



ROMERO
INSURANCE BROKERS

MAJOR PROPERTY LOSS PACK



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YOUR KEY CONTACTS

Your Account Executive:

Name:

Mobile Number:

Email Address:

Your Senior Claims Contact:

Name:

Mobile Number:

Email Address:

Other contacts

Opposite are a handful of our recommended suppliers who can contribute when supporting you through elements of any incident preparation or management:



Sentient

Sentient can support you through the HR, Employment Law and Health & Safety Implications of any incident planning or handling. Sentient are part of the Romero group and you will receive preferential rates as a Romero Client along with the assurance that their service will be delivered in line with our exacting standards.

Fiona McQuillan

03456 446 006 (Available during office hours – 24/7 phone line available for a fee)
| fiona.mcquillan@sentientuk.co.uk

Prohibition PR

The team at Prohibition PR can help you prepare a crisis communications plan, as well as being able to support you through crisis management in the event of an incident. Prohibition PR are a trusted partner of Romero and another independent business, who we have reviewed to ensure their adherence to our client service promise.

Claire Beaumont

Talk to your Account Executive for an introduction or email:
| romero@prohibitionpr.co.uk

We Are Wellbeing

Our trusted partners at We Are Wellbeing, can support you and your team throughout and following a major incident, and can organise services such as employee support, counselling and a range of other measures to help ensure you can offer the support your staff need in the wake of a major incident.

Andy Romero-Birkbeck

0113 322 4079 (Available during office hours)
| andy@wearewellbeing.co.uk

INTRODUCTION

Experiencing a major property incident can throw your business into disarray. These are thankfully rare, however because of their rarity, we're also often not fully sufficiently prepared on the best way to react.

To support you through any critical incidents that could have a significant impact on your business, we have collated a range of information that it's important to have available should the worst happen.

— The Purpose Of A Major Loss Guide

Handling a significant incident is unlikely to be part of your every day business function, meaning you may not have all the information to hand when something does happen. Incidents can raise many questions and problems, and have significant, sometimes catastrophic effects on your business.

We have created this guide to give you immediate access to the core information, contacts and advice you're likely to need when an incident has occurred.

Each situation is unique and will need to be handled as such, but this guide is intended to give you an outline approach of the key 'Dos & Don'ts' to help protect yourself, your staff & your business as well as where possible, safely continuing your operations and maintaining your reputation.

— What We Will Cover

Firstly, we will give you an overview of the actions and plans you should have in place to ensure your readiness for a major loss. This sense-check will give you the peace of mind that you are ready should the worst happen.

We will then guide you through the immediate actions you should take in the wake of an incident. Including who you should contact, what you can do to secure the site of the incident and how you can maintain operations wherever possible.

This handbook will support you from the moment after a major incident, right through to post-incident debriefing and analysis so you have all the information you need to safely handle and assess the impact of what's happened.

IMPORTANT NOTICE:

It's important to remember that this guide should not be treated as a single-source document, and is intended as a guide to support you and does not constitute 'advice'. Romero are always on hand to support you in the midst of a major incident, so remember your first port of call should always be to contact your designated point of contact.



BEFORE THE INCIDENT

PREPARING FOR A MAJOR LOSS

It's important to remember that thorough preparation will help you to minimise the impact should a major loss occur.

When the worst happens and you're thrust into chaos, having a robust plan in place and the important information you need close to hand will be crucial to help you navigate through the incident.

What follows here are some key preparations you should review or put in place to ensure you're as ready as you can be.

Develop A Comprehensive Business Continuity Plan

A Business Continuity Plan (BCP) is your first port of call when an incident occurs. It is a set of procedures, guides and plans to ensure you have a playbook when an incident occurs. It puts the tools you need close to hand so that everyone knows their role & responsibilities in the wake of an incident and how to keep your business operational wherever possible.

A copy of your Business Continuity Plan should always be stored in a cloud location accessible from anywhere, as well as a physical off-site copy stored at the homes of any responsible persons named in the plan.

— Secure Copies of Vital Business Records

In addition to your BCP, it's important to store physical and cloud-based copies of any vital records you might need to secure and rebuild following a major incident. If you do not have copies of these away from your business premises, a major or total loss would result in the eradication of all your records. It's suggested that you keep these off-site alongside a physical copy of your BCP in a secure location.

Documents to include could be:

- Insurance Policies & Related Documentation
- Contracts with support providers (e.g. IT Supplier)
- Key Customer & Supplier Lists
- Financial & payroll records
- Details of all employees and next of kin
- Blueprints, plans & specifications of buildings & property
- Property & inventory records
- Appraisals and photographs of key possessions

Without these, you may have to recreate records for an insurance claim from memory.

— Agree Designated Points of Contact: Your 'Recovery Team'

In the instance of a major loss, a number of important decisions will likely need to be made quickly. This could relate to business continuity, salvage, repairs and people management. By creating a list of key contacts, you will know who has responsibility for what, and avoid the risk of things being missed, or time being wasted by two people undertaking the same task.

