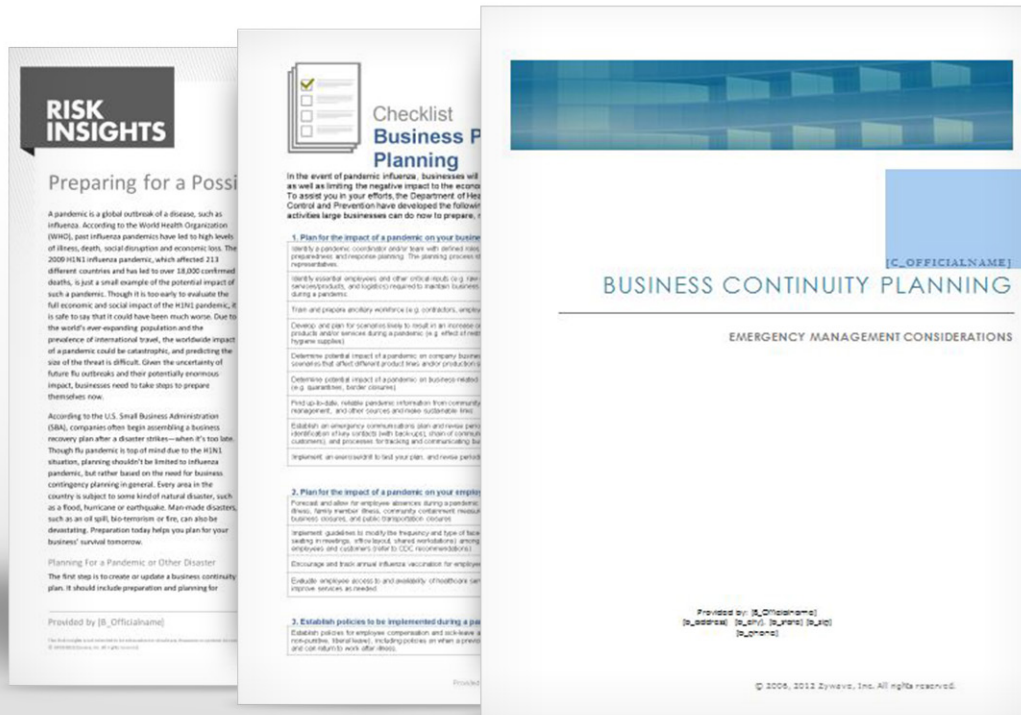# Morton Insurance & Risk Management
Business Continuity Planning Services Portfolio

Are you prepared for a business emergency?

Our business continuity plan and guide will help you create a policy to prepare for various emergencies. In the event that something does occur, you will know how to spring into action to reduce your losses.

Do you have a recovery plan in place?

We can guide you through the whole recovery process to help you minimize loss of revenue and customers, maintain public image and clarify the critical decisions to be made in a time of crisis.

Do your employees have the proper training in the event of a business interruption?

Our business continuity implementation guide will walk you through training exercises to ensure all employees know their roles in an emergency.

MORTON
INSURANCE & RISK MANAGEMENT

(720) 488-4915

http://www.mortoninsurance.com
6160 South Syracuse Way, Suite 105, Greenwood Village, CO 80111

Sample Documents

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Policies, Programs and Manuals

Employer Resources

Employee Safety Resources

BUSINESS CONTINUITY PLANNING

Guide to Developing the Plan

Provided by: Morton Insurance & Risk Management
6160 South Syracuse Way, Suite 105 Greenwood Village, CO 80111
[b_phone]

PLAN COMPONENTS

The following is guidance for developing your Business Continuity Plan. It includes the basic components of a Plan and outlines the steps in developing and implementing the Plan.

Executive Summary
The executive summary gives management a brief overview of: the purpose of the plan; the facility's emergency management policy; authorities and responsibilities of key personnel; the types of emergencies that could occur; and where response operations will be managed.

Emergency Management Elements
This section of the plan briefly describes your approach to the core elements of emergency management, which are:

    a. Direction and control
    b. Communications
    c. Life safety
    d. Property protection
    e. Community outreach
    f. Recovery and restoration
    g. Administration and logistics

These elements are the foundation for the emergency procedures that your facility will follow to protect personnel and equipment, and resume operations.

Emergency Response Procedures
The procedures spell out how the facility will respond to emergencies. Whenever possible, develop them as a series of checklists that can be quickly accessed by senior management, department heads, response personnel and employees.

Determine what actions would be necessary to:
    a. Assess the situation;
    b. Protect employees, customers, visitors, equipment, vital records and other assets, particularly during the first three days; and
    c. Get the business back up and running.

