section of HSB's website (<https://www.munichre.com/HSB/disaster-preparedness/index.html>). Additional information also is available from the U.S. Department of Homeland Security's Federal Emergency Management Agency (<http://www.fema.gov>) and the U.S. Small Business Administration (www.sba.gov).

This is a summary of coverages. For all coverages, terms, conditions and exclusions, refer to the actual insurance policy.

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