Your list of contacts should include representatives for the following business functions:

- Senior Leadership
- IT
- HR
- Finance
- Communications
- Facilities

— Create A Detailed Inventory

This will help when it comes to rebuilding following your major incident. Equipment claims can be complex, so having a detailed plan of the machinery and equipment you hold will be vital in expediting your claims experience.

If you don't have a formal equipment appraisal process, you can manage this inventory in-house, making lists of all equipment alongside photos and videos of the equipment in operation.

The book value of machinery and equipment can be written off capital asset logs, but may still be considered high value if you need to make a claim for them, so having this inventory will ensure you know your true exposure and reinstatement costs. Remember to also ensure you keep a copy of this off-site with your other important documents.

— Prepare & Practice 'Drill' Scenarios

Dependent on your business operations, some incidents are potentially more likely than others. As part of your risk management process, you should have oversight of what significant losses could occur within your business.

To ensure you are best prepared to handle them should they happen, we recommend you visualise what these scenarios could look like, so you have a plan of action in place before they even occur. Whilst it's impossible to predict every loss you could suffer, by preparing for the potentially more common ones or worst case scenarios, you have immediately given yourself a head start.

By practicing and documenting these scenarios and your pre-determined actions, this will give you a framework to refer to when you are experiencing a major incident. If you are unsure on how to start with visualising potential loss scenarios, your Romero team can help support you through this process.

— Internal Communication Planning

Ensure you have a way to communicate with all members of staff quickly and concisely. If an incident should occur out of working hours, you may need to notify staff en-masse that they cannot attend your premises when they're next due to work.

You can do this manually by utilising the contact list in your employee data via telephone call or SMS. However this could be time-consuming if you have more than a few staff. We recommend securing access to an SMS distribution system, allowing you to issue blanket messages to all members of staff instantly, streamlining your communication and reducing the manpower needed to communicate.

NOTE: Think carefully about what is said in any company wide communications to avoid creating panic or putting your organisational reputation at risk.

Summary

These are just a handful of considerations that will help bolster your preparedness should the worst happen. The most important thing to ensure you are as prepared as can be is to design & implement a comprehensive Business Continuity Plan.

Our team have prepared these plans for businesses of all shapes and sizes, so will be able to support you in developing your plan and rolling it out across your business, including training & advice for stakeholders involved in the process. What's more, a detailed BCP could also have a positive effect in reducing your premium at renewal as it demonstrates to insurers that you have reduced the impact of major incidents. Talk to your Account Executive to learn more about how we can help with this.

DURING THE INCIDENT

IMMEDIATE ACTIONS



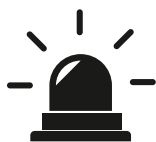
Take control of the situation



Ensure your own safety and that of any others involved on scene



Attend to any injured and ensure first aid is being delivered & /or an ambulance has been called



Ensure other emergency services have been called if necessary (e.g. fire brigade or police) dependent on the nature of the incident



Where practical, make the area safe

In some situations this might need to come first.

This could include:

- Isolating utilities (e.g. electricity, gas or water)
- Turn off equipment where accessible
- Create a safe cordon around the incident area

NOTE: You may need to call in specialists to secure the area – if you do this, where possible and provided it won't increase risk or damage, clear any action with your Romero contact before progressing.



Preserve the scene & any evidence where possible. Take initial photographs and videos documenting what has occurred/is occurring



Make a note of any injured people, their position & any equipment involved



Identify any witnesses, record their details and keep them apart



Take statements separately from any witnesses or individuals involved in the incident as soon as possible to ensure you have an accurate depiction of what occurred



Report the incident to the relevant people & authorities.

This could include:

- Health & Safety Manager/Lead
- Managing Director/Senior Leadership Team



Contact your Romero contact as soon as possible using the details at the start of this document or your insurance documentation.

When you have dealt with the immediate aftermath of the incident, take a moment to step back and centre yourself. It's easy to get caught up in the incident and it's important you're able to remain calm so you can make rational decisions about the next steps of handling this process.

NOTE: If your incident has resulted in the serious injury or death of an employee, refer to our Major Loss Pack dedicated to these incidents available from your Account Executive.

— Other Considerations

Depending on the nature of the incident, there may be steps you can take to help secure your premises and prevent any further loss. Things to consider include:

Protecting Property From Further Damage:

You & your team must take immediate measures to minimise further damage. If necessary, call in professional suppliers with expertise in affected areas. When possible, review any action to be taken with your Romero contact before proceeding. However this will not always be possible, so a general rule of thumb is if in doubt, act as you would if you had no insurance and were minimising your exposure.

Restore Fire Protection:

In incidents that aren't total losses and where it's feasible, restore any fire protection and suppressions systems & equipment. Property is particularly vulnerable to loss when adequate fire protection is not in place, and the risk of fire is likely to increase in the wake of an incident.

