



Aligning Your Coverage:

Do your business continuity plans and insurance agree?

Objective & Agenda

- ▶ Most companies have robust business continuity and disaster recovery plans but in forming those plans the nuances of insurance coverage and the claims process are often not fully considered
- ▶ Agenda
 - ▶ Common Mistakes in Business Continuity Planning
 - ▶ Expect the Unexpected
 - ▶ Respond Quickly when Disaster Strikes
 - ▶ Aligning the BCP and Areas of Coverage

Question

In your experience, what are common mistakes companies make in the business continuity and disaster response programs?

Ten Mistakes in Business Continuity

- ▶ Outdated/incomplete business continuity plan
- ▶ Lack of testing
- ▶ Lack of back up utility for critical operations
- ▶ Insufficient verification and validation of systems
- ▶ Insufficient recovery resources available

Ten Mistakes in Business Continuity

- ▶ Underestimating or miscalculating risk
- ▶ Misunderstanding roles and responsibilities
- ▶ Slow to react and gather information
- ▶ Failure to understand the insurance contract
- ▶ Balancing business requirements and insurance recovery

Expect the Unexpected

We are ready for any unforeseen event that may or may not happen.

- Dan Quayle

Expect the Unexpected

Take Action Now to Prepare for Catastrophic Loss

1. Update BCP, Disaster Recovery and Crisis Management plans
2. Map contingencies – Internal and External
3. Establish back up resources
4. Define the response team – Business and Financial
 - ▶ Business Unit, IT, Facilities, Risk Management, Accounting, Legal
5. Review insurance and regulatory/compliance needs
6. Understand how actions / reactions affect financial recovery

Now What?



Critical Steps to Effective Response

1. Account for everyone
2. Leverage agreed to recovery plan
3. Protect most crucial assets
4. Assemble the team
5. Assign resources to respond

Critical Steps to Effective Response

6. Communicate early and often
7. Mitigate the loss
8. Involve the insurance and claims team
9. Document everything
 - ▶ Insurance / Regulatory / Compliance
10. Manage public relations

Business Continuity Planning and Insurance

Business Continuity Objectives

Protect and Retain Key Employees

Preserve Key Assets

Identify and Qualify Back Up Resources

Map & Understand Contingencies

Restore Operations

Insurance Coverage

Ordinary Payroll

Protection of Property

Extra Expense and Cost to Avert

Contingent Time Element
Extra Expense

Coverage Endorsements

Remember...

- ▶ Know what your policy says
- ▶ Review your business continuity plan regularly
- ▶ Assess and test how both would respond
- ▶ Identify interdependencies and contingencies
- ▶ Communicate, communicate, communicate

Questions?