Specific procedures might be needed for any number of situations such as bomb threats or tornadoes, and for such functions as:

    a. Warning employees and customers
    b. Communicating with personnel and community responders
    c. Conducting an evacuation and accounting for all persons in the facility
    d. Managing response activities
    e. Activating and operating an emergency operations center
    f. Fighting fires
    g. Shutting down operations
    h. Protecting vital records
    i. Restoring operations

Support Documents - Documents that could be needed in an emergency include:

-   Emergency call lists — lists (wallet size if possible) of all persons on and off site who would be involved in responding to an emergency, their responsibilities and their 24-hour telephone numbers

-   Building and site maps that indicate:

a. Utility shutoffs
b. Water hydrants
c. Water main valves
d. Water lines
e. Gas main valves
f. Gas lines
g. Electrical cutoffs
h. Electrical substations
i. Storm drains
j. Sewer lines
k. Location of each building (include name of building, street name and number)
l. Floor plans
m. Alarm and enunciators
n. Fire extinguishers
o. Fire suppression systems
p. Exits
q. Stairways
r. Designated escape routes
s. Restricted areas
t. Hazardous materials (including cleaning supplies and chemicals)
u. High-value items

- Resource lists — Lists of major resources (equipment, supplies, services) that could be needed in an emergency; mutual aid agreements with other companies and government agencies.

THE DEVELOPMENT PROCESS

1. *Identify challenges and prioritize activities* - Determine specific goals and milestones. Make a list of tasks to be performed, by whom and when. Determine how you will address problem areas and resource shortfalls.

2. *Write the Plan* - Assign each member of the planning group a section to write. Determine the most appropriate format for each section.

3. *Establish an aggressive timeline with specific goals* - Provide enough time for completion of work, but not so much as to allow assignments to linger. Establish a schedule for:

    a. First draft
    b. Review
    c. Second draft
    d. Conduct tabletop exercise (see step 7)
    e. Final draft
    f. Printing
    g. Distribution

4. *Establish a training schedule* - Have one person or department responsible for developing a training schedule for your facility.

5. *Coordinate with outside organizations* - Meet periodically with local government agencies and community organizations. Inform appropriate government agencies that you are creating an emergency management plan. While their official approval may not be required, they will likely have valuable insights and information to offer.

    Determine State and local requirements for reporting emergencies, and incorporate them into your procedures.

Determine protocols for turning control of a response over to outside agencies. Some details that may need to be worked out are:

a. Which gate or entrance will responding units use?
b. Where and to whom will they report?
c. How will they be identified?
d. How will facility personnel communicate with outside responders?
e. Who will be in charge of response activities?

Determine what kind of identification authorities will require to allow your key personnel into your facility during an emergency.

6. *Maintain contact with other corporate offices* - Communicate with other offices and divisions in your company to learn:

a. Their emergency notification requirements
b. The conditions where mutual assistance would be necessary
c. How offices will support each other in an emergency
d. Names, telephone numbers and pager numbers of key personnel

Incorporate this information into your procedures.

7. *Review, conduct training and revise* - Distribute the first draft to group members for review. Revise as needed. For a second review, conduct a tabletop exercise with management and personnel who have a key emergency management responsibility. In a conference room setting, describe an emergency scenario and have participants discuss their responsibilities and how they would react to the situation. Based on this discussion, identify areas of confusion and overlap, and modify the plan accordingly.

8. *Seek final approval*- Arrange a briefing for the chief executive officer and senior management and obtain written approval.

9. *Distribute the Plan* - Place the final plan in three-ring binders and number all copies and pages. Each individual who receives a copy should be required to sign for it and be responsible for posting subsequent changes.

Determine which sections of the plan would be appropriate to show to government agencies (some sections may refer to corporate secrets or include private listings of names, telephone numbers or radio frequencies). Distribute the final plan to:

a. Chief executive and senior managers
b. Key members of the company's emergency response organization
c. Company headquarters
d. Community emergency response agencies (appropriate sections)

Have key personnel keep a copy of the plan in their homes. Inform employees about the plan and training schedule.

CLIENT OF MORTON

BUSINESS CONTINUITY PLAN

EFFECTIVE DATE: 04/07/2015

Provided by: Morton Insurance & Risk Management ◇ 6160 South Syracuse Way, Suite 105 Greenwood Village, CO 80111 Tel: (720) 488-4915

PREFACE

The purpose of this plan is to define the recovery process developed to restore Client of Morton's critical business functions in the event of disaster or interruption. The plan components detail Client of Morton's procedures for responding to an emergency situation, which affects Client of Morton's ability to deliver core services to our customers and our ability to meet investor, legal or regulatory requirements.