Salvage Any Recoverable Equipment:

As soon as the area has been made safe, begin to salvage whatever equipment you can:

- Separate undamaged and damaged equipment, record the status of anything salvaged and keep anything that can be saved to one side.
- Clean, dry and protect any equipment and machinery to be retained to keep them in operable condition for when you reinstate operations.
- Do not dispose of any equipment or materials until advised you can do so by our team. Our team alongside your insurer will organise the control of damaged or unrecoverable goods and will process any required salvage operations.
- Make safe or package any undamaged, finished products that can be used.

NOTE: If the incident will be under investigation by the police, the HSE or any other organisation, ensure you obtain clearance from the investigating body before moving equipment so as not to disturb potential evidence.

Track Any Costs Incurred:

If you need to authorise any outlay throughout the process that does not go through Romero or your insurer, make a record of anything you spend. This will not only include you, but any members of your organisation involved in the recovery process in the immediate aftermath and beyond. Everyone should track any costs, however large or small they incur associated with the incident, as this will form a part of your claims submission.

Where possible, set up a system (e.g. purchase order numbers, work orders, job numbers) that will clearly define any costs associated with the incident.

When recording these costs, include a description of why these costs were incurred and what work was undertaken.

Undertake Temporary Repairs:

Act as a "reasonable person" in the eyes of an insurer, and undertake any temporary repairs that will help to protect or preserve your property. Ensure any actions you take are justifiable and make a note of the rationale for carrying these out to share with the loss adjuster. It is likely that your insurer will assess any action you've taken, so it's important to have detailed records and report what you have done as soon as possible as part of the claim process.

Communicate to your Clients & Suppliers:

If your premises is likely to be affected for a period that may have knock-on effects to clients and suppliers, it's important that you notify them how the situation will impact them. For example, you may need to inform clients of delays in you being able to deliver your products/services, and you may need to put a hold on deliveries from suppliers.

You should prepare a telephone script for both clients and suppliers, and appoint a team with a confident telephone manner to systematically work through your client and supplier list giving them any information that might affect them directly. It's important that throughout this process you provide reassurance that whilst there may be disruption, you have the situation under control and that normal operations will be resumed as soon as possible.

We have included a telephone script template in the useful documents section of this guide to help you prepare this messaging.

REGULATORY DOS & DON'TS

Below is an overview of things you should and shouldn't do in the wake of an incident. Some of these may be similar to the immediate actions referenced above, however these pieces of advice related to how regulators may view the incident. This is to ensure we can minimise the risk of regulatory or legal action against your business.

— DOs

DO notify Romero following an incident and before any external investigation takes place. We will report the matter to your insurers and, where appropriate, have solicitors appointed to represent your business and any individuals that require their own representation.

This will ensure that we can begin investigations and guide the business through the process at the outset, even if no formal regulatory investigation is ever commenced.

DO be polite and cooperative when liaising with the Police or Regulator. A good working relationship will make the investigatory process more bearable and may allow the exercise of some discretion in favour of the business.

DO have a senior individual as the main point of contact with the Police or Regulator. This will show that the business is taking the incident seriously. Further, it is important that the main point of contact is sufficiently knowledgeable about the workings of the business.

DO ensure that a thorough accident investigation is carried out. Taking detailed statements at an early stage, ideally on the day of the incident, is key. Failure to do so may result in later accounts becoming muddled and frustrate the whole investigatory process.

DO consider where there might be gaps in evidence, e.g., where staff have left the business. Consider what action can be taken to mitigate or remedy this. It might be possible to contact and discuss with former staff if they left on good terms.

DO include the words 'Legally Privileged and Confidential' in the subject of any internal e-mail or solicitor correspondence discussing the incident. Failure to do so may result in said e-mails being disclosable to the Police or Regulator in the event of a formal investigation.

DO ensure that thorough risk assessments of all business operations are carried out pre-incident. This can assist in identifying any regulatory risks and assist in taking action to mitigate.

DO consider whether an incident should be RIDDOR reported. Staff should be trained on the importance of reporting incidents. An individual does not need to suffer an injury for an incident to require RIDDOR reporting.

If a failure to report is found during a Police or Regulatory investigation, this might be taken as indicative of wider organisational failures and potentially criminal conduct. It is also an offence in itself to fail to complete a RIDDOR report. Seek professional advice if you are not sure whether to RIDDOR report an incident. Visit the HSE website or talk to your Account Executive to see what incidents you are legally bound to report.

— DON'Ts

DON'T attend a meeting or interview with the Police or Regulator without seeking legal advice. Whilst solicitors do not need to be present at every meeting or interview, they can assist in preparation, refreshing the memory of the interviewee, and advise on dealing with difficult questions. Solicitors can also negotiate the scope and terms of any interview in advance.

DON'T respond to a media enquiry without seeking legal advice. Again, early involvement of solicitors will ensure that responses are appropriately worded to avoid damaging publicity, and the brand of the business is protected.

DON'T make changes to risk assessments, policies and/or procedures without seeking legal advice. Whilst risk assessment and policies must of course be reviewed and, if necessary, amended following an incident, the timeliness of any change is important. Solicitors can also ensure that any changes are suitable and account for wider business concerns.

