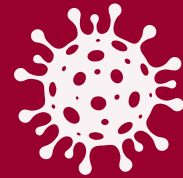


WHEN DISASTERS COLLIDE: ARE YOU PREPARED FOR A HURRICANE DURING A PANDEMIC?

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Imagine, for a moment, it's late summer and you just received an email from your Director of Operations asking if you were tracking the massive hurricane looming in the Caribbean, threatening a destructive mix of wind, storm surge, and rain. Your team confirms that a critical production site looks to be in the storm's predicted path. What do you do? If you faced this scenario in "normal" times you would likely gather your team and implement your Hurricane Response Plan...but this isn't "normal" times.

Even in the best years, hurricanes present a significant threat to businesses of all sizes. Few would argue that 2020 has been a good year. While businesses are still struggling to manage the impacts from COVID-19 and return to some degree of normal operations, the 2020 Hurricane Season has already begun threatening their progress. Leaders are, understandably, focused on the viability of their businesses and preparing to weather a recession but, to protect your employees and operations, now is the time to prepare for the potential impacts of a hurricane. Amidst a global pandemic, our existing contingency plans aren't likely to hold up. For example, how do you safely protect your physical assets when there are limited employees allowed on-site at any given time? How well do you understand the ways that COVID-19 will impact hurricane response and are you prepared to respond to and recover from a hurricane impacting your business in this environment?

HOW WILL THIS HURRICANE SEASON BE DIFFERENT?

The 2020 hurricane season is predicted to be more severe than most with both a higher than average number of storms and a higher than average number of major hurricanes (commonly defined as Category 3 or stronger on the Saffir-Simpson Hurricane Wind Scale). Leading researchers at Colorado State University estimate a nearly 70% chance that at least one of those major hurricanes strikes the U.S. coast. To compound matters—the economy is struggling, supply chains are stressed, and government resources are at or near capacity. Many restoration projects from the 2019 hurricane season have still not been completed due to COVID-19, and the organizations we rely upon to help our communities and businesses recover will likely struggle to adequately fill their roles in the response and recovery effort.

Emergency managers across the Atlantic and Gulf coasts, who are already engaged in the battle against COVID-19 have had to re-imagine nearly every aspect of the traditional hurricane-response plans. The Federal Emergency Management Agency (FEMA), often the lead agency to provide support when a major hurricane hits land, is spending considerable resources on fighting the coronavirus pandemic. To mitigate the impacts of COVID-19 this hurricane season, FEMA has already issued guidance that they will minimize the number of personnel deployed to disaster-impacted area and severely limit new field deployments by primarily using personnel already deployed to the impacted region. State, Local and Territorial resources are also spread thin. They have expended significant resources battling COVID-19 and have struggled to train and prepare the Community Emergency Response Teams (CERTs) upon which they rely to respond to hurricanes. In light of these issues, it is important to consider how all these factors may impact your business in the coming months.

SAFFIR-SIMPSON HURRICANE WIND SCALE

- ▶ **CATEGORY ONE**
Winds: 75 to 95 mph
Damage: Minimal; signs, tree branches, power lines down
- ▶ **CATEGORY TWO**
Winds: 96 to 110 mph
Damage: Moderate; larger signs, tree branches blown down
- ▶ **CATEGORY THREE**
Winds: 111 to 130 mph
Damage: Extensive; minor damage to buildings, trees blown down
- ▶ **CATEGORY FOUR**
Winds: 131 to 155 mph
Damage: Extreme; almost total destruction of doors/windows
- ▶ **CATEGORY FIVE**
Winds: More than 155 mph
Storm Surge: More than 18 feet
Damage: Catastrophic; buildings, roofs, structures destroyed

