

J M U N I V E R S I T Y [™]

Hurricane Preparedness Guide

Jewelers Mutual[®]
I N S U R A N C E G R O U P
— SINCE 1913 —



Hurricane Preparedness

For years, Jewelers Mutual Insurance Company has provided you with information about safety, security, and insurance. As part of the JM University™ program, Jewelers Mutual has created this hurricane preparedness guide.

Many of the action items will require assistance from a qualified professional; please use your best judgment.

Get started now by developing a comprehensive continuity and disaster plan specific to your business.

Consider the following:

- Do you have a plan in place to advise management and employees of storm warnings?
- Do you know your community safety plan? Check with local officials for information about your immediate area. Listen and follow their directions before, during, and after the storm.

Most importantly, Jewelers Mutual urges you to **use common sense; do not endanger your life or health.**

Know Your Hurricane Risks

Hurricane watch:	A hurricane is possible, usually within 36 hours
Hurricane warning:	A hurricane is expected, usually within 24 hours
Category One:	Winds 74-95 miles/hour
Category Two:	Winds 96-110 miles/hour
Category Three:	Winds 111-130 miles/hour
Category Four:	Winds 131-155 miles/hour
Category Five:	Winds greater than 155 miles/hour

Though everyone is at risk for any number of disasters, your location may increase the likelihood of having a disaster affect you. You may be at an increased risk for hurricane or other weather damage if:

- You are on the coast, on an offshore island, or near a river or a flood plain.
- You are located in a potential flood zone.
- Your business is located in a high-rise building. Winds are stronger at higher elevations.
- Your building does not meet or exceed current building code requirements for wind resistance.

Emergency DOCUMENTS to have on hand:

- Contact lists of employees, vendors, and official emergency centers
- Current income tax records, including tax returns for the last two years
- Monthly or quarterly sales tax returns for at least the last two years
- Sales records for at least the last two years, with separate records for every location affected
- Employee payroll
- Copy of lease agreement and landlord contact information
- Insurance information
- Financial and accounting information

Emergency EQUIPMENT to have on hand:

- Generators or other means of emergency power (test periodically)
- Battery-powered radio
- Flashlights
- Extra batteries
- Fire protection equipment
- Emergency communications equipment, including a fully-charged cell phone
- First-aid kit
- Camera and film for documenting property before/after

How to Choose a Contractor

- ❑ Obtain estimates to repair the damage and conduct a background check on anyone you hire.
 - Be proactive, since it is usually first come, first serve.
 - Work with only licensed, insured, and bonded contractors.
- ❑ Ask for references, and consider checking with the Better Business Bureau.
- ❑ Take your time and verify the contractor listens to your concerns about what is damaged.
- ❑ All estimates should have a detailed description of the work and, preferably, the cost to complete each task.
- ❑ Consider more than one estimate.

TIP: Be cautious in dealing with a contractor who goes door to door after a disaster.

Additional Resources

Weather-related websites

National Weather Service: www.nws.noaa.gov

National Weather Service Eastern Region: www.erh.noaa.gov

National Weather Service Southern Region: www.srh.noaa.gov

National Weather Service Pacific Region: www.prh.noaa.gov

National Hurricane Center: www.nhc.noaa.gov

National Climatic Data Center: www.ncdc.noaa.gov

Emergency preparedness websites

American Red Cross: www.redcross.org

Federal Emergency Management Agency: www.fema.gov

Homeland Security: www.ready.gov

Please contact Jewelers Mutual Insurance Company at **800-558-6411** for more information.

Establishing a Business Continuity Plan

Creating a business continuity plan now will help prepare you and your employees for a crisis situation.

Losses and down time can be minimized by systematically assessing and repairing the building and building systems/equipment before resuming operations.

Take the time now to assess how your business functions, both internally and externally, to determine which staff, materials, procedures, and equipment are absolutely necessary to keep the business operating.

Answer these questions:

1. Which operations are critical to the survival and recovery of your business?
2. How will you handle payroll? Do you have emergency payroll plans in place?
3. Who will make financial and accounting decisions to track costs?

4. What is your management succession plan?
5. Which employees have skills necessary to provide key business functions?
6. If your current location is not accessible, do you have an alternate facility available?
7. How will you expedite repairs and replacement of destroyed inventory?
8. Should you consider downsizing your operations while a portion of your business is not operational?
9. How will you communicate with your customers?

Visit JewelersMutual.com to download a copy of our **Business Continuity Plan template**.

