



SENTINEL
RISK ADVISORS



Safeguarding Your Success

Business Interruption: What is It?

When an organization is not able to operate under normal or expected conditions for a period of time that threatens the viability of the organization.

THREATS that we think of first

- Natural Catastrophes
- Fire/Explosion
- Cyber Threats
- Political Unrest/Violence
- Supply Chain Interruption

SOME THREATS we should also be mindful of

- Extended lack of power or water or internet
- Event at a neighboring site that affects our facility
- Transportation issues that affect our business
- Product Liability issue affecting brand/reputation
- Key Person losses
- Pandemic
- Key Control Failure
- Combination



Continuity Planning: Cost/Benefit?

You must balance the costs and benefits of your efforts and controls, but recognize that poor planning could cost you more than you are willing to risk.

WHAT you may be thinking:

- We have insurance for this.
- We cannot anticipate what might happen, so how is planning meaningful?
- We have a plan.
- What are the chances?

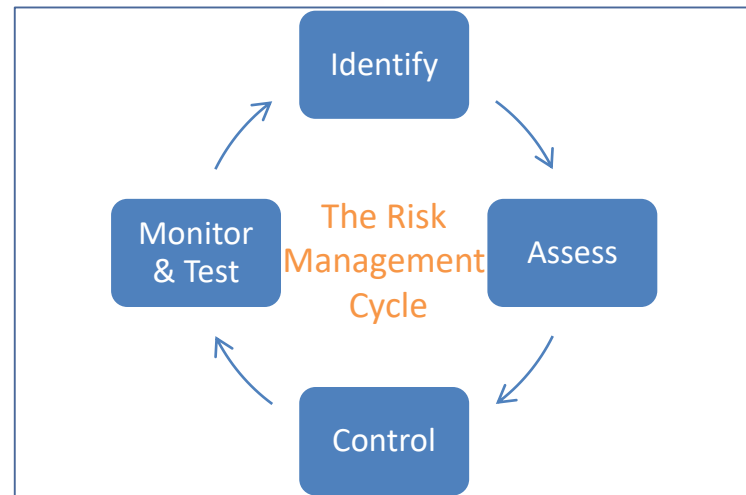
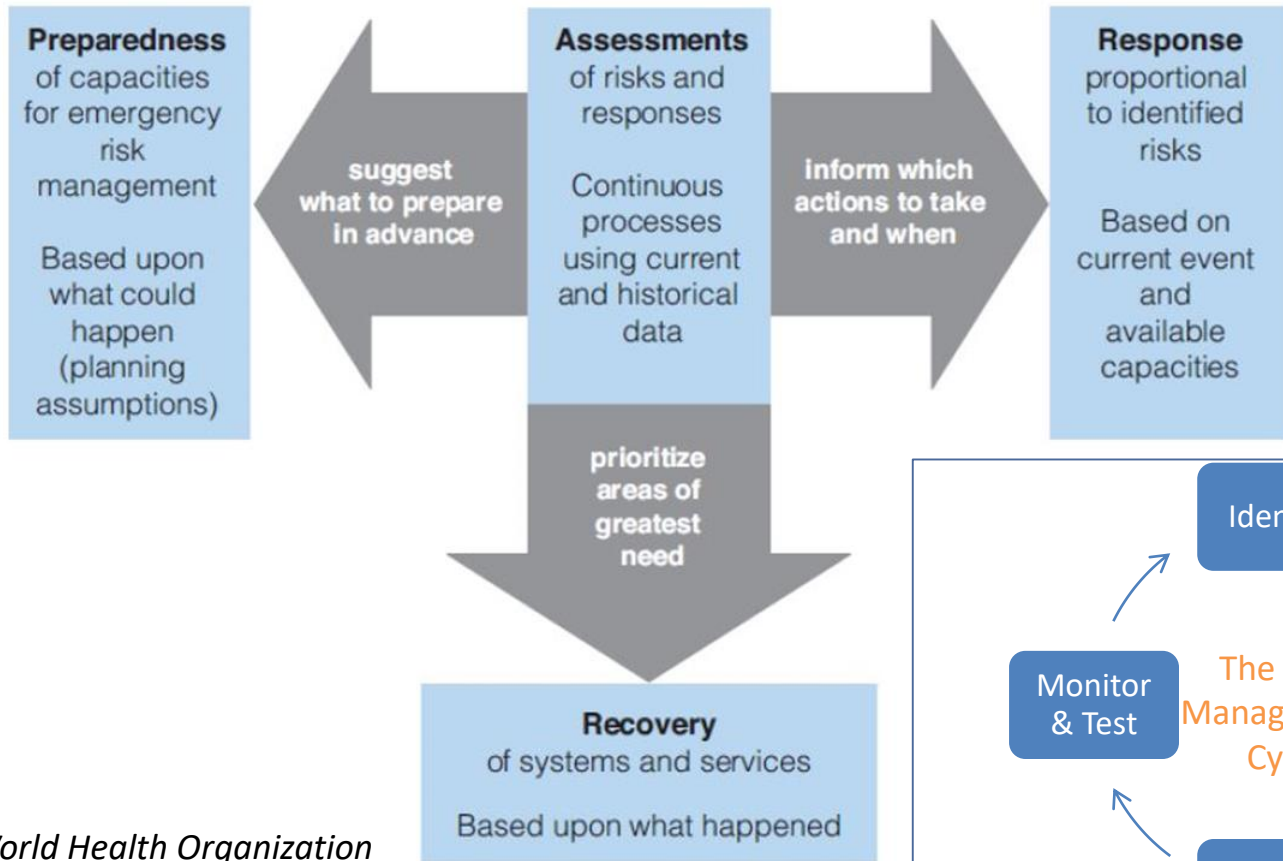
SOME THINGS we should also be asking ourselves to be better prepared:

- What risks are inherent due to our location or operation?
- What are the regulations and best practices?
- What is our company mission and values and will this be evident in our response to an interruption?
- Insurance is an important tool in recovery, but have we thoroughly assessed it?
- What key assumptions have we made and have they been tested?
- Is our plan dependent on only one or two people?
- Are our mitigation strategies/controls working and will they continue to?



Business Interruption: How Do I Prepare?

“Pivotal role of risk assessment in preparedness, response and recovery actions”



Source: The World Health Organization
Pandemic Influenza Risk Management Guidance, May 2017
Publications available at www.who.int



Business Continuity Phases

Business Interruption Insurance bridges you from emergency response to permanent restoration

Restoration (Permanent)

- Return to restored facilities or alternative facilities
- Ensure documentation is maintained for insurance process
- Review and update plans based on lessons learned

Relocation/Recovery (Temporary)

- Mobilize Resources to alternative or redundant sites or “work from home”
- Relocation/Replacement of key equipment
- Mobilization and scheduling of transportation resources
- Relocated personnel implement recovery strategies

Emergency Response (First Day or Two)

- Protect Life – Employees, Public
- Protect Property (Facilities/Equipment/Data/Inventory)
- Initial Notifications
- Assess Damage & Capabilities

Planning and Investments in Risk Mitigation

- Your plan, or “roadmap” of critical actions
- Testing of assumptions
- Identification of key risks
- Exploration and implementation of mitigation strategies



The plan is nothing. The planning is everything. - Dwight D. Eisenhower

Increases your chances

Reduces your chances

of long-term recovery

Organizational consistency on the priorities in the event of a disruption regardless of what it is or where it occurs.

Cross-functional and cross-business line discussions and discussions with key customers, suppliers and community players.

Optimal insurance coverage, understanding details and taking advantage of insurer resources.

Taking advantage of new information and technology available – it may not be as expensive as you think!

Practice. Incorporating training and scenario testing improves response capabilities and reduces response times.

Lengthy and complex plans that are inaccessible or out of date. (think: Roadmap)

Failure to review your insurance.

Lack of clarity about authority to make critical decisions.

NOT testing assumptions including the assumption that key people will be available.

Not including enough people in planning, or not listening to their ideas.

Ignoring information that can help you – missed opportunities to prevent a loss or reduce the impact.

Not “owning” the claims process.