DON'T make any statement, whether verbal or in writing, that could be construed as an admission. Any admissions made, including at an early stage such as an initial meeting, may ultimately be legally binding in the event of a formal investigation or prosecution. Again, early involvement of solicitors is key and can ensure that appropriately necessary concessions are made where necessary, and avoided where not.

If you require urgent advice on any of the above, please contact your claims handler or Account Executive at Romero.

PUBLIC RELATIONS (PR) CRISIS MANAGEMENT

If the worst does happen, it's important to consider your organisations reputation, how you can protect it, and communicate effectively with external third parties so as not to increase your exposure.

A poorly worded response or off the cuff remark can quickly gain traction and be misconstrued in the public eye through traditional and digital media, regardless of whether your organisation is a 'household name' or not.

Having a plan in place, and an understanding of how to deal with a crisis should it occur is key to maintaining and protecting your reputation, and minimising the impact of a negative event.

— What is PR Crisis Management

During a crisis, it is the main goal of a PR department or representative to keep relevant stakeholders informed about the current situation, potential risks and planned actions.

In an ideal world, your crisis management plan will contain a template for the first type of message that will be distributed should the worst have happened.

The core message should demonstrate that whilst an incident has occurred, your organisation can be trusted to handle it safely and effectively. It's also important that any messages distributed do not admit guilt or cast any doubt. This would leave room for speculation and commentators could very well put words in your mouth.

This early messaging is key to maintaining your reputation, as often in crises, the public reaction can have a more detrimental impact on your business than the incident itself.

Most importantly:

DON'T OVERREACT. DON'T IGNORE. DON'T ADMIT.

Nominate a single representative who can be your designated media & public relations contact, and ensure that this is someone with a cool head who can stay calm in a crisis.

Where possible and necessary due to significant press interest, we recommend organising press briefings to answer all enquiries in one go rather than answering questions piece-meal.

— What are the key steps in the immediate aftermath of a crisis?

1 Gather Information: Get a grip on exactly what has happened. Where possible, reduce hearsay and see for yourself what incident has occurred. Where this isn't possible, speak to a person who is on the ground at the scene of the incident and who can be trusted to relay information clearly, in detail and without exaggeration.

2 Analyse & Understand: Use this information to form a picture of what impact this crisis can have. It's important to consider all potential effects including the impact on:

- a. Is the incident ongoing or over – do you need to take any action to mitigate any further damage or is the immediate risk to life and/or property over.
- b. Physical & Emotional safety of any staff involved in or who are witness to the incident.
- c. Operational impact on your business activity.
- d. Reputational impact when your customer base or the public learn of the incident.

3 Distribute a blanket message to your staff instructing them to not make any public comment on the incident. Advise your team that in the event of them being approached by the media, they should politely explain that only a limited

number of senior personnel are authorised to deal with the media and they should refer any questions they have to them. This will form part of your media handling policy. If you do not have this in place, you can find a template here in the appendices of this document.

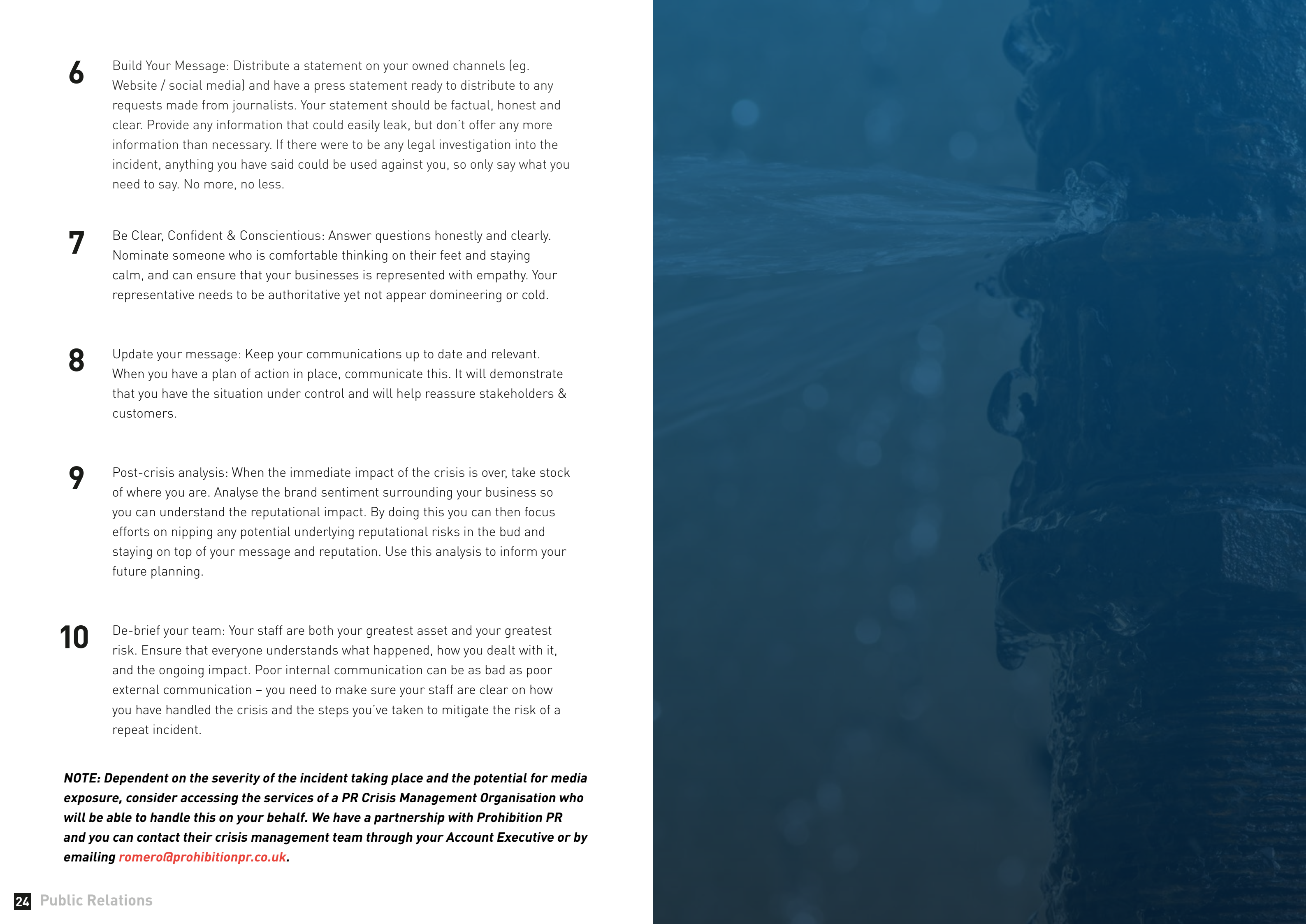
4 Gather your Business Continuity Team: Ensure all stakeholders in sustaining the business can communicate easily with one another, whether this be in-person or through remaining connected via video calls.

