Agenda

What is BCP?

Why is BCP Important?
BCP is... The process of identifying vulnerabilities that could cause a business interruption, and then creating a plan to mitigate (and respond to) these risks using both insurance and risk management measures.
Why is it so Important?
Nearly a quarter of businesses forced to close as a result of a disaster never reopen.

Business interruptions can have serious consequences.

Preparation is essential. Having documentation of individual and corporate roles and clearly defined responsibilities in response to a catastrophic event is the key to recovering your business.
Business interruption insurance is . . .

Financial assistance to help get a company back on its feet quickly following a business interruption.

“The business interruption insurance paid for the 23 days we were down. Just by getting that money, it wasn’t so hard for us to make our payroll.”

Joy Hoda

2010 Interview with the Insurance Information Institute
Business Continuity Plan

- Gather business and safety resources in one place
- Determine your key business functions and identify recovery time objectives for each
- Plan how you’ll meet your recovery time objectives if a business interruption occurs
- Identify an emergency response team and assign responsibilities
- Train employees on their role in a business interruption and/or emergency
- Test your plan and determine a strategy for keeping it up to date
30 percent of businesses that back up their data do so because of prior data losses.

Corporate data breaches are on the rise.

93 percent of companies that experience a major data loss are out of business within 5 years.
Steps to Take
Conduct a Vulnerability Analysis of Your Risks

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<th>Human Impact</th>
<th>Property Impact</th>
<th>Business Impact</th>
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Newer threats?
Segment Your Planning Into Sections

- Direction and Control
- Communication
- Life Safety
- Property Protection
- Community Outreach
- Recovery and Restoration
- Implementation and Maintenance
Identify and prioritize your business functions

Look for interdependencies

Define restoration objectives and time frames

Determine function specific plans

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**Business Impact Analysis**

**Form**

**Business Impact Analysis**

Definitions:
- Business Impact Analysis (BIA) examines the potential result of disruption to key business functions and collects the information necessary to determine short-term and long-term recovery objectives. A BIA includes analysis of both operational and financial impacts that could stem from the loss of key business functions. The following impacts should be considered as part of a BIA:
  - Personnel impacted (potential for outsourcing, overtime labor)
  - Lost or delayed sales
  - Regulatory fines
  - Financial and relationship penalties for not fulfilling contractual obligations
  - Customer dissatisfaction
  - Customer loss
  - Delay of new business plans
- Business Function: an operation or process that is necessary to the ongoing success of an organization. Examples of business functions include:
  - Customer service call centers
  - Print and web advertising plans
  - Maintenance of relationships with suppliers
  - Employee recruitment
- Recovery Time Objective: the time within which a business function must be restored after a business interruption in order to prevent irreversible damage.

How to use this document:
Every business has distinct business functions in place in order for the company to operate and thrive. Some businesses will identify just a few key functions, while others will identify many. Copy and paste the table on page 2 onto subsequent pages as needed. When complete, reorder the pages by priority, with the highest priority business functions listed first. Delete this initial direction page prior to saving.

How to save this document:
It is recommended that this document be added to your Business Continuity Plan as a PDF to discourage readers from modifying the content. To do this, press File->Save As, in the Save as Type menu, select PDF.

Saved an editable version to a safe location as well.

Prepared by [Your Officename]
Tabletop Exercises

Tabletop exercises provide a means of practicing your company’s business continuity plan and evaluating the result—without waiting until an actual emergency occurs. A tabletop exercise asks the emergency management group (EMG) to address a simulated problem—focusing on the efficiency and effectiveness of the business continuity plan.

Following a tabletop exercise, many companies find there are weak points in their business continuity plans that need to be addressed.
Vendor Communication Resources

Vendor preparedness impacts your preparedness. Can you operate your business without your vendors? Ask them about their BCP.
Recovery Checklists

Checklist
Disaster Recovery

For: [Company Name]
Conducted by: [Conductor Name]

Area: [Area]
Date: [Date]

Recovery Steps

1. Decide with your partners or co-owners to dissolve your business entity. Document the decision with a written agreement.

2. Contact your insurance provider(s) to start the claims process.

3. Address damage:
   - Note any damage to equipment, machinery or company vehicles.
   - Note any lost or damaged inventory (both materials for business use and products for sale).

4. As they come to your attention, compile a list of concerns that must be addressed before you are able to reopen.

5. Contact employees, suppliers and customers to inform them of any disruptions in operation and an expected date when they can anticipate it to resume.

6. If you have concerns that damage to a building poses a safety hazard to employees or customers, have the building professionally inspected.

7. Ensure fire escape route(s) and egress ways are clear and in safe working order before resuming business operations.

8. Property repair and clean facility to ensure the environment is free of any safety hazards before resuming business operations.

Financial Considerations

1. File a claim with your business interruption insurance provider.

2. Determine the amount of lost income the disaster has caused.

3. Compile the following information to share with your insurance adjuster:
   - Sales records and history
   - Profit and loss statements or income tax forms
   - Consider any financial responsibilities you may have, such as payments or scheduled payments to creditors

4. Keep detailed records of all expenses incurred during the recovery process.

This outline is not intended to identify insurance or legal liability requirements of either party or location. Additional measures may be required depending on location variance.
Employee Communication Materials
Questions? Jacqueline Chunn
Southern Insurance Agency
501 Hunt Club Drive Suite A
Corolla, NC 27927
(252) 489-1929 Cell
jchunn@southerninsurance.com
www.southerninsurance.com/