



Risk Control

Business Continuity Planning Reference Guide



Many businesses today spend time, money and resources to help prevent losses.

Unfortunately, some losses, especially those related to disasters and emergency situations, are unpreventable. Business continuity planning is a comprehensive approach to ensuring businesses continue to function efficiently in the event of a loss.

For more than 100 years, CNA has provided insurance solutions and loss prevention methods to a wide range of businesses. We help businesses plan for emergency situations, which reduces the potential for substantial injuries and financial loss. CNA also has staff who are Associate Business Continuity Planners (ABCPs) to help you with your specific business needs. These Risk Control Consultants can advise your business as it prepares a course of action to take in the event of an emergency. This Business Continuity Planning Reference Guide identifies areas to focus on as you put together your Business Continuity Plan (BCP).

Why Complete a Business Continuity Plan?

One third of businesses fail within the first year after a disaster and another third fail within five years.¹ Companies that plan for emergencies greatly increase the likelihood of staying in business and getting back to work quickly. A good BCP can help:

- Maintain business operations after a disaster occurs.
- Ensure continuity for providing supplies or service to customers.
- Uphold a good business reputation.
- Uphold shareholders' interests.
- Minimize legal liability and insurance costs.

Plans vary greatly from business to business depending on the size and type of operation. An effective plan needs to encompass how employees communicate, where they will go and how they will continue to do their jobs after an emergency situation or event takes place.

It is imperative to have a plan in place to ensure business carries on. Based on experience, CNA estimates for every dollar of loss, three additional dollars are lost due to a damaged reputation, lost profits and indirect loss costs. The bottom line is insurance protection is not enough. The time to plan for a disaster is now, not after a loss occurs.



Creating a Business Continuity Plan.

The scope of operations for most businesses is so vast that it is hard to know where to start to create a BCP. **First, put together a team that will be in charge of creating and maintaining the plan.** The team should be aware of all processes used by the business or each person on the team should be responsible for knowledge of a different aspect of operations. As your team creates your BCP, it is important to keep in mind the following critical elements to all planning efforts.

Phase 1 — Review Business Impact Analysis

- Identify types of losses that could affect your company and assess the degree of risk — loss frequency and severity potential should be analyzed.
- Review your business process flow chart.
- Identify operations crucial to survival and recovery.
- Ensure business data (sales records, customer lists, tax information, legal documents, etc.) are stored at an off-site location.
- Develop a succession plan for executive management positions.

Phase 2 — Identify Business Partners

- Ensure there are multiple vendors that can provide outsourced services in case of an emergency.
- Create a contact list of key vendors and business partners, and keep the list at an off-site location accessible by multiple employees, not just one person.

Phase 3 — Create a Plan for Your Facilities

- Consider alternate locations in the event main operations centers become unusable or inaccessible.
- Determine a meeting place for the executive management team.
- Determine security needs if an emergency were to occur to protect both people and property.

1. U.S. Department of Labor. "Bureau of Labor Statistics Data." Bureau of Labor Statistics. <http://www.bls.gov/data/home.htm>.

Phase 4 — Review Payroll Processes

- If applicable, ensure vendors have plans for payroll continuity.
- Work with vendors to ensure that employee data, such as personal and tax information, is stored at an off-site location.

Phase 5 — Confirm Crisis Management Procedures

- Make sure those involved know what they are supposed to do.
- Train alternates in case back-up help is needed.
- Practice crisis communication with employees and customers.
- Invest in an alternate form of communication in case phones, e-mail or computer networks go down or are inaccessible.

Phase 6 — Coordinate with Others

- Meet with other businesses in your building or industrial complex to discuss BCPs.
- Talk with first responders or emergency personnel and utility providers to ensure they are familiar with your business and facility.
- Have discussions with current suppliers, shippers and others with whom you work.

Phase 7 — Plan Ongoing Testing

- Review the emergency plan at least annually and update as needed.
- Preparedness needs change over time so be sure the plan meets those changing needs.
- Drills should be realistic so that employees can participate as expected in a stressful situation.

Business Continuity Planning Reference Guide

The attached CD contains worksheets, sample plans and other interactive tools to help create a BCP.



Further your knowledge before a disaster occurs.

In addition to training through CNA's School of Risk Control Excellence, the following links are helpful in the creation of BCPs:

- **CNA Risk Control Resources** www.cna.com/riskcontrol
- **CNA "Act Now!"** www.cna.com/actnow
- **Ready.gov** www.ready.gov
- **Centers for Disease Control and Prevention** www.cdc.gov
- **U.S. Environmental Protection Agency** www.epa.gov
- **Federal Emergency Management Agency** www.fema.gov



Photo by: Gawain Charlton-Perrin

To learn more about how CNA Risk Control can work with you to help create or review your Business Continuity Plan, please speak with your local independent agent, call us toll-free at 866-262-0540 or visit the Risk Control page at www.cna.com.



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