If you do not have a dedicated business continuity team, it would be sensible to gather senior representatives / department heads from key disciplines including the ones listed below. All of this will help to ensure you understand what has happened and can communicate your message clearly, quickly and accurately.

- a. Facilities: they're most likely to understand the physical impact of what has occurred and it's knock on effects
- b. HR: they will have the ability to understand the impact on your workforce and communicate with them as well as having access to employee & next of kin details
- c. IT: they will be able to ensure communication lines remain open and that you have the resources needed to plan next steps.
- d. Marketing/Comms/PR: they will have the expertise to deal with any questions from the public or media via traditional or digital channels and will be instrumental in your PR response to ensure you can control the narrative and minimise damage.
- e. Senior Decision Makers (such as MD/CEO): to ensure that quick, decisive decisions can be made without having to be run through lengthy chains of command.

5 React Swiftly: When you and your team have understood and analysed the impact of the incident, prepare a response immediately. The sooner you address the issue, the more chance you'll have of controlling the narrative. Without this, stories could get out of control & the reputational impact could be catastrophic.

Don't bury your head in the sand and go silent – this will only make speculation worse!

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- 6 Build Your Message: Distribute a statement on your owned channels (eg. Website / social media) and have a press statement ready to distribute to any requests made from journalists. Your statement should be factual, honest and clear. Provide any information that could easily leak, but don't offer any more information than necessary. If there were to be any legal investigation into the incident, anything you have said could be used against you, so only say what you need to say. No more, no less.
 - 7 Be Clear, Confident & Conscientious: Answer questions honestly and clearly. Nominate someone who is comfortable thinking on their feet and staying calm, and can ensure that your businesses is represented with empathy. Your representative needs to be authoritative yet not appear domineering or cold.
 - 8 Update your message: Keep your communications up to date and relevant. When you have a plan of action in place, communicate this. It will demonstrate that you have the situation under control and will help reassure stakeholders & customers.
 - 9 Post-crisis analysis: When the immediate impact of the crisis is over, take stock of where you are. Analyse the brand sentiment surrounding your business so you can understand the reputational impact. By doing this you can then focus efforts on nipping any potential underlying reputational risks in the bud and staying on top of your message and reputation. Use this analysis to inform your future planning.
 - 10 De-brief your team: Your staff are both your greatest asset and your greatest risk. Ensure that everyone understands what happened, how you dealt with it, and the ongoing impact. Poor internal communication can be as bad as poor external communication – you need to make sure your staff are clear on how you have handled the crisis and the steps you've taken to mitigate the risk of a repeat incident.

NOTE: Dependent on the severity of the incident taking place and the potential for media exposure, consider accessing the services of a PR Crisis Management Organisation who will be able to handle this on your behalf. We have a partnership with Prohibition PR and you can contact their crisis management team through your Account Executive or by emailing romero@prohibitionpr.co.uk.

— **The Incident is under control: Now what?**

Take a step back when the dust has settled on what has happened, and make a plan on what your next steps should be.

