LANE COUNTY

DISASTER PREPAREDNESS AND INSURANCE READINESS GUIDE

LANE COUNTY COMMUNITY AND ECONOMIC DEVELOPMENT
125 EAST EIGTH AVENUE, EUGENE, OR 97401

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PREPARATION IS KEY TO RECOVERY

Natural disasters—including flooding, seismic events, severe storms and wildfires pose significant threats to Oregon's businesses. It is imperative business prepare for the possibility of a disaster and know how to respond.

Because these events can strike with little warning, proactive preparation is the most effective tool a business owner has. Navigating the aftermath of a disaster begins long before the event occurs; the speed of your recovery depends heavily on your ability to work effectively with your insurance company. Developing a comprehensive Disaster Preparedness Worksheet is not just a logistical necessity — it is the fundamental requirement for successfully filing an insurance claim and securing the financial support needed for recovery and business resiliency.

Key to a business's resilience is the diligent documentation of business activity and assets. Maintaining up-to-date records within your worksheet ensures that your coverage aligns with your current operations and that you have the proof of loss required by adjusters. Understanding the fine print of your policy and having your assets pre-documented can mean the difference between a permanent closure and a timely reopening.

This **Disaster Preparedness and Insurance Readiness Guide** is designed to lead you through these complexities. It serves as a roadmap to help you prepare for the claims process and manage post-disaster requirements. From protecting your workforce to navigating Small Business Administration (SBA) resources, this toolkit provides the essential steps to keep your business viable and expedite your recovery.

For questions, please reach out to Lane County's Community and Economic Development team at CED@lanecountyor.gov.

DISASTER PREPAREDNESS CHECKLIST

WHAT TO DO BEFORE, DURING AND AFTER A DISASTER

☐ **Know Your Risk** Check with FEMA maps to determine if your business location is vulnerable to flooding, fire or other natural disasters. Have your building(s) inspected by a licensed professional to find out if your workplace is vulnerable to natural disasters and what is recommended to retrofit.

☐ **Review Your Insurance Coverage** Have your business appraised at least every five years. Inventory, document and photograph equipment, supplies and workplace. Have copies of insurance policies and customer service/home numbers. Obtain Business Interruption Insurance. Consider "Accounts Receivable" and "Valuable Papers" coverage and "Income Destruction" insurance. If you have a Business Owners Protection Package, check the co-insurance provisions. Remember: Flood damage typically requires separate coverage. *Check your coverage policy to make sure you are adequately insured for the risks your business faces.*

☐ **Protect Your Employees** Employee safety comes first! Prepare, distribute and discuss your business disaster plan for recovery. Consider providing shelter to employees and their families and helping employees with supplies after a disaster. Establish evacuation routes and alternates, including if evacuating by foot. Establish a rendezvous point and time for employees in case damage is severe and communications are disrupted. Establish a call-down procedure for warning and post-disaster communications. Provide photo IDs and a letter of authorization to enter the building.

☐ **Encourage your Employees to Prepare** Employees who have two weeks of supplies at home and a plan for emergencies are more likely to support emergency operations for your business if the time comes.

☐ **Protect Your Animals** Have an evacuation route and alternate routes planned and practiced ahead of disaster, for the protection of your animals and livestock. Resources are available at Lane County Emergency Management to make these plans[1].

☐ **Always Protect Your Data** If dependent on data processing, consider an alternate site. Make provisions for alternate communications and power.

☐ **Make Plans** to work with limited cash, no water, sewer, or power for up to two weeks. Store emergency supplies at the office.

☐ **Communicate Ahead of Time** Contact Your Customers & Suppliers and share your communications and recovery plan in advance. Prepare a list of vendors to provide disaster recovery services.

☐ **After the Disaster** Use caution before entering your business. Check for power lines, gas leaks and structural damage. If any electrical equipment is wet, contact an electrician. Prepare loss information for insurance claims and get independent estimates of damages. Take pictures before cleanup. Minimize additional damage.

