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Keeping your business afloat after the flood - how Lockton can help?

A Guidance Note from Lockton Companies LLP
February 2014

Recent storms and flooding are causing major problems for many businesses in the UK, particularly in the South West. It's not only businesses whose premises have been flooded or damaged by the recent storms that are affected. The loss of all rail connections between the South West and the rest of the UK, and the damaging effect of flooding on your clients' businesses may well have a knock-on impact on your own business.

Similarly, if your staff are unable to get into work, or a key supplier (such as your internet service provider) is unable to provide a service, *even if your office is superficially unaffected by the storms or floods, it could have a crippling impact on the ability of the firm to survive.*

We've provided action points if your business premises are flooded, and we also look at practical measures you can take to address the impact of these less direct threats to your business. Finally, whether or not you have been affected by the current adverse weather, if you don't already have a robust and up-to-date business continuity plan - now is the time to make one. We tell you how in a follow-up article.

Flooding First Steps

1. *Enact your Business Continuity Plan*, if you have one, and it is accessible. If that is not available, the following guidance may help:
2. *Contact your staff* - ensure that they are ok, and are kept informed of what is happening. If you do not have contact numbers available for all staff, make a list of as many staff as you can remember - and contact those you do have details for. Use directory enquiries or social media sites if necessary. Set out in advance what you will say to them - and ensure it is a calm and factual as possible.
3. *Allocate responsibilities* amongst management and key members of staff. Put in place a 'call tree' if necessary to make sure that key messages are communicated efficiently to all staff, including support staff. Provide at least one telephone number that staff can use to contact the office regarding emergency arrangements.
4. *Identify any staff that are themselves affected by flooding* or storms, and will not be available to work - and factor that into subsequent arrangements.

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5. *Plan provisional working arrangements:* Decide where you are going to operate from, and (if not your usual office) arrange for all incoming calls from your office to be diverted to there. Ensure that there is someone on hand to take calls - and provide them with a clear script so that they can keep staff and clients calm and sufficiently informed.
- If you do not have an office in another non-flooded location (eg a branch office), consider whether you can share space with another firm (including potentially a client's business premises)
 - Work out how many people can work from the alternative accommodation, and allocate people as required. Ideally have at least one fee-earners from each department. Those fee earners undertaking urgent work with imminent deadlines should be prioritised. Do not forget to include essential support functions (including administrative/secretarial support, IT, Accounts, Payroll)
 - If you have any remote-working facilities (smart-phones linked to office email, web-based access to work email and/or other IT functions via computer 'desktop', off-site server back up) check that these are working. If they are, check which members of staff are able to access these systems. If it is not possible to locate all staff in alternative premises, those staff that are able to work effectively using remote access tools should be asked to do so
 - If documents or correspondence are missing or inaccessible, the client and/or the other side to a transaction may be able to assist in order to ensure that at least the essential information is available to enable a matter to proceed as timeously and in as risk-free a manner as possible
 - If there are no adequate means of working from another location, in order to avoid undue risk to clients and claims against your practice, it is important that any urgent work is sub-contracted or otherwise transferred to another firm - having first discussed the matter with your client.
6. *Contact Clients:* Arrange for all clients to be contacted by the relevant client partner/matter manager, to inform them of the situation, how it is being managed, how they can contact the firm, and how their work is being managed. Clients with urgent live matters should be contacted first.

As with contacting staff, a template script should be provided to ensure that the correct information is being communicated.

7. *Public Relations:* Reputation management is an essential part of disaster recovery. A firm that is victim of natural disaster will get sympathetic treatment from the media and the public - at least at first. A firm that can demonstrate that it is overcoming the adverse circumstances, and managing to put the needs of clients first, will be likely to enhance its reputation. Have one point of contact for the press - and instruct all staff to refer press questions to that person. Provide a press-statement, and consider using a PR agency to assist in the process.

8. *Contact your Insurer/Broker:*

Office Insurances: Phone your broker to notify them that you will need to make a claim on your Office policy. If you do not have access to your policy documents, your broker will have a copy, and be able to guide you through the process as quickly and painlessly as possible. There should be a 24 hour helpline for emergencies such as this.

Business Interruption: Check exactly what coverage you have under your policy (what provision there is for relocation costs, for example) - and check whether you have any loss of gross fees business interruption cover - which could be a lifeline if it is not possible to become operational again immediately.

Professional Indemnity: If you have any concerns regarding potential missed critical dates, or other errors and omissions resulting from lost documents or the inability to access documents/systems - inform your Professional Indemnity insurer as soon as possible. There is also a potential information security risk if abandoned buildings are looted. Precautionary intimations do not prejudice your position, and will not, themselves, impact on future availability or cost of cover.

9. *Salvaging your property:* The first priority after any flood is the safety of yourself, your employees, contractors and members of the public who may enter your premises. Never re-enter premises until you are certain they are safe. Flood waters are liable to have been contaminated with sewage, and may also have damaged electrics in the building (so do not switch on any lights before an independent assessment of safety has been made). In extreme cases, the structural integrity of the building could also be compromised.

Be mindful of your responsibilities under the Health & Safety at Work Act 1974. If your staff are involved in assisting with any clean-up, ensure that they are provided with, and wear, appropriate protective clothing. Sandbags and any debris affected by flood water must be treated as contaminated, and should not be handled directly. Be aware that there may be sharp objects floating below the surface of any remaining water.

- When you access your property, if you haven't already done so, turn off the gas and electricity at the mains.
- Do not use electrical equipment near any water.
- If you smell gas, call Transco on 0800 111 999.
- If you have concerns regarding your water supply, contact the helpline on 0845 746 2200
- Speak to your local fire brigade regarding assistance in pumping out water from your premises, though there may be a charge for this.
- It is also advisable to contact a pest control company, in case of vermin infestation.

If at all possible, speak to your insurer before arranging emergency repairs or throwing damaged goods away - as it's likely that they may instruct a loss adjustor to assess the damage. It is a good idea to take photographs of the damage, for evidential purposes, and, keep any receipts for repairs and purchases for claim purposes.

How Lockton can help

Your Insurance is intended to protect you and your business for crisis incidents such as these, where you need it most. We understand that, as a business affected by storms or flooding, that processing insurance forms is the last thing on your mind. We can make the process as swift and painless as possible - and, in conjunction with your insurer, will provide as much assistance as possible to ensure that you get back on your feet as soon as possible.

Lockton's exclusive *Office Guardian* product offers a number of key benefits over traditional office policies:

- Office Guardian **automatically includes Additional Increased Cost of Working** - a fund of money to support exceptional/uneconomic action to get the practice back in operation
- **LocktonFlex - a fund of money which essentially enables the practice to pay 'over the odds' and therefore prioritise their repairs.** Could be invaluable in the event of a significant flood event where there is high demand for contractors.
- **Guarantee of having representatives from Insurers onsite within 24 hours** to assess damage and agree remedial action plan.

For more information, contact your **Lockton Broker.**

For 24 hour emergency claims, call: 02890 248 989