Not every negative comment is a potential crisis, but if a narrative is gaining traction around the incident through mainstream, business or digital media, it's time to act.

A triage technique could help you assess the seriousness of the potential PR risk. This will help you understand what resources you need to allocate when resolving the issue, ensuring a proportionate response.

We'd suggest a three-tiered approach with designated resources assigned to each level:

CATEGORY C

Scenario:

This is a situation that doesn't require any direct external action from your business.

This could be one of your competitors facing a crisis, something impacting the industry in which you work, or another external factor that has an overarching, but not direct impact on your business.

Action:

In this situation, you or your team should monitor the activity. Whilst a CatC incident may not directly impact your business yet, situations can change quickly, so being aware of the implications in advance will help you.

Monitoring social media and online traffic will be significant here, as if your company is unwittingly dragged into the narrative, a CatC incident could rapidly need upgrading.

CATEGORY B

Scenario:

CatB situations are ones that could have a direct impact on your business and cause material damage to your operations or your reputation amongst your customer base. This could be a supplier who has been involved in an incident, where you are not directly responsible, but by working with them you could receive a negative impact by association.

Action:

You don't need to put a full crisis plan into place, but you should monitor the situation closely, and prepare statements related to the incident. Demonstrate clearly but without judgement how any incident is not the responsibility of your organisation and that you are monitoring and supporting any stakeholders, customers or employees who are affected by the incident.

CATEGORY A

Scenario:

This is a situation where you must react quickly and decisively. In this instance, you would put your full crisis plan into action to ensure you are well equipped to deal with whatever might come your way.

These scenarios could be anything that could seriously damage your reputation and have an impact on your operations, such as catastrophic fire or floods.

Action:

Put your full PR Crisis Management Plan into effect. Depending on the severity of the incident and your confidence in handling the plan, you may want to source the services of a PR Crisis Management specialist. If the incident has attracted significant press attention, this can be a good way to manage the message and minimise the impact leaving you free to focus on dealing with the incident.

MANAGING YOUR STAFF

Your first responsibility in the wake of a serious incident should be the safety of your staff. If the loss occurs whilst your premises are occupied and your premises require evacuation, the first person to discover the incident should sound the fire alarm for all staff to follow established evacuation procedures.

This procedure should include a review of all staff members to ensure you have an accurate headcount and are aware of any missing persons or injuries that have occurred during the incident or evacuation.

Dependent on the situation, no member of staff should return to the site of an incident to look for missing persons themselves. This should be left to the emergency services and no one should re-enter the property until instructed to do so by your fire marshal or the emergency services.

— Next Steps During Working Hours

Once your premises are safely evacuated, you then need to take action with regard to communicating to and redistributing your staff.

If it is not possible to return to the premises within a brief time period (for example 30 – 60 minutes), the Recovery Team should either instruct staff to return to the designated assembly point at a time later in the day when the premises will be usable, or instruct staff to return home and await further instructions. Where staff have been forced to leave possessions within the premises, it would be sensible to help assist staff with travel where possible.

Before staff leave your premises, ensure they are reminded of your media handling policy so you can retain control of the communications surrounding the incident.

— Next Steps Out of Hours

If an alarm is raised out of hours, following your notification of the incident, the Recovery Team should attend the premises if safe to do so to coordinate the incident management.

If your premises is not likely to be usable by the time your staff are due to arrive for work, you should distribute a message to all affected staff informing them to stay at home due to an incident and await further instructions.

It's important at this point to reassure them that the situation is under control and to remind them of your media handling policy to avoid speculation and confusion.

— Staff Handling After the Incident - Temporary Premises Closure

Assuming your premises are rendered unusable or inaccessible for a temporary period (for example, one week), then the best course of action is to work around the problem. Where possible, re-deploy your staff to work from home or from alternative premises if available whilst you reinstate the affected location. If they cannot work from home or from an alternative premises, instruct them to stay at home and await further instruction on returning to the premises.

When the premises is safe and functional again, you can instruct your staff to return to the workplace, ensuring that any adaptations made in the reinstatement process are clearly communicated to all members of staff. If you have made any changes to procedures, evacuation routes or anything else that might affect the day to day operations of the premises, it's important that every staff member on site is aware of these changes before returning to work.

— Staff Handling After the Incident - Significant Disruption

In the instance that your premises will be unusable for an extended period, your next course of action will need to be planned in depth dependent on your business operations. If you do not have an existing contingency plan in place as part of your Business Continuity Plan, talk to your Romero contact who can help you navigate the next steps alongside our Risk Management and Health & Safety specialists.

Other Considerations

It's important to remember that significant disruption can have serious effects on the mental and emotional health of your staff. The nature of many incidents can be distressing, so it's important you monitor the wellbeing of your staff.

In instances where staff need support, you may need to signpost them to wellbeing or counselling services to support them through a challenging period.

It's particularly important that you monitor the wellbeing of staff if they are working from home or at home for a period following the incident.

We'd recommend assigning managers the task of checking in periodically through phone calls with team members at home to ensure they aren't suffering any ill effects from the incident.