Objectives of the Plan

- Facilitate timely recovery of core business functions
- Protect the well-being of our employees, their families and our customers
- Minimize loss of revenue/customers
- Maintain public image and reputation
- Minimize loss of data
- Minimize the critical decisions to be made in a time of crisis

The following business continuity plan and all related procedures are approved by the president and senior management of Client of Morton, effective the date signed below.

_____   _____

Name – Title   Date

_____   _____

Name – Title   Date

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Are You Covered in Case of a Business Interruption?

If a fire causes the Client of Morton facility to be temporarily unusable, what would you do next? Ideally, you would move to a temporary location while your permanent place of business is being repaired. Yet, traditional Property Insurance does not cover this move or a loss of income when a business must temporarily close. With Business Interruption Insurance, also referred to as Business Income coverage, this setback can be minimized by simply adding this coverage to your Property Insurance policy.

What is included in a Business Interruption Insurance Policy?

- Compensation for lost income if Client of Morton has to vacate its premises as a result of disaster-related damage covered under a Property Insurance policy.

- Covers the profits that would have been earned based on previous financial records, had the disaster not occurred.

- Covers operating expenses, such as utilities, that must be paid even though business temporarily ceased.

- Covers expenses of operating in a temporary location while repairs to the permanent location

are completed.

Considerations for Business Interruption Insurance

- Business Interruption Insurance cannot be purchased on its own; it must be added to a Property Insurance policy or included in a Business Owner's Insurance policy.

- Policy limits should be sufficient enough to cover a large amount of time to rebuild the permanent business space. Generally the business must be closed for several days before coverage begins, and it does not pay for those days retroactively.

- Price of coverage depends on the risk of disaster to the premises. This may depend on the business location, nature of the business and how easily the business could function at an alternate location on a temporary basis.

What is Extra Expense Insurance?

Extra Expense Insurance is also a viable inclusion to cover the amount needed to avoid having to shut down a business while the permanent location is being repaired. This coverage reimburses for expenses that arise on top of normal business expenses, but are not covered by Business

Provided by Morton Insurance & Risk Management

This is a sample document provided by Morton Insurance & Risk Management

Improving Security and Disaster Response Potential

On any given day, it's possible to see warnings from the U.S. Department of Homeland Security regarding potential threats to our safety. Though it may seem like an unlikely risk, it is also a great one because you can't predict what impact terrorism could have on your company. In addition, criminal activity and natural disasters are a danger that can strike at any time. To prepare for the unexpected, you should review your security and disaster readiness plans to help you minimize the impact of any potentially threatening situation.

Without prior planning, you leave your company open to financial disaster, especially if you are forced to close operations for a period of time. In addition, without a proper plan to cope with a disaster situation, your company may face lawsuits from clients, vendors or employees claiming negligence.

Facility Security

It is important to take action before a disaster to assess your facility security and make improvements, if necessary. Though not all security threats can be avoided, some situations can be prevented with appropriate preparation.

- Advise management and employees to report any suspicious persons or activity in or around the facility.

- Establish and follow visitor control procedures such as mandatory sign-ins, name badges, escorts, orientation, etc.

- Survey locks, fences, exterior lights and other physical security devices to ensure that they are in place where needed and in proper operating condition. Establish a monthly inspection of your security perimeter and key protective features of your facility.

- Pay special attention to areas where you are storing explosive, flammable or toxic chemicals. These areas should be properly secured and inventoried, with limited hands-on contact of these materials when possible.

> Without prior planning, you leave your company financially and legally vulnerable in the event of a security threat or disaster situation.

- Evaluate critical locations in your facility for proper security, including the electric, telephone and gas units, building entrances, transformers, outside storage units and computer rooms.

- If your facility has a security/fire alarm system, be sure it is operating properly and that key personnel know how to arm/disarm it.

Provided by Morton Insurance & Risk Management

This is a sample document provided by Morton Insurance & Risk Management

Checklist
Disaster Recovery

For: Client of Morton   **Area:**

Conducted by: **Date:**

In the aftermath of a man-made or natural disaster, you and your company will have a number of concerns to account for as you prepare to reopen for business. Follow this checklist to ensure that you take the proper steps to recover after a disaster strikes.