1. DISRUPTIONS CAUSED BY THE STORM WILL LAST LONGER THAN IN OTHER YEARS

In the aftermath of severe storms, we rely on both first responders and critical industries to help restore our communities. Usually, that includes a collaborative effort between state governments and businesses through the activation and execution of pre-existing mutual aid agreements. However, because resources are already spread so thin, we can anticipate that the additional resources which expedite the recovery process will not be as available as in other years, if they are available at all. The employees and third parties who you rely on to restore facilities will likely struggle to return to impacted areas as they face personnel shortages and other challenges such as accessing Personal Protective Equipment (PPE). There will likely be difficulties staging response personnel and needed supplies. Acquiring the PPE required to operate your facilities could also be a challenge. Your staff tasked with recovering operations will need to rethink any task involved in preparing for, responding to, and recovering from storms that requires physical proximity to other people.

2. IT WILL BE MORE DIFFICULT TO SUPPORT YOUR PEOPLE

With many employees working remotely these days, employers may struggle to keep track of who is in the storm's path, who has evacuated, and what their respective statuses are. Even a company with pristine data on employee addresses may not be able to account for the fact that their employees may have temporarily re-located themselves during the pandemic. That means employers outside of a typical "hurricane zone" may require contingency plans for their employees who have temporarily relocated to a hurricane zone. For those in the storm's path, evacuations will be problematic. Employees seeking to self-evacuate may have difficulties finding housing due to hotel closures and inability to reside with at-risk personnel. Government mandated evacuations often rely on busing out citizens which will not meet social distancing requirements and could further the spread of COVID-19. Your employees may be asked to shelter in place in areas without power or internet rather than relocating, inhibiting their ability to work.

Your employees may also have difficulty accessing the government resources which they would normally rely upon during hurricane season. Furthermore, many individuals furloughed due to COVID-19 may be facing financial difficulties or may have expended all of their vacation time or sick leave, potentially creating employee retention issues should another disruption arise. Many families struggling financially may not have the money to stock up on hurricane supplies, get themselves out of harm's way, or rebuild after a storm.

3. WORKING THROUGH CRISES REMOTELY WILL BE A NEW CHALLENGE

While most people working remotely have adjusted to their new work environment, managing a crisis remotely is no easy task. Clear lines of communication as well as roles and responsibilities will need to be revisited to manage the response to a hurricane remotely. Furthermore, companies are relying on their employees' ability to access internet and work from home to maintain already stressed operations. Power outages and disruptions to internet service may both further disrupt already reduced operations and likely last longer than in normal years further compounding your coordination efforts. If any critical crisis management, disaster recovery, or business continuity resources reside within hurricane-impacted areas, coordinating a virtual response may prove to be exceptionally difficult.

4. YOUR SUPPLY CHAIN AND BUSINESS PARTNERS WILL BE STRESSED

COVID-19 has already stressed the supply chains for many critical resources, but with hurricane season on the horizon and no end in sight for the COVID-19 pandemic, your business should prepare to withstand additional impacts. Since the outbreak of COVID-19, the relative importance of our resources has shifted. An increased reliance on technology supporting remote work, from VPN to data centers - means that outages will more severely impact operations.

Many organizations have been so busy responding to COVID-19 that they haven't had the time to review and refine their plans to account for these new ways of working. Knowing your vulnerabilities and practicing your recovery plans can help mitigate the risks that a combined pandemic and hurricane season present. Proactively reaching out to your vendors and suppliers to get contact information in case of an emergency and identifying back up vendors and suppliers for critical resources (and services) is the best way to prepare now for anything that may come later.





WHAT CAN YOU DO TO PROTECT YOUR BUSINESS?

As hurricane season approaches, we recommend you evaluate your current operations and honestly re-assess your capabilities to prepare for, respond to, and recover from a hurricane. We recommend you consider the following activities:

BEFORE THE STORM:

LEARN FROM COVID-19 TO PREPARE FOR THE INEVITABLE NEXT CRISIS OR OPERATIONAL DISRUPTION.

