

## Simple steps to protect your business from flood disaster

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Weather is so unpredictable. There is always a flooding risk in some areas, and they aren't necessarily the areas you'd expect.

Take California, for example, a state that's hardly known for an overabundance of water. It was, nevertheless, subject to record-breaking rainfall last month which led to a crisis for the Oroville Dam, the largest in the country. Authorities ordered 188,000 people near the dam to evacuate.



Flooding is inevitable from time to time, but with the right contingency planning you can... [more](#) GETTY IMAGES (MARTIN BARRAUD)

It wasn't an isolated incident. The [Louisiana flooding](#) back in August impacted more than 6,000 businesses, washing up losses in excess of \$2 billion. And according to [NOAA](#), there were four major flood events in the United States last year with losses exceeding \$1 billion each.

Floods are relatively common, and it's not just the direct damage they do to loss of business and potential loss of reputation that you have to worry about. There's also transport and supply chain disruption, increased risk of power outages, lost inventory and office contents and enforced evacuations to consider.

So what can you do to protect your business and mitigate the risk of flooding?

### **A risk assessment is vital**

It always pays to begin with a thorough risk analysis. Plan for the worst and ensure that you have adequate insurance coverage to enable your business to recover if flooding should occur. Consider what materials and machinery might be at risk of damage in your business. Analyze the impact of employees being unable to reach the office and water damage to vital equipment, warehouses or stock.

The trick is to identify the most important key processes and the tools, systems and staff you need to keep them running, and then plan out how to protect those processes. Find out how to file an insurance claim and exactly what would be covered in the event of a flood. Dig up emergency response plans of your locations and ensure they're up to date.

It's also a good idea to keep a wary eye on the weather reports and stay informed about likely flooding events. You can find alerts and flood maps at the official NFIP [FloodSmart site](#), and there are lots of flooding resources at the [National Weather Service site](#).

### **Back it up with action**

Once you've identified the risks, it's time to take steps. The [average commercial flood claim](#) between 2011 and 2015 was \$90,000. Could your business afford that? No wonder that a quarter of businesses that close after catastrophic events like flooding fail to reopen.

The most important thing you can do is really the easiest — protect your business by getting the right commercial coverage policy. If you're in a high-risk area, flood insurance will be a mortgage requirement, but many other businesses lack the coverage they need.

You can also take steps to reduce the risk of flooding and limit the potential damage. Ensure that any business property gutters are inspected and cleared regularly. Consider installing barriers to prevent water from entering the building. You can get permanent or removable barriers to seal doors, windows, and even drains. Make sure any new construction project includes flood-resistant materials, and consider raising up electrical sockets and wiring. You can also fit moisture detection systems so you're alerted to flooding issues as soon as they arise.

Don't forget to back up any precious files or records offsite. You may also consider moving precious materials, stock or records on business premises to higher ground. Simply storing things on an upper floor level, where possible, can make all the difference.

### **Dealing with the aftermath**

There's only so much you can do to prevent flooding, so you also need a solid plan for how to recover from it. Map out the locations of key equipment and know how to shut off the mains for electrical, fuel and water supply. Keep a master list of contacts that includes key customers and important service providers such as restoration and hazardous material removal services, your staff, and your insurer.

Plan out how work will continue in the event that the premises are inaccessible. This might involve people working from home or at an alternative location. Consider network security and online access to vital work files ahead of time. You should also take steps to ensure that the property is protected from looters if it must be evacuated.

Flooding is inevitable from time to time, but with the right contingency planning you can drastically reduce the impact it has on your business.