Recovery Steps

Step	COMPLETE
Decide with your partners or co-owners to dissolve your business entity. Document the decision with a written agreement.	☐
Contact your insurance provider(s) to start the claims process.	☐
Assess damage: – Make note of any structural damage to building(s). – Note any damage to equipment, machinery or company vehicles. – Note any lost or damaged inventory (both materials for business use and products for sale).	☐
As they come to your attention, compile a list of concerns that must be addressed before you are able to reopen.	☐
Contact employees, suppliers and customers to inform them of any disruptions in operation and an expected date when they can anticipate it to resume.	☐
If you have concerns that damage to a building could pose a safety hazard to employees or customers, have the building professionally inspected.	☐
Properly secure the building while repairs are being made or if relocation of business activity is necessary.	☐
Ensure utilities are restored and in safe working order before resuming business operations.	☐
Properly repair and clean facility to ensure the environment is free of any safety hazards before resuming business operations.	☐

Financial Considerations

Consideration	COMPLETE
File a claim with your business interruption insurance provider.	☐
Determine the amount of lost income the disaster has caused.	☐
Compile the following information to share with you insurance adjuster:	☐
– Sales records and history	☐
– Profits and loss statements or income tax forms	☐
Consider any financial responsibilities you may have, such as payroll or scheduled payments to creditors.	☐
Keep detailed records of all expenses incurred during the recovery process.	☐

Business Continuity Planning - Vendor Questionnaire

As a key supplier of Client of Morton, it is important that we understand your level of readiness in the event of a disaster. To assist us with our business continuity planning, please fill out the information below.

Company name:

Company address:

City, state and zip:

Disaster recovery contact:

Contact's work phone:

Equipment, supplies, materials, goods or services provided:

Please answer the following questions (circle either "yes" or "no"):

1.	Do you have a formalized business continuity program?	Yes	No
2.	Do you have a recovery plan?	Yes	No
3.	Is your recovery plan documented?	Yes	No
4.	Have you tested your recovery plan?	Yes	No
5.	Do you conduct employee disaster recovery training regularly?	Yes	No
6.	Do you maintain a copy of your recovery plan offsite?	Yes	No
7.	Do you back up critical data on a regular basis?	Yes	No
8.	Do you send your backups offsite on a regular basis?	Yes	No
9.	Do you have a formalized process to update your recovery plan?	Yes	No

Briefly describe your business continuity program:

Return completed questionnaire to:

Coverage in Action

Real-life examples of insurance at work

From

Morton Insurance & Risk Management

Why Do I Need…
Business Interruption?

Originally established for the manufacturing industry, Business Interruption Insurance has evolved into an essential risk transfer tool for all industries. Coverage provides resources that aid in recovery and can help get a company back on its feet quickly.

A small business owner 's restaurant in Mississippi was devastated by Hurricane Katrina, leaving her with a blown-out ceiling, massive equipment damage and an unsalvageable building security system.

"The Business Interruption Insurance paid for the 23 days we were down," Joy Hoda told the Insurance Information Institute in 2010. "Just by getting that money, it wasn't so hard for us to make our payroll."

It's not to say that Joy did not sustain a loss; her Business Interruption

Insurance reimbursed her for everything she would have made, minus any expenses the firm would have incurred. What the insurance allowed her to do was continue to pay

> "Business Interruption Insurance paid for the 23 days we were down." Mississippi restaurant owner

her staff, meet her credit obligations and quickly reopen her business to help serve the people of her neighborhood.

Business Interruption Insurance doesn't just assist small businesses in meeting payroll and bills during a crisis; according to data from the Institute for Business Home and Safety, 25 percent of businesses never reopen following a disaster or interruption.

For larger businesses, Business Interruption Insurance can provide employees and shareholders peace of mind. Shareholders especially like to know a business' profits are

protected in case of fire, tornado, hurricane or other disaster.

Don't wait until your business experiences a significant loss to consider this vital business insurance protection. Contact Morton Insurance & Risk Management at (720) 488-4915 to review how this type of coverage can fit into your overall business insurance portfolio.

VULNERABILITY ANALYSIS CHART

TYPE OF EMERGENCY	Probability	Human Impact	Property Impact	Business Impact	Internal Resources	External Resources	Total
	High 5 Low 1	High Impact 5		Low Impact 1	Weak Resources 5 Strong Resources 1		
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
						Overall Results	0

The lower the score the better

This is a sample document provided by Morton Insurance & Risk Management

safety matters

From your safety partners at Morton Insurance & Risk Management

Preparing for Emergency Evacuations

How would you escape from your worksite in the event of an emergency? Do you know where all the exit routes are in case your first choice is too crowded? Are you sure doors will be unlocked? Did you consider that other exits—like hallways—may be blocked during a fire, explosion or other crisis?