[1] Animals in Disaster - Lane County

STEP 1

You should contact your insurance agent or insurance company **IMMEDIATELY** to begin the claim process. Most policies require that the business owner promptly notify the insurance company of damage or losses. For that reason, it is important that you begin the claims process as soon as possible. You should contact your insurance agent or insurance company even if you do not know if you are covered or if your claim may not exceed your deductible. If you have separate fire insurance, also call your fire insurance agent to report your claim. Your insurance agent will prepare a **Notice of Loss** form, and an adjuster will be assigned to assist you. Most insurance carriers and state departments of insurance offer a toll-free telephone number to facilitate the claim filing process.

When you call your insurance agent or insurance company, be prepared to provide:

- The name of your insurance company (your agent may write policies for more than one company)

  ____

- Name and address of insured

  ____

- Your policy numbers

  ____

- Contact name, phone and fax number

  ____

- Location of loss

  ____

- Brief description of loss

  ____

When you contact your insurance company, ask when an insurance adjuster (a person professionally trained to assess the damage to your property) can be expected to visit your property so that you can plan for the visit. Also ask the insurance company for the specific information required for the proof of loss. Some companies may have a detailed list of documents they seek or require you to fill out a particular form. A proof of loss provides details identifying the property destroyed or damaged and documents the amount of loss incurred.

Keep your insurance company informed of your current contact information. If you are in a shelter or cannot easily be reached, make sure to give your insurance company or agent the contact number of a friend, relative or someone else who knows how you can be reached.

When dealing with your insurance company, document every conversation. Be sure to write down the name of the person with whom you speak, the date and the substance of your call and your claim number. It may be helpful to keep all of this information in a notebook so that it is in one place. This will help in future dealings with the insurance company.

STEP 2

If reasonably possible, protect the property from further damage. Damaged property that presents a health hazard or that may hamper local clean-up operations should be disposed. Be sure to adequately describe and photograph discarded items so that when the adjuster examines your losses and your records, these articles are included in the documentation.

Photograph the outside of the premises, showing any damage or flooding. Photograph the inside of the premises, showing the damaged property and the height of the water if your property was flooded. **Do not enter your property if it is not safe to do so. This includes standing in flood waters which may potentially be contaminated by hazardous substances and debris.** Separate the damaged from undamaged property and put it in the best possible order for the insurance adjuster's examination.

Collect and organize backup documents. Gather additional information and documents for the proof of loss. Generally, any information substantiating the claim (photographs, receipts, records) can become proof of claim. Gather vital records, ledgers and other proof that supports valuation.

Prior to signing an agreement/contract with a cleaning, remediation or maintenance contractor, consult with your adjuster or insurer concerning coverage.

If damage is widespread, check with local authorities to see if they are coordinating debris clean-up.

STEP 3

Make a list of areas with structural damage. As you look over your property, make a list of structural damage you want to point out to the insurance adjuster.

If you've purchased contents coverage, make a list of damaged property. List the quantity of each item, a description, brand name, where purchased, its cost, model and serial number (if appropriate) and your estimate of the loss amount. Attach your bills, receipts, photos and any other documents. Good records speed up settlement of your claim.

***Cautionary note:** DO NOT ENTER a building which appears to have or is known to have structural damage following disaster.

WORKING WITH YOUR ADJUSTER

If an adjuster is not assigned to you within several days, contact your insurance company or the state department of insurance. It is a good idea to make a request for an adjuster in writing. Keep in mind that an adjuster will not be able to visit your property until officials declare that it is safe.

Generally, your adjuster will contact you within 24-48 hours after receiving your notice of loss. However, depending on local conditions and the severity of the disaster, it may take more time. Once the adjuster contacts you, a time will be set for the adjuster to view your property. You may ask the adjuster for an advance or partial payment.

During the initial visit to your property, the adjuster will take measurements and photographs and note direct damage. This is called "scoping" a loss. Be assured that your adjuster will be an experienced claim professional and will notice many points of damage you could overlook. You are, however, encouraged to point out all damage you have noticed. After the "scope" is finished, the adjuster will give you a local contact telephone number and will tell you whether any additional visits are needed.