Data and records

Store the following materials in a safe place, away from your business:

- Back-up files for everything on your computer. Back up your computer system using storage media or an online service on a regular basis.
- A copy of your latest physical inventory and year-to-date printouts of sales, purchases, etc.
- A vendor list with complete mail, telephone, and e-mail information. An updated list of merchandise on memo and the vendor(s).
- An inventory of your business personal property (showcases, desks, chairs, computers, equipment, etc.), including a video of your store contents.
- Security information, including the name, phone, and address of your alarm service and vendor for safes or vaults.
- Insurance information, including the name, phone, and address of your agent and insurance carrier, and a copy of your insurance policies.
- A list of employees' phone numbers, addresses, and e-mail addresses.
- A list of businesses that provide essential services, such as your accountant, attorney, payroll vendor, and bank officer.
- A list of official emergency centers.
- Current income tax records, including tax returns for the last two years.
- Monthly or quarterly sales tax returns for at least the last two years.
- Insurance information.
- Information about a cleaning service, contractor, and realtor. If your building has been damaged, you may require a cleaning service and a contractor. In some instances, you may need to immediately relocate and will need a realtor's help. Having this information handy can speed the process.
- Your business's customer list with phone numbers and addresses. This should include a separate list of customers who have entrusted you with their jewelry for repair or consignment or have merchandise on layaway.
- Contacts for the shipping companies that serve your business. You will need to contact them immediately to provide alternative delivery instructions.

Once you have established a business continuity plan, review and update it once a year.

Sponsored by the U.S. Department of Homeland Security, Ready.gov is an excellent website that provides detailed guidelines for continuity planning.

Visit <http://www.ready.gov/business/index.html> for more information.

Before the Storm

Preparing and protecting jewelry inventory and business property

Merchandise

- Lease a bank safe-deposit box. Get a box located at the highest possible elevation off the floor.
 - Place as much high-valued property as possible in individually sealed plastic bags in the safe-deposit box.
 - Make sure you have insurance coverage for the property stored in the safe-deposit box.
- Secure as much property as possible inside your safe.
 - Apply a permanent, waterproof label to your safe with a return address should the safe be found outside your premises after the storm.
- Property that cannot be secured in a safe-deposit box at the bank, in a safe, or in a vault on the premises should be secured in a locked room inside the premises.

- Place showcase displays in sealed plastic bags and store inside display cases. If possible, double bag showcase displays inside larger, sealable plastic bags.

Data, records, and computer equipment

- Keep copies of all business records. Refer to the section titled *Establishing a business continuity plan* on the preceding page for specifics.
- Photograph the interior of your store, including the office. Print two copies; take one with you, keep the other in a safe-deposit box.
- Elevate all electronic appliances off the floor, especially computer equipment. Unplug them from outlets to prevent a power surge from damaging them.

Preparing and protecting your building

The roof

- Inspect your roof and flashings. Determine if your roof, deck, and flashings have been listed or approved by a national testing laboratory. Ensure they have been installed and repaired in accordance with national guidelines and the component manufacturers' recommendations.
- Check roof protrusions such as vents, skylights, signs, equipment, and pipes for damage, tightness, and bracing. Repair as necessary.
- Check gutters, drains, scuppers, and storm drains, and remove any obstructions to prevent blockage.

Doors and windows

- In high-risk coastal areas, install window shutters or removable covers on windows. If none are available, board up windows and glass exposures.
- Allow for a peephole so police may observe any activity that may be happening.
- If you are a retailer, consider having your show windows and showcase glass reinforced with a plastic or polyester film (see box at right).
- Inspect all doors, windows, and frames for sturdiness and secure locks.
- Place sandbags at low points and at door thresholds.
- Brace garage doors and track systems or provide temporary center supports.

Other exterior elements

- Inspect foundations/wall/roof-anchoring systems on metal-on-metal and similar building construction types for high-wind resistance. Correct as necessary.
- Close gas and propane lines from outside tanks.
- If your business uses hazardous materials such as petroleum gas tanks, gas cylinders, or flammable liquid drums, have a plan in place to handle and secure these.
- Take inventory of unsecured outside equipment and materials.
- Bring inside, brace, or tie down: equipment, tools, cans, barrels, and any other containers or unsecured items.
- Reduce windborne debris:
 - Pave gravel driveways, walkways, and parking lots.
 - Replace outside gravel or stone with natural mulch or bark.
 - Trim trees and shrubs.

Window film

The *application of polyester film* to a window is as critical as the quality of the film. For best results, apply film to the entire surface before the glass is installed in its frame. Film manufacturers provide the appropriate instructions for the application and installation of various film products.

TIP: If remodeling, consider replacing traditional windows with impact-resistant window systems.

Before the Storm Continued

Dos and don'ts

Do:

- Provide for a 24-hour weather watch during windstorm seasons.
- If you have an emergency crew who will remain at the facility during the storm, provide for safe shelter, sufficient non-perishable food, water, lighting, radios, and other necessary items.
- Give both your staff and local law enforcement your cell phone number.
- Make sure your cell phone is charged.
- Learn safe routes inland.
- Comply with evacuation orders. Evacuate the facility in a timely manner to safeguard all employees.
- If evacuating, leave early, during daylight hours when possible.