Keep in mind the following evacuation tips to prepare for and take action during an emergency at Client of Morton.

Evacuation Preparation
- Familiarize yourself with the emergency evacuation plan.

- Know the pathway to at least two alternative exits from every room or area at the workplace.

- Recognize the sounds or signaling method of the fire and evacuation alarms.

- Know who to contact in an emergency and how to contact them.

- Know how many desks or cubicles are between your workstation and two of the nearest exits so you can escape in the dark, if necessary.

- Know where the fire and evacuation alarms are located and how to use them.

- Report any damaged or malfunctioning safety systems and back-up systems.

Evacuating Safely

- Leave the area quickly, but in an orderly manner, following Client of Morton's emergency evacuation plan.

- Go directly to the nearest fire-free and smoke-free stairwell, recognizing that in some circumstances the only available exit route may contain limited amounts of smoke or fire.

- Listen carefully for instructions.

- Crawl low, under the smoke, to breathe cleaner air if there is a fire.

- Test doors for heat before opening them by placing the back of your hand against the door so you do not burn your palm and fingers.

- Do not open a hot door; find another exit route.

- Keep fire doors closed to slow the spread of smoke and fire.

- Avoid using elevators when evacuating.

- Report to the designated meeting place.

- Do not re-enter the building until directed by authorities.

If You're Trapped
- Stay calm and take steps to protect yourself.

- Go to a room with an outside window, and call for help if possible. Stay where rescuers can see you and

Being prepared to safely evacuate a building or worksite is critical to maintaining your health and safety on the job.

Employee Emergency Preparedness Survey

Client of Morton is conducting an anonymous survey about our emergency preparedness. The intent of this survey is to gather information to evaluate our employees' ability to respond should an emergency or disaster occur. The results will help us determine what additional training may be necessary.

Your input is important to us. Please take a few moments to complete this survey and return to (insert name) by (insert date). Thank you!

1. I know where the fire extinguishers are and have been trained to use them.
    Yes   ☐
    No   ☐
2. If the building is evacuated, I know where to report.
    Yes   ☐
    No   ☐
3. I know where to go in the event of a tornado.
    Yes   ☐
    No   ☐
4. I know how to respond in case of fire.
    Yes   ☐
    No   ☐
5. I know what to do if there is a chemical spill.
    Yes   ☐
    No   ☐
6. I know who to alert if an emergency occurs.
    Yes   ☐
    No   ☐
7. I know the emergency exits in the building and how to determine which one to take.
    Yes   ☐
    No   ☐
8. I know where emergency supplies are stored at work and/or in my vehicle.
    Yes   ☐
    No   ☐

I would like to receive training in:
_____
_____
_____

I would like to receive more information on:
_____
_____
_____

SafetySpotlight
SafetySpotlight
SafetySpotlight
newsletter

Client of Morton

EMERGENCY EVACUATIONS
Get prepared

How would you escape from your workplace in the event of an emergency? Do you know where all the exit routes are in case your first choice is too crowded? Are you sure doors will be unlocked? Did you consider that other exits—like hallways—may be blocked during a fire, explosion or other crisis? Keep in mind the following evacuation tips to prepare for an emergency:

- Familiarize yourself with the emergency evacuation plan.
- Know the pathway to at least two alternative exits from every room or area at the workplace.
- Recognize the sounds or signaling method of the fire and evacuation alarms.
- Know who to contact in an emergency and how to contact them.
- Know how many desks or cubicles are between your workstation and two of the nearest exits so you can escape in the dark, if necessary.
- Know where the fire and evacuation alarms are located and how to use them.
- Report any damaged or malfunctioning safety systems and back-up systems.

EVACUATION KNOW-HOW
Know where to go and when

Preparing in advance to safely evacuate a building or worksite can be critical to your safety. Keep these tips in mind to evacuate the property:

- Leave the area quickly, but in an orderly manner, following Client of Morton's emergency evacuation plan.
- Go directly to the nearest fire-free and smoke-free stairwell.
- Listen carefully for instructions.
- Crawl under the smoke to breathe cleaner air if there is a fire.
- Test doors for heat before opening them by placing the back of your hand against the door so you do not burn your palm and fingers.
- Do not open a hot door; find another exit route.
- Keep fire doors closed to slow the spread of smoke and fire.
- Avoid using elevators when evacuating.
- Report to the designated meeting place.
- Do not re-enter the building until directed by authorities.

Did You Know?

The best way is to prepare to respond to an emergency before it happens. Few people can think clearly and logically in a crisis, so it is important to do so in advance, when you have time to be thorough.