Our partners at Sentient and We Are Wellbeing can support you in delivering wellbeing support.

MAJOR LOSS TIMELINE: CASE STUDY EXAMPLE

What to Expect

An event that gives rise to a major property loss can be one of the most stressful occurrences to befall a business and its staff. However, the below information is intended to provide a general framework for understanding how these claims may progress and to provide an illustration to clients of the various permutations and complexities involved in the progress of a single case.

As a general comment, it should be stated that all major loss property claims are different, and each one will have its own unique points of focus. However the below represents a generic summation of some of the more likely developments following a large incident.

The day of the incident – Case Example: Fire

Major losses can come in a variety of guises, but one of the most significant and distressing incidents to deal with is a fire claim. Almost in an instant, everything will change: the operations of the business, plans for the day, the day after, the following month, the next year. All this will also take place while a client is completely powerless, as the fire may well continue to burn for some time, and even after all visible flames are put out the fire service may well not sign the site back over to the owner/operator for some time.

That's the bad news. The good news is that, if you have a Business Continuity Plan (BCP) in place, you can lean on this in order to take stressful decision-making and planning out of your immediate field of concern, as your BCP will have considered all the relevant actions and processes required at a time when you had the luxury of thinking coolly and clearly about all the eventualities that would need to be addressed in an emergency. The powerlessness that many people feel in the face of a catastrophic event can be mitigated by steadily following the BCP, in order, all the time understanding that you have suffered a major event and therefore should not be expected to 'fix' everything in the first 24 hours.

DO

- Report the claim. Aside from starting the process of claiming as soon as possible, we will be able to provide you with help, guidance and answer any immediate questions that you may have regarding the incident.
- Follow your BCP. Understand that it was produced at a time without the stresses of a major incident so should be followed as closely as possible. It is understandable that a business owner will be inclined, in the heat of the moment, to deviate from this plan – however the reason for producing the plan in the first place was to ensure that all the necessary thinking had been done pre-incident. Stick to the script.
- Obtain contact information for the fire service and any attending investigators.
- Introduce a specific code within accounts for any expenditure relating to the incident. This will enable all relevant costs to be filtered when necessary for presentation as part of a claim.
- Work with relevant authorities to ensure the building/site is safe for staff and the public.

DON'T

- Panic. This is obviously easier said than done, but the business has insurance and we are well-schooled in dealing with large and complex losses. This is the beginning of a process, and we will support you every step of the way as that process begins to unfold.
- Make rash decisions. Follow the BCP. Deal with one thing at a time.
- Accept assistance from any previously unknown third parties, for example loss assessors, without first discussing with Romero.

The days after the incident

- Appointment of a loss adjuster. This loss adjuster. Instructed by the insurer, will want to attend the premises, meet with relevant people and collect information that will enable him to report back to the insurers. We will also attend any meeting/site visit, and it is likely that a forensic investigator will be present as well. On occasion other specialists will attend on the instruction of the loss adjuster, such as a surveyor or even an accountant for the purposes of beginning consideration of the Business Interruption claim.

- This period can often feel like 'limbo' for a client, as all the negative effects of the incident have occurred but the insurance policy has yet to confirm cover (also known as 'accepting policy liability'). However the adjuster visit is the first step to getting to an acceptance of policy liability and once their report is in and the forensic enquiries completed we would be pressing the insurers for a swift confirmation that the policy will respond to the claim.

Most of the time this is a formality, although it should be noted that on occasion further investigations are required. As such it is very difficult to give accurate timescales for this 'acceptance of policy liability' and all consideration will depend on the complexity of the specific case.

- In this period a client will want to take action quickly, although obviously there will not as yet be an insurer fund available that can be drawn down on. As such, the general advice in this period is that a client should act as a 'prudent self-insured' – ie. act 'as if' no insurance existed. Proceeding in this way will generally mean that a business is taking decisions which are reasonable, cost-effective and designed to ensure the mitigation of losses as much as possible. Obviously any costs that are incurred by a client in this short period will fall for consideration once policy liability is accepted by insurers.

- It is also in this period that a business will have to consider whether they can continue to operate, and if so, what expenditure/arrangements need to be made in order to facilitate the same. If a business premises is completely destroyed, it may be that an alternative location can be found to continue operations, although this may also require additional expenditure on machinery/plant, office furniture, computers etc.

Generally the Business Interruption element of a claim will consider relevant costs incurred in attempting to continue the business as long as they are 'reasonable'. In real terms this simply means that the outlay spent in keeping the business going is less than the losses that would be experienced with no business operation at all – put simply, the established 'rule of thumb' is therefore that a business can 'spend 99p to save £1'.

This may not be a consideration for certain businesses where alternative premises or specialist machinery are not available, but it can be a key part of a claim and worthy of assessment by a business that has suffered a catastrophic event.