- Notify business neighbors and family members of your evacuation plans.
- Set the alarm.
- Move to a safe area before you are cut off by floodwater.
- Have extra cash with you.

Don't:

- Don't go near standing water, which may be electrically charged from either underground or downed power lines.
- Don't go near moving water.
- Don't attempt to drive across flowing water. As little as six inches of water may cause you to lose control of your vehicle.

After the Storm

Now that the storm has passed, the recovery process begins.

Key steps

The following steps begin the recovery process and will help ensure that no further damage results after the storm is over.

- Contact **Jewelers Mutual** or your **insurance agent** as soon as possible.
- Take photos** of the damage to assist the adjuster prior to throwing anything away.
- Complete temporary and immediate repairs to **minimize hazards** and ensure personnel can safely access the building.
- Remove all debris** as soon as the adjuster has contacted you. Order a dumpster if needed.
- Separate** damaged property from undamaged property.
- Protect your undamaged property.**

- Proceed with boarding up, or closing any openings in the building** to reduce any additional damage.
- Dehumidify** the stock after the building has been made weather tight.

Don't forget the obvious!

In stressful situations, the obvious is often overlooked.

- Account for all employees.
- Keep abreast of road conditions. Wait until an area is declared safe before returning.
- Use the telephone only for emergency calls.
- Check for downed power lines and exposed electrical lines. Exercise care around damaged power cables. A certified electrician should make all necessary repairs.

Clean-up process

Securing your building: exterior

- Survey site for damage.
 - Appraise building for damage to structure or foundation.
 - If the building or foundation has suffered significant damage, do not attempt to turn electricity back on yourself. Have a certified electrician check everything and make necessary repairs.
- Immediately cover damaged doors, windows, and skylights. Assume the covering will be in place from four to six months. Coverings should be substantial enough to resist wind and rain and should not allow moisture penetration.
- Inspect the roof for standing water.

TIP: Keep receipts for any items purchased to assist in the clean-up process for claims purposes and documentation.

After the Storm Continued

Securing your building: interior

- Have floodwaters pumped out.
- Contact vendor restoration company for damaged electronic equipment.
- Partition the building if some areas are not usable.
- Restore the utilities as soon as possible. If necessary, install a temporary electrical generator.

- To eliminate possible contamination, discard water-damaged furnishings, including carpets, upholstery, and ceiling tiles.
- Assess condition of food in vending machines or break areas. Dispose of spoiled or contaminated items immediately.
- Have water tested for contamination before use.
- Test all security alarms and repair as needed.

Documenting damages for your insurance claim

Fire safety

Fire safety is often overlooked when a disaster involves flooding and water damage, but it remains a risk during these times.

- Have hazardous material spills and gas leaks attended to by professionals. Have them check gas, steam, and flammable liquid piping systems and associated tanks for leaks or damage.
- Shut down leaking sprinkler systems. Test sprinkler systems before turning them back on. If the sprinkler system doesn't work properly, be vigilant to a higher degree than normal.
- Test all fire alarms and repair as needed.
- Notify the local fire department of any extended delays of fire protection or suppression systems.
- Don't use candles or other open flames indoors. Eliminate any unnecessary ignition sources, including the strict enforcement of "No Smoking" regulations.

Inventory for sale

- Take photos of the damage before discarding any inventory.
- Separate damaged inventory from undamaged inventory.
- Complete a list of any inventory that:
 - is lost or damaged beyond repair;
 - is damaged but is repairable; and
 - just needs to be cleaned.

Provide a complete description of what the damage is for each item, e.g., "cardboard display box for glassware vase – water damaged" or "14K Y/G necklace damaged from showcase collapse."

- Separate the list of inventory damage into owned inventory, consignment, memo, and customer goods.
- Identify and preserve any documents that would assist in documenting your cost of inventory. Download an Inventory List form by visiting our website at JewelersMutual.com.

Business property

- Complete a list of any property that:
 - is lost or damaged beyond repair;
 - is damaged but is repairable; and
 - just needs to be cleaned.

Provide a complete description of the damage to each item, e.g., "water damaged Dell computer" or "water damaged high back leather chairs."

- Identify and preserve paperwork that would assist in documenting your cost of the damaged property.

Business interruption

Conduct business operations as normally as possible. Your customers will appreciate your efforts to provide them continuing services.

- Preserve and be prepared to provide your historical sales records.
- Preserve and be prepared to provide your income and expense information as shown in recent profit and loss statements or income tax forms.
- Maintain other business records that may assist in projecting what your profits would have been had your business not been interrupted.
- Close out the books as of the date of loss and maintain a separate record of any sales or operating expenses. Operating expenses could include items such as payroll and payroll taxes, rent, and utilities.
- Maintain accurate records and receipts for extra expenses incurred to expedite the resumption of operations.

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