The adjuster then uses the evidence from the visit(s) and the documentation you have provided to complete a detailed estimate of damages. You will get a copy of the estimate. Use it as a guide when you ask for bids for repair work from licensed professional contractors.

You can also ask your insurance company for an advance on your insurance proceeds. Funds disbursed in the form of an advance will be deducted from the final settlement. If you have a mortgage, your bank will need to sign the advance check.

You may also be eligible for expedited assistance from the federal government through FEMA. Learn more about this assistance through FEMA online at http://www.fema.gov, or by calling 1-800-621-FEMA (3362), TTY 800-462-7585. FEMA representatives typically visit disaster assistance centers.

Your official claim for damages is called a Proof of Loss. This must be fully executed and with your insurance company within 60 days after the loss occurs. The Proof of Loss includes a detailed estimate to replace or repair the damaged property. In most cases, the adjuster will provide you with a suggested Proof of Loss. You are responsible for making sure that it is complete, accurate and filed in a timely manner. Be sure to keep a copy of the Proof of Loss as well as copies of all supporting documents for your records.

PAYMENT OF CLAIMS

Your claim is payable after:

- You and the insurer agree on the number of damages.
- The insurer receives your complete, accurate and signed Proof of Loss.

In general, insurance companies should acknowledge receipt of your claim within 15 days of receiving it and should communicate decisions on claims within 40 days of receiving them. Payouts should occur within 30 days of your acceptance of their offer. More information on claims payment is in your policy.

SUPPLEMENTAL CLAIMS

If you notice additional damage to your building property or personal property after filing your claim, you may file a supplemental claim. This means, essentially, that you must repeat the documentation and filing process for your original claim --including a Proof of Loss -but only for the newly discovered damage. Supplemental claims should start by immediately notifying your adjuster, agent and/or company representative. Once you have completed documentation, present it to your adjuster, who may need to make another property visit to verify your loss.

Once you receive the letter stating that the cost to repair damage to your building is 50 percent or more of its market value, you may file an **increased cost of compliance claim (ICC)**. You should contact your adjuster or your insurer's claims representative to file the ICC claim. You have four years from the date of the letter declaring the building to be substantially damaged to complete your chosen mitigation activity under the terms of the standard flood insurance policy. Your insurer will provide you with additional information to assist you in completing your ICC claim.

BUSINESS INTERRUPTION LOSSES

Business interruption coverage is a typical and important part of most businesses' property insurance programs. Business-interruption coverage is purchased to cover the loss of business income and at least some of the extra expenses associated with restoring business operations. There are many types of business interruption insurance policies. It is important for you to review yours to ensure that you maximize your ability to continue operations with minimal disruption.

DO NOT DELAY in contacting your insurance company. Give notice quickly to avoid penalty or voided coverage. Refer to the steps listed above in making a property insurance claim.

CALCULATING BUSINESS INTERRUPTION LOSSES

Business interruption claims can become more difficult and even contentious when differences of interpretation emerge about the reliability of projections or the meaning of policy provisions. A successful claim entails maneuvering through the gray areas inherent in business interruption, including financial projections, consumer demand and policy interpretation, to reach a number that's reasonable, credible, defensible and well supported.

The following is a common example of a worksheet that can be used to calculate your business-interruption loss:

SAMPLE BUSINESS INTERRUPTION WORKSHEET

1. Gross Sales $______________________
2. Adjustments to gross sales $______________________
   (includes discounts given, returns and allowances, bad debts, freight)
3. Net Sales (1 minus 2) $______________________
4. Other income that would be lost if operations were interrupted $______________________
   (includes rent, interest, service fees)
5. Total Revenues (3 minus 4) $______________________
6. Merchandise or materials consumed
   a. Purchases during the year $______________________
   b. Changes in inventory $______________________
      i. Beginning inventory $______________________
      ii. Ending inventory $______________________
      iii. Change (beginning minus ending) $______________________
   c. Total (a plus b) $______________________
7. Gross earnings (5 minus 6c) $______________________
8. Discontinuing expenses $______________________
   (includes payroll that would not continue, rent, heat, light, delivery, advertising, maintenance cost, etc.)
9. Gross Earnings Discontinued Expenses (7 minus 8) $______________________

Adjust Gross Earnings After Discontinued Expenses for period or Interruption Expected

Insurance Needed:

1 year: Line 9* 1.00 = $_______ 9 months: Line 9*0.75= $ ____________ 6 months: Line 9*0.5 = $ ___________

CAN I MAKE TEMPORARY REPAIRS?

