Crisis Management and Emergency Response

A crisis is considered any unstable or crucial time or event that disrupts and changes normal business operations. A crisis may also be considered a state of affairs in which a decisive change is impending. Such events can be natural, man-made or intentional. The level of the crisis may vary. A significant crisis can disrupt business operations, occur without warning and set off a chain of events that is news worthy. A crisis may also create a serious business situation which is not known outside the organization; but once released to the public, it would make the news. Other crises can simply create internal operational problems which disrupt business. Below are some examples of specific crises:

**Natural** – Flood, Hurricane, Tornado, Ice/Snowstorm, Earthquake

**Man-Made** – Fire, Explosion, Nuclear/Chemical

**Intentional** – Terrorism/Sabotage, Bombing, Riot/Civil Disturbance

"Daily fire incidence is at its highest during the spring months - with a seasonal average of nearly 5,000 fires each day. (Based primarily on National Fire Incident Reporting System data averaged over the 2001-2002 period.)" [http://www.usfa.fema.gov/statistics/](http://www.usfa.fema.gov/statistics/).

"Each year, an average of ten tropical storms will develop over the Atlantic Ocean, Caribbean Sea, and Gulf of Mexico. Six of these storms become hurricanes each year. In an average 3-year period, roughly five hurricanes strike the US coastline, anywhere from Texas to Maine. Of these, two are typically "major" or "intense" hurricanes." [http://www.nhc.noaa.gov/HAW2/english/intro.shtml](http://www.nhc.noaa.gov/HAW2/english/intro.shtml).

"There are about 750 tornadoes each year in the U.S."
[...ucar.edu/tour/link=/earth/Atmosphere/tornado/stats.html](http://...ucar.edu/tour/link=/earth/Atmosphere/tornado/stats.html)

Every year, flooding causes more than $2 billion of property damage in the U.S." [http://www.floodsmart.gov/floodsmart/pages/statistics.jsp](http://www.floodsmart.gov/floodsmart/pages/statistics.jsp)

"From 1975-1995 there were only four states that did not have any earthquakes. They were: Florida, Iowa, North Dakota, and Wisconsin". [http://earthquake.usgs.gov/4kids/facts.html](http://earthquake.usgs.gov/4kids/facts.html)

**Be Prepared – Develop a Plan**

Being unprepared can be devastating to an organization, create major confusion and miscommunication, result into major loss of assets and long-term business interruptions, and create life threatening injuries. Not only can such a tragedy affect your company, it can also have long lasting effects on families and the community. Although a crisis is oftentimes non-preventable, an organization’s impact may be reduced through the implementation of a Crisis Management and Emergency Response Plan. Elements of the emergency and disaster plan should be customized to specifically address your organization’s operations. Specific organizational tasks that should be implemented before, during and after the event; this would include communications, emergency evacuation procedures, meeting place for evacuees, and emergency response procedures. The plan should outline and enable the use of internal resources and additional external resources at the time of emergency. The contingency phase should help move the organization back into operation.
Key program elements should include:

1. A Management Policy Statement should be developed.

2. Management should appoint a Plan Coordinator and a Business Management Team made up of key personnel to handle all crisis situations and directly communicate with key departments.

3. The Team should be knowledgeable of all aspects of business operations.

4. Complete a risk assessment throughout all departments of the total company and identify all potential risks and exposures. Emphasis should be placed on preparation for those hazards with the greatest potential and consequences.

5. Develop, in conjunction with local authorities, an emergency evacuation and response procedure.

6. Develop the emergency plan into written procedures. The emergency plan must state the objectives, highlight emergency response activities, personnel responsibilities and duties prior to, during and after the event.

7. Develop plans for all clients to fit their individual needs. Response plans should be coordinated with the applicable government agencies.

8. Develop an emergency communication notification system.

9. Develop procedures for after-hours and bad weather.

10. Establish an emergency center where personnel can assemble and manage the crisis according to plan.

11. Once the written plan is developed, implementation and training should be immediate and company wide.

12. Ensure the emergency plan is tested and that it works. Complete emergency drills, audit and revise as necessary.

13. Assess and photograph all damages; contact your insurance agent immediately after loss has occurred. Secure and identify all damaged areas and make temporary repairs where necessary to prevent further damage and/or injury. Contact inspectors, suppliers and contractors for potential service.

For more information about Crisis Management and Emergency Response, please visit our website at www.losscontrol.com.

Additional resources include:
- Crisis Definitions, Institute for Crisis Management: http://www.crisisexperts.com/crisisdefinitions.htm
- Disaster Recovery World Toolkit: http://www.disasterrecoveryworld.com/plan.htm
- National Hurricane Center: http://www.nhc.noaa.gov/HAW2/
- Windstorm and Rainstorm Emergency Checklists
- Temporary Housing Exposure - Emergency Shelter Inventory Form

IMPORTANT NOTICE - The information and suggestions presented by Philadelphia Indemnity Insurance Company in this Technical Bulletin are for your consideration in your loss prevention efforts. They are not intended to be complete or definitive in identifying all hazards associated with your business, preventing workplace accidents, or complying with any safety related, or other, laws or regulations. You are encouraged to alter them to fit the specific hazards of your business and to have your legal counsel review all of your plans and company policies.