

# Expect the unexpected

Prepare your business for disaster



**Nationwide<sup>®</sup>**  
*On Your Side*

# Working together

Nationwide Insurance® and the Small Business Administration (SBA) have partnered together to help you prepare for the unexpected.

Nationwide offers a variety of insurance options to help cover the specific risks that may impact your business, including Business Property Insurance, Business Liability Coverage, and Business Auto Coverage.

The SBA provides advice, disaster assistance, and access to capital for small business owners.

Together we are working to ensure that business owners like you are properly prepared for and better equipped to handle unexpected business disruptions.

## Are you prepared?

This guide will help you prepare for a disaster and put your business in a position to survive a disruption. Though each situation is unique, any business can be better prepared if it plans carefully, puts emergency procedures in place, and practices for emergencies of all kinds.



# Plan ahead for potential disasters

It's critical for you to protect your business by identifying potential risks from natural and man-made disasters. Be pessimistic – this is definitely a case of planning for the worst and hoping for the best.

Here are some suggestions, if you are at risk for the following disasters:

## Wildfires

- Maintain a 30 foot “combustible-free” zone around your facility. Remove any trees and combustible material, such as brush. Keep grass mowed and irrigated.
- Consider the use of flame-resistant building materials when building or renovating.
- Keep the roof and gutters clear of debris.
- Attach non-flammable, fine-gauge screening over all chimneys.

## Tornado

- Assign one person to be responsible for monitoring weather alerts.
- Establish interior, preferably basement, locations for employees to gather. Bathrooms, corners, and short hallways are safest.
- Remember, a “watch” means a tornado could happen and a “warning” means you should take immediate cover.
- Keep surplus blankets in a shelter area.

## Hurricane

- Have a method of notifying employees concerning work status before and after the storm hits.
- Protect windows with storm shutters or install plywood over them. Put masking tape over windows to reduce the risk of flying glass.
- Consider evacuating vehicles in advance of the storm. Put them in a garage or keep them outside, away from trees or other potential falling objects.
- Bring outside signage, furniture, and decorations inside.
- Remove damaged or diseased limbs from nearby trees.
- Unplug all equipment and turn off the gas, electricity, and water.

## Flooding

- Most standard insurance policies **do not** cover flood damage and the resulting loss of income. Check with your insurance agent on how to ensure adequate protection.
- Reduce damage and ease clean up by building with flood-resistant materials.
- Check with local authorities to find out the 100 year flood level of your structure.
- Consider working with a licensed contractor to raise electrical and HVAC system above the 100 year flood level mark.
- Keep computers, electronics, and important files raised off the floor.
- Consider working with a licensed plumber to install a backflow valve to prevent sewage backup.
- Be prepared to move critical items above flood level during a flood watch.

## Earthquake

- Refer to your local building officials to ensure that your facility is up to code.
- Use natural gas lines with flexible connections and automatic shut-off valves.
- Use flexible water lines and/or couplings to toilets, sinks, and in sprinkler systems.
- Secure equipment, including computers, to the floor or walls to prevent tipping.
- Make sure anything with a drawer or door, like filing cabinets, has latches with a manual release.



# “What makes my business run?”

Some things are vital to running your business. And, you need to protect them. Create an all-inclusive disaster plan, update it regularly, and keep a copy at an off-site location.

Here is a helpful list:

## ✓ **Employees:**

- Identify an internal shelter in the event that authorities tell you to “shelter in place”.
- Establish a single spokesperson to speak to the media and the public.
- Document each employee’s function and emergency contact information.
- Decide who is in charge when regular managers are unavailable.
- Create a phone tree and designate individuals who will initiate the communication process.
- Train your employees on the plan and review it with them regularly.

## ✓ **Customers:**

- Identify the likelihood that customers will be present if a disaster strikes.
- Keep communications open.
- Keep a copy of your customer records off-site.
- Have an alternate worksite from which to communicate to customers during recovery.

## ✓ **Suppliers:**

- Maintain a contact list of all your suppliers.
- Find out how they plan to supply you, if the supplier experiences a disaster.
- Maintain a list of alternate suppliers.



### ✓ **Equipment:**

- Maintain an inventory of all equipment used by your business.
- Keep a maintenance schedule for all equipment, as well as manufacturer and service contact information for each.

### ✓ **Property:**

- Make sure your facility meets all local building and fire codes.
- Know where utility shutoffs are located and how to operate them.

### ✓ **Records:**

- Document all processes that make your business run from answering the phones, to tracking finances, to distributing your product or service.
- Develop a schedule for backing up all computer records.
- Keep current copies of all paper and computer files off-site and accessible.