Before making any repairs, get written permission from your insurance company. Once you have that permission, even if the adjuster has not visited yet, make all necessary temporary repairs such as boarding up windows and repairing holes in the walls or roof. Move your personal property to a protected area. Do not dispose of items you believe are a total loss until the insurance adjuster has inspected them or unless you are instructed to do so by local officials. If you must dispose of damaged items, photograph them and take a swatch or sample. Take photographs before you begin repairs or cleanup and keep all of your receipts for your expenses.

Make sure anyone you hire to make temporary repairs is properly licensed by the Oregon Construction Contractors Board.[2]

CAN I HIRE SOMEONE ELSE TO MAKE EMERGENCY REPAIRS?

Usually, you can hire someone else to make temporary or emergency repairs, depending on the coverage your policy provides. Such policies usually cover materials and reasonable labor expenses for temporary and emergency repairs in addition to final repairs. Get several estimates. Also, contact your insurance company to find out if you will be reimbursed for repairs you conduct yourself. Keep all of your receipts for your expenses.

I OWN A BUSINESS. WHAT KINDS OF INSURANCE COVERAGE COULD I HAVE FOR CLAIMS MADE AGAINST ME OR MY COMPANY?

Workers' compensation claims can be brought against you by injured employees or their families for disability and lost wages. Injured visitors or those employees who are exempt from workers' compensation may have claims under health insurance, short and long-term disability and travel accident policies. You may be covered by commercial general liability policies for lawsuits brought against you for bodily injury or property damage. Commercial and personal umbrella and excess policies may provide additional coverage.

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[2] Oregon Construction Contractors Board : Welcome Page : State of Oregon

MY INSURANCE COMPANY HAS DENIED ME COVERAGE OR HAS OFFERED ME LESS THAN I THINK I SHOULD RECEIVE. WHAT CAN I DO?

Insurance companies are required to acknowledge receipt of claims, communicate their decisions on claims and pay claims in a timely manner. In general, insurance companies should acknowledge receipt of your claim within 15 days of receiving notice of your claim and should communicate decisions on claims within 40 days of receiving your claim.

Payouts should occur within 30 days of your acceptance of their offer.

If coverage is denied, in whole or in part, ask the insurance company to provide you with its reasons ***in writing,*** as well as whether it has an appeals process. You should ask for any reports prepared by the insurance company in assessing your property or evaluating your claim. You may also want to seek an advance of the undisputed portion of your claim, if you can do so without giving up your rights to the disputed portion. Contact the Oregon Department of Financial Regulation for questions about disaster insurance[3] if you feel your claim has been wrongfully denied. You may want to seek help from an attorney but be aware that their fee often will reduce your total recovery.

[3] Division of Financial Regulation : Insurance for businesses : Insurance for businesses : State of Oregon

BUSINESS OPERATION DOCUMENTATION QUESTIONNAIRE

Collecting important information in one place before a disaster can help you be more prepared. You may even need some of this information in order to apply for disaster assistance or grants! The following questions are designed to help you build a personalized guide you can refer to during a disaster.

Please keep a digital copy for your records.

Which of the following best describes your business?

☐ S-Corp

☐ Incorporated

☐ Sole Proprietor

☐ LLC

☐ No response

What industry is your business in?

☐ Retail

☐ Service

☐ Restaurant

☐ Construction

☐ Manufacturing

☐ Finance, Insurance, Real Estate

☐ Other:________________________

When did your business open?

____

Do you own or lease a physical business location?

