



# Protecting Your Business From Disasters

## FEDERAL EMERGENCY MANAGEMENT AGENCY

### ARE YOU AT RISK?

If you aren't sure whether your business is at risk from disasters caused by natural hazards, check with your local building official, city engineer, or planning and zoning administrator. They can tell you whether you are in an area where hurricanes, floods, earthquakes, wildfires, or tornadoes are likely to occur. Also, they usually can tell you how to protect your business.

### WHAT YOU CAN DO

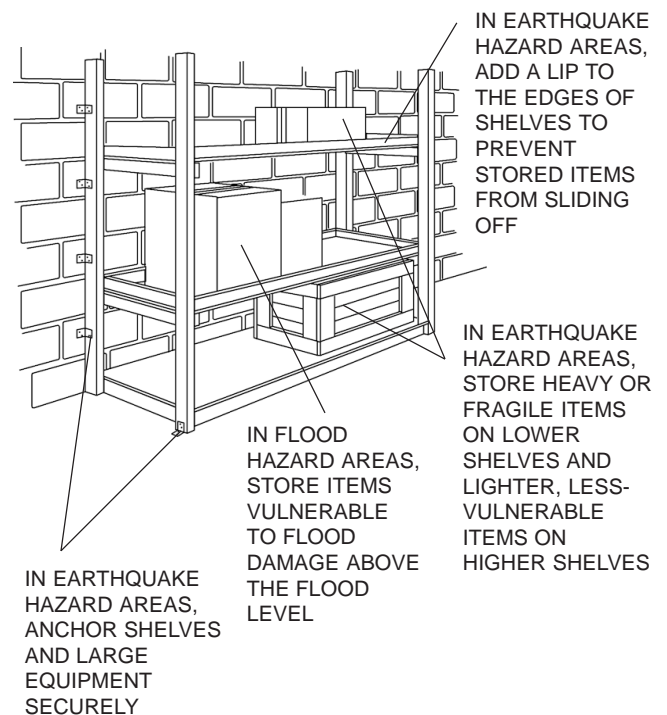
Protecting your business from disasters caused by natural hazards can involve a variety of actions, from inspecting and maintaining your buildings to installing protective devices. Most of these actions, especially those that affect the structure of your buildings or their utility systems, should be carried out by qualified maintenance staff or professional contractors licensed to work in your state, county, or city. One example of disaster protection is safely storing the important documents, electronic files, raw materials, and inventory required for the operation of your business.

## PROTECT BUSINESS RECORDS AND INVENTORY

Most businesses keep on-site records and files (both hardcopy and electronic) that are essential to normal operations. Some businesses also store raw materials and product inventory. The loss of essential records, files, and other materials during a disaster is commonplace and can not only add to your damage costs but also delay your return to normal operations. The longer your business is not operating, the more likely you are to lose customers permanently to your competitors.

To reduce your vulnerability, determine which records, files, and materials are most important; consider their vulnerability to damage during different types of disasters (such as floods, hurricanes, and earthquakes); and take steps to protect them – steps such as the following:

- raising computers above the flood level and moving them away from large windows
- moving heavy and fragile objects to low shelves
- storing vital documents (plans, legal papers, etc.) in a secure off-site location
- regularly backing up vital electronic files (such as billing and payroll records and customer lists) and storing backup copies in a secure off-site location
- securing equipment that could move or fall during an earthquake



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## Protect Business Records and Inventory

### TIPS

Keep these points in mind when you protect business records and inventory:

- ✓ Make sure you are aware of the details of your flood insurance and other hazard insurance policies, specifically which items and contents are covered and under what conditions. For example, if you have a home business, you may need two flood insurance policies, a home policy and a separate business policy, depending on the percentage of the total square footage of your house that is devoted to business use. Check with your insurance agent if you have questions about any of your policies.
- ✓ When you identify equipment susceptible to damage, consider the location of the equipment. For example, equipment near a hot water tank or pipes could be damaged if the pipes burst during an earthquake, and equipment near large windows could be damaged during hurricanes.
- ✓ Assign disaster mitigation duties to your employees. For example, some employees could be responsible for securing storage bins and others for backing up computer files and delivering copies to a secure location.
- ✓ You may want to consider having other offices of your company, or a contractor, perform some administrative duties, such as maintaining payroll records or providing customer service.
- ✓ Estimate the cost of repairing or replacing each essential piece of equipment in your business. Your estimates will help you assess your vulnerability and focus your efforts.
- ✓ For both insurance and tax purposes, you should maintain written and photographic inventories of all important materials and equipment. The inventory should be stored in a safety deposit box or other secure location.

### ESTIMATED COST

The cost of these measures will depend on the size and contents of your business, the nature of the potential hazards, and the effort required to ensure proper protection. In some instances, you may need to buy new equipment, such as a backup tape drive system.

### OTHER SOURCES OF INFORMATION

*Emergency Management Guide for Business & Industry*, FEMA, 1996

*Separate Flood Insurance a Must*, FEMA, 1996

To obtain copies of FEMA documents, call FEMA Publications at 1-800-480-2520. Information is also available on the World Wide Web at <http://www.fema.gov>.