- Conduct an After-Action Review (AAR) to identify areas that presented a challenge during your response to COVID-19 and prioritize corrective actions and opportunities to enhance overall organizational resilience.
- Consider that a resurgence of COVID-19 during hurricane season is very possible if not likely. Take steps to ensure that your next response effort is more efficient in dealing with the challenges the pandemic presents.

ENGAGE WITH YOUR CRISIS MANAGEMENT TEAM TO ASSESS YOUR ABILITY TO RESPOND TO A HURRICANE DURING A PANDEMIC.

- Review your crisis team's roles and responsibilities to enhance your ability to mitigate disruptions caused by a hurricane and confirm the availability of key stakeholders.
- Ensure you are prepared to respond to an event virtually and train team members (to include alternates) on revised processes and procedures.
- Conduct a walk-through (or exercise) to identify any challenges and ensure you are ready to respond.

ENGAGE WITH YOUR STAFF AT ALL LEVELS ON THE TOPIC OF HURRICANE PREPAREDNESS TO ENHANCE THEIR INDIVIDUAL PREPAREDNESS AND EDUCATE THEM ON THE COMPANY'S HURRICANE PREPAREDNESS ACTIVITIES.

- Host an individual preparedness initiative to help employees prepare for hurricane season by understanding their risks and develop communications plans for their families.
- Clearly communicate what you are doing to prepare the organization and what employees (or other key stakeholders) can expect from the organization as well as what you expect from them before, during, and following a hurricane.
- Understand employee's physical location and update or validate employee contact information.
- Review and refine existing mass notification templates (e.g., push notification, email, phone scripts, SMS message, etc.).

ASSESS YOUR BUSINESS'S CONTINUITY PLANS AND PROCESSES TO UNDERSTAND THE POTENTIAL IMPACTS OF A HURRICANE DURING THE PANDEMIC.

- Review functional and/or site dependencies, identify critical assets (facilities, equipment, technology, personnel, and key third-parties/suppliers) and review the plans for how to protect each asset and what back-up capabilities are available if the asset is destroyed or lost.
- Plan your manual workarounds and recovery procedures while continuing to adhere to the COVID-19 social distancing restrictions to the greatest extent possible.
- Confirm availability of supplies, suppliers, and materials prior to hurricane as they may already be strained by COVID-19's impact.
- Stockpile supplies as necessary and engage with secondary supplier options in the event of a sustained disruption.
- Conduct third party risk assessments to understand your vendors risk profile.





THE FINANCIAL TOLL OF A DISASTER IS IMMENSE, ONLY ADDING TO THE PHYSICAL AND EMOTIONAL IMPACTS OF SUCH EVENTS. TO BEST ENABLE EFFICIENT RESPONSE AND RECOVERY IN THE AFTERMATH OF A DISASTER, UNDERSTAND YOUR INSURANCE POLICIES AND AVAILABLE GRANT AND DISASTER LOAN PROGRAMS.

- Covid-19 will present unique challenges as it relates to proving business interruption losses following a major hurricane. Insurers will likely invoke the “loss of market” exclusion and argue that the business results would already have been poor even if the hurricane did not make landfall. Documentation on supporting the current and projected demand but for the hurricane will be of paramount importance in proving a successful claim.
- Review your insurance program and adjust as needed to appropriately mitigate your risk. In light of the business impacts from Covid-19, policyholders should be contemplating a return of insurance premium as most insured businesses have experienced a reduction in business interruption exposure during the current policy period. Also, consider if your policy covers losses incurred during an evacuation or an extended period of indemnity provision, which accounts for the time it takes to restore normal occupancy levels.
- Understand the various resources available through grant and disaster loan programs, as well as the application requirements, the application process and cost allow-ability requirements for each.
- Understand the application process to be followed for grants and disaster loans and have compliant processes and procedures already in place to seek near immediate assistance upon designation of the disaster, capitalizing on availability of resources and shortening the time for recovery.
- Establish compliance policies and controls that align with terms and conditions of these sources to provide consistency and supportability amidst the chaos. This includes having established processes and policies governing:
 - Procurement standards and channels to obtain needed items
 - Payroll policies, including established policies for overtime payments to employees
 - Appropriate record-keeping and accounting practices to support the costs incurred and produce necessary reporting

AS THE STORM APPROACHES AND SHORTLY AFTER LANDFALL:

ACTIVATE RESPONSE TEAMS, PLANS, AND PROCESSES TO MITIGATE THE IMPACTS TO YOUR PEOPLE, FACILITIES, AND OPERATIONS.

