



# Risk Control Bulletin



## Flood Advice For Small Businesses

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Did you realize your business is more likely to be flooded than burned down? Water damage can be devastating to your enterprise, particularly if you're under-insured.

It's something all small businesses need to take seriously. Floods are now the most common of all disasters and are only set to get worse as climate change takes hold.

So what do you need to do to ensure your business is protected in a flood?

### Prevention

#### 1. Assess your risk advice

Unfortunately, all businesses are at risk of flooding, no matter where they are. Even if you're not close to a river or the sea, you could still be affected by rising ground water, burst water mains, sewer overflows or rainwater running off hillsides or from streams. Assess your risk now by checking with your insurance agent or your local flood officials. Flood plain maps will identify which locations will be hardest hit:

- Retail type shops are at particular risk of financial loss due to their high levels of stock, often crammed into a small space.
- If your company relies heavily on technology you could also be badly hit, as cabling and electricity supplies are often located below ground level.
- You're also particularly vulnerable if you have a warehouse with a stock room - especially if you're on the ground floor and have nowhere to stack goods out of the reach of floodwaters.

#### 2. Prepare a plan

Arranging in advance what you'll do in a flood is critically important.

- The first step is to consider and list everything you can think of that could go wrong, and then show your list to someone you trust and ask if they can think of anything you've missed.
- The plan should also include a list of important contacts (for example any customers and suppliers you need to contact, or the mobile phone numbers of key members of staff) and should also have information on protecting your property (such as instructions on how to back-up data, or a list of items which should be moved to a place of safety).
- Once you've formulated your plan, spend time informing and training your staff and do several test runs, as if you were practicing a fire drill.

## Review your insurance

Keep your policy documents somewhere safe - but make sure you can find them easily in the event of a flood. To make putting in a claim as straightforward as possible, it's a good idea to keep an inventory of all your important possessions, perhaps even taking photographs for further evidence.

In the event of a flood, contact your insurance agent immediately. They may be able to give you advice and a list of recommended restoration companies. Your insurance carrier may even be able to arrange an interim payment to cover you for any emergency repairs.

## What to do in a flood

In any emergency, your number one priority is the health and safety of you and your employees. Once everyone's safe, you should make sure your premises are as secure as possible to deter looters. Lock up properly and take away as many valuable items as you can (although you should check with your insurer whether they're covered once they're away from your property).

- ✓ This is where your flood plan really comes into its own, as a little bit of planning can really help you avoid financial loss caused by damage to stock or computers. Once you know a flood is coming, get staff to move important items to upper floors, or place them on tables to keep them out of reach of flood waters.
- ✓ Move vital documents to a safe place and make sure any computer data is backed up.
- ✓ Photograph the damage to assist any claim you make.
- ✓ Ensure all power and gas supplies are turned off.
- ✓ Remember that flood waters may be contaminated by chemicals, so avoid contact with them.

You'll want to get your business up and running again as soon as possible, so keep your employees in the loop and take time to call important customers. A good way to do this is to update your website with progress reports. Keep the news upbeat, but be realistic - don't say it's business as usual if this is not the case.

While business interruption insurance is a good way to cover any shortfall in your profits should you suffer a great deal of water damage, it's also a great idea to have a continuity plan in place.

## What to do after a flood

- First check that your property is safe to enter. Your building may look safe, but large amounts of water can damage its structure, and you could be at risk of an electrical shock if the mains electricity is still running.
- When you can enter your property safely, start looking at what needs to be replaced and what can be salvaged. While it may be quicker to replace items, don't throw anything away or take anything for repair without checking with your insurance company first.

You will want to start your business again as soon as possible, so look at your flood plan and assess any suppliers or customers you need to contact. Your plan should also include suggestions for temporary premises from which to work from.

Before you start any major repairs to property, make sure flood waters have definitely receded by monitoring **weather reports** and flood warnings. When you're confident they have, you'll need to clean and disinfect everything that has come into contact with the flood waters to avoid infection, and open doors and windows to help everything dry out.

Call Marcotte Insurance to check what coverage's you have in place. Even though flood insurance has a thirty-day wait period, it still may provide benefits under a variety of situations.