☐ Own, Address: ____

☐ Lease, Address: ____

Landlord Contact Information: ______________________________________

____

☐ None of the above, I work at home or have a virtual office

BUSINESS OPERATION DOCUMENTATION QUESTIONNAIRE

Do you currently have a monthly business loan that you make payments on?

☐ Yes, the loan is owed to the following company: ________________________

Company Contact Information: ____

☐ No

How many employees does your business employ, including yourself?

☐ One (Self full-time)
☐ One (Self part-time)
☐ 2 to 5
☐ 6 to 10
☐ 11+
☐ Other:__________

What type of internet connection do you have at your place of business?

☐ Direct internet connection via "wire cable" into my physical business location
☐ A wireless or "hot spot" internet connection via my cell phone provider
☐ I have both types of connection to the internet available
☐ No, I don't have an internet connection at my business

Do you back up your business data regularly?

☐ Yes, to a server located at my place of business
☐ Yes, to a server not at my place of business (i.e. "the cloud")
☐ I make paper copies of everything and store them at a location other than my place of business
☐ I haven't backed up any of my business information
☐ Other: ____

BUSINESS OPERATION DOCUMENTATION QUESTIONNAIRE

Do you have a disaster recovery plan in place for your business?

☐ Yes

☐ No, but I have thought about it

☐ I have never thought about it

Do you currently have disaster supplies, such as emergency water, food, etc., (enough for you and your employees) at your place of business should a disaster occur during business hours?

☐ Yes

☐ No, but I've thought about it

☐ I have never thought about it

Do you currently have an emergency notice and contact list for employees, customers and vendors/suppliers should a disaster occur?

☐ Yes

☐ No, but I've thought about it

☐ I have never thought about it

How long would it take you to reopen your business after disruption from a disaster?

☐ Instantly, not a problem

☐ One week

☐ Two weeks

☐ Beyond a month

☐ Not sure

☐ I would not be able to reopen

BUSINESS OPERATION DOCUMENTATION QUESTIONNAIRE

How long can you operate your business without potable drinking water before it affects the function of your business and your company's bottom line?

☐ I can't operate at all without running drinking water

☐ 1 day

☐ 2-3 days

☐ Up to 5 days

☐ A week or more

☐ Does not have an effect on my business

How long can you operate without electricity before it affects the function of your business and your company's bottom line?

☐ I can't operate at all without electricity

☐ 1 day

☐ 2-3 days

☐ Up to 5 days

☐ A week or more

☐ Does not have an effect on my business

Do you have a backup generator at your place of business?

☐ Yes

☐ No

If a disaster occurred, would you be able to operate your business from another location?

☐ Yes

☐ No

☐ No response

If Yes, how long?

☐ 1 Day

☐ 2-3 Days

☐ Up to 5 days

☐ A week or more

☐ Does not have an effect on my business

☐ No response

How would you keep in touch with customers after a disaster disrupted your business? Please select all that apply:

☐ Email

☐ Phone/Text

☐ Website

☐ Other:____________________

Do you currently carry natural disaster insurance for your business? Choose all that apply:

☐ Yes, flood insurance with the following company: ________________________

Company Contact Information: ____

☐ Yes, fire insurance with the following company: __________________________

Company Contact Information: ____

☐ Yes, earthquake insurance with the following company: __________________

Company Contact Information: ____

☐ No, I don't currently have natural disaster business insurance

☐ Other: ____

BUSINESS OPERATION DOCUMENTATION QUESTIONNAIRE

Do you currently carry business interruption insurance?

☐ Yes, with the following company: ______________________________
Company Contact Information: ______________________________

☐ No

☐ I don't know

If you are a home-based business, do you have separate business insurance?

☐ Yes, with the following company: ______________________________
Company Contact Information: ______________________________

☐ No

☐ I don't know

If you are a home-based business, do you have adequate home insurance?

☐ Yes, with the following company: ______________________________
Company Contact Information: ______________________________

☐ No

☐ I don't know

Provided by:
Lane County Community and Economic Development

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