- Continue to monitor the storm and assess potential impacts to your organization to include facilities, people, and operations.
- Activate your crisis management and business continuity teams to prepare for potential impacts of a sustained disruption.
- Pre-position critical personnel, supplies, and resources that may be required to restore operations.

COMMUNICATE WITH YOUR STAFF AND KEY STAKEHOLDERS TO FOSTER ALIGNMENT AND PROVIDE GUIDANCE.

- Consider use of a multi-channel mass notification system to provide updates and gain accountability of employees as needed.
- Advise suppliers and customers about potential disruptions from the storm.
- Protect your most valuable asset, your people. Continuously engage with, support and communicate with your employees.
- Account for employees likely to be impacted by the storm and express your commitment to supporting them. Communicate available employee support programs and the preferred methods to provide status updates
- Evacuate key personnel prior to landfall if they are critical to your response and recovery effort.
- Ensure that internal and external messaging is aligned and consistent with your corporate values.

RECOVERING FROM THE STORM:

CONSIDER THAT RESTORATION TIMELINES MAY SIGNIFICANTLY EXCEED PREVIOUS HURRICANES AND UNDERSTAND HOW YOUR FACILITIES AND SUPPLY CHAIN HAVE BEEN IMPACTED.

- Engage with your government partners early to quickly gain access to your impacted facilities.
- Ensure access to sites for critical employees to conduct damage assessments and restore operations while addressing social distancing and PPE requirements.
- Communicate with key suppliers to provide updated projections on restoration timelines.
- Assess outages and focus on restoring dependencies and processes along the value chain and focusing the most critical operations first.

YOUR PEOPLE ARE CRITICAL TO YOUR SURVIVAL; SUPPORT THEM AND HELP THEM GET BACK TO WORK.

- Monitor and consider how impacts to the community (e.g. power outages, food shortages, telecommunications disruptions) are impacting your employees and limiting their ability to return to work.
- Communicate with employees regarding the progress of restoration activities and projected return to work dates.
- Account for employee safety and consider what additional support they may require to return to the area and return to work.

CLEARLY COMMUNICATE WHEN THE CRISIS IS CONSIDERED OVER AND RESUME NORMAL OPERATIONS BUT DON'T FORGET TO LEARN FROM THE EVENT AND PREPARE FOR THE NEXT CRISIS.

- Formally deactivate crisis management and business continuity teams and clearly identify who will lead any ongoing activities or address open action items.
- Conduct an after-action report facilitated by an independent, qualified third party to learn from the event and implement corrective actions prior to the next disruption.
- Recall equipment distributed due to hurricane.

RECOUP YOUR FINANCIAL LOSSES.

- Contact insurance providers, attorneys and/or consultants to ensure you maximize your insurance claims and financially recover. Consider that financial impacts can extend well beyond the repairs of physical damage.
- Document, document and then document your losses with relevant financial information and contemporaneous correspondence with customers and suppliers
- For eligible recipients, file for grants and loan programs to help mitigate your financial losses.

CONTACT INFO

DREW OLSON

Partner
Forensic Insurance & Recovery
dolson@bdo.com

JIM MACDONNELL

Director
Crisis Management & Business
Continuity
jmacdonnell@bdo.com

NATALIE ENCLADE

Director
Community & Organizational
Resilience
nenclade@bdo.com