### ✓ **Insurance:**

- Insurance coverage can mean the difference between reopening after a disaster strikes or having to close your doors. Meet regularly with your insurance agent to ensure you have adequate coverage and knowledge of how to quickly file a claim.
- Consider a policy that will reimburse you for business disruptions in addition to physical losses.

# Make a supply kit

A well-designed supply kit can be invaluable during a disaster. Be sure to plan for the number of employees who may need it.

Some items that you should include are:

- Water
- Food
- First aid kit
- Flashlights (never use candles or matches)
- Radio and batteries
- Tarps
- Cleaning supplies
- Gloves (rubber and leather)
- Plastic bags
- Camera (to document damage)
- Tool kit
- Duct tape
- Blankets





## Additional tips

- Get a weather alert radio and monitor it.
- Post emergency numbers and procedures throughout your facility.
- Plan evacuation routes and procedures for employees and customers, and ensure that all employees have copies of the plans.
- Plan ahead to accommodate individuals with special needs.

## Structural fire action plan

- Install and maintain smoke alarms or a fire suppression system.
- Conduct fire drills regularly.
- Reduce clutter – it is a fuel source and can block exits.
- Take proper precautions regarding smoking and lit candles.

## Did you know?

Non-residential fires caused 2.6 billion dollars in damage in a single year.

Source: *National Fire Protection Association (NFPA) Report, 2006*



# Do your homework

These resources could save you time and money...and even save lives. The more you learn about disaster preparation, the sooner you will be able to get back to business should a disaster occur.

- The United States Small Business Administration, SBA, ([www.sba.gov/services/disasterassistance](http://www.sba.gov/services/disasterassistance)) provides information on how to prepare for disasters and the SBA's disaster loan program which helps homeowners, renters, and businesses of all size recover from disasters.
- The American Red Cross ([www.redcross.org](http://www.redcross.org)) offers free materials regarding disaster planning and recovery.
- The Federal Emergency Management Agency ([www.fema.gov/business/guide/index.shtm](http://www.fema.gov/business/guide/index.shtm)) offers free, step-by-step advice on how to create and maintain a comprehensive emergency management program.
- The Department of Homeland Security ([www.ready.gov/business/index.html](http://www.ready.gov/business/index.html)) shows businesses how to be ready for emergencies. The website includes a sample emergency plan you can use for your business.
- The Institute for Business and Home Safety ([www.ibhs.org](http://www.ibhs.org)) and The National Federation of Independent Business ([www.nfib.com](http://www.nfib.com)) offer a variety of tools designed for small business owners to both reduce their potential for loss should disaster strike and to reopen quickly should they be forced to close.
- You should also check your state government home page to see what resources are available. The state website usually consists of your state's name followed by ".gov" (e.g., [www.ohio.gov](http://www.ohio.gov)). Look for links to emergency management agencies, public safety departments, and small business offices.

# The SBA's Disaster Assistance Program

The United States Small Business Administration is the federal disaster bank in the wake of hurricanes, floods, earthquakes, wildfires, tornadoes, and other physical disasters. After the President or the SBA Administrator declares a disaster, homeowners, renters, and businesses of all size may apply for low-interest SBA disaster loans.

## Disaster loans

**Physical Disaster Loans:** Available for non-farm businesses of any size and non-profit organizations. SBA makes loans of up to \$1.5 million to repair or replace damaged property, inventory, and equipment.

**Economic Injury Disaster Loans:** Small businesses or agricultural cooperatives may be eligible for SBA assistance of up to \$1.5 million if they have suffered substantial economic injury in a declared disaster area.

**Real Property Loans:** Loans up to \$200,000 for homeowners to repair or restore a primary residence to its previous condition.

**Personal Property Loans:** Up to \$40,000 for homeowners and renters to repair or replace personal property such as clothing, furniture, or automobiles lost in the disaster.

**Interest Rates:** By law, rates are not to exceed 4 percent for homeowners, renters and businesses unable to obtain credit elsewhere. Rates are not to exceed 8 percent for homeowners, renters and businesses determined by SBA to have credit available elsewhere.

# Be smart, prepare your business for disaster

Call today to learn more.

Nationwide® is proud to partner with the SBA to help small businesses better prepare for unexpected events.

To learn more about Nationwide business insurance, please visit [www.nationwide.com](http://www.nationwide.com) or call **1-877-OnYourSide<sup>SM</sup>** (1-877-699-6877).

To learn more about the SBA, please visit [www.sba.gov](http://www.sba.gov) or call **1-800-659-2955**.



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