POLICY LIABILITY ACCEPTED

Once policy liability is accepted, the claim can move to a stage where concrete action is able to be taken via the insurer's funding of the same. This period will generally proceed over a number of months, if not years, depending on the complexity of the required reinstatement work. However, the main things we would be likely to see are:

- Interim payment(s) 'on account'. Obviously a business's turnover is almost immediately affected by a major loss, so we would seek where appropriate an 'unallocated' payment from the insurers at an early stage that can be used to meet any continuing outgoings or to cover losses already incurred by the client in respect of expenditure used to keep their business running.
- Demolition and debris removal. This would apply in cases wherein the damage was so severe that a total or partial demolition of the property was required. These costs would come along with considerations of site security during the course of the assessment of the claim and the reinstatement of the building.
- Surveyors/contractors/architects etc. Obviously once a site is cleared, either fully or in part, the claim would move to considerations of reinstatement of the property. This would generally involve the engagement of building specialists to produce a 'scope of work', which could be as comprehensive as the plans for a whole new building or limited to the detailed design for the restoration of a damaged area. This scope would then be costed, most likely via a tender process, and the contract awarded.
- Business Interruption. Whilst some provisional consideration will be given to Business Interruption losses almost as soon as policy liability is accepted, the claim will be reviewed in much more detail during the reinstatement process. The assessment of this type of loss will generally involve the provision of historic accounting documents and other supporting evidence in order to try and produce as accurate a figure as possible for the claim. It should also be noted that the Business Interruption claim may not cease with the reopening of the business, as turnover may still be reduced as operations get back to 'full speed'. Consequently this area of the policy will often provide financial support through an appropriate period post-reopening, or will consider certain additional expenditures, such as advertising, discounts and promotions, that may help the business rebound within a shorter timeframe.

AFTER THE INCIDENT

OPERATIONAL CONTINUITY

Keeping your business functional in the wake of an incident will be essential. Whether or not you have chosen to take out Business Interruption Insurance, maintaining operations will undoubtedly be front of mind.

Dependent on your operations, review whether it is feasible to set up temporary facilities in your location or at an alternative site whilst you reinstate your premises. If you operate from multiple sites you may be able to redistribute staff and operations, or you could look to hire temporary space.

If your operations include manufacturing, you may be able to extend production by changing operating hours to extend hours of operation through adding shifts or adding another production line either at an unaffected part of your premises or elsewhere.

Alternatively, you could maintain sales out of any undamaged inventory until you're able to reinstate your production line(s).

If you are covered by a business interruption policy, it will likely require that you make use of your undamaged inventory to reduce loss of sales, but you will likely be covered for the costs of replacing this inventory when you are back in operation.

If it is not possible for all staff to resume work, then you may need to consider lay-off without pay for some or all staff. You will need to have the contractual right to 'lay-off without pay' in circumstances where you do not have sufficient work for the employee. Our partners at Sentient can support you in developing or implementing this provision.

It's important that throughout the process of ensuring operational continuity, you make a record of any expenses such as labour, shipping costs and rental of space or equipment to form part of your claim. Wherever possible, try to obtain prior approval from your Romero contact prior to committing to any outlay, and always keep them updated of everything you have undertaken.

Business Continuity

Our team are experienced in developing and implementing business continuity plans for organisations in all sectors. So whether you want to get ahead of an incident and prepare your plan in advance, or you need support in what to do following an incident, talk to your Romero contact who can help you maintain operations as far as possible.

INCIDENT INVESTIGATION & CLAIM PREPARATION

The below overview is an insight into some considerations following the impact of a major incident, but rest assured, throughout the claims process the Romero claims team will be by your side walking you through every step of the process and dealing with the insurers on your behalf to minimise the stress for you and obtain the best results.

It's useful to understand the detail of what has taken place, so you're fully aware of the impact and the next steps in assessing how the incident occurred, how to reinstate your operations and how to prevent a repeat incident.

It's also essential to undertake an investigation to demonstrate to any regulators (including the HSE) that you have taken the incident seriously and will put measures in place to prevent a recurrence.

If the incident has any potential, however slight, to be construed as being the result of poor management, it's important to understand your exposure at the earliest possible stage, so you're able to successfully mount a defence and protect your business.

Visit the site of the incident to make notes and gather general insight into what happened to help you understand the loss. We'd recommend you have photographs and videos taken so you have a detailed record when you come to prepare your claims submissions with us.

From the start of the process, we will review the unique situation you have experienced and recommend the best course of action with regard to investigation based on what you need to ensure you're not working through these challenges alone.

In the instance you need to appoint a dedicated accident investigator, our partners at Sentient have in-house Health & Safety consultants who can act on your behalf to undertake a comprehensive investigation. This can be particularly useful to have your own understanding of the event should you need to present a defence to the HSE.

— Communicating Effectively

Ensuring you have quick and frequent communications with everyone involved is essential in understanding what happened and how to learn from the incident. Establish a clear line of communication between the affected premises and your main office (if different) to ensure that everyone knows what decisions should be taken at what level.

It's also important to select one individual to oversee and lead the entire investigation and claims process. This is more efficient than multiple teams all looking after their own element, and gives a responsible figure oversight of everything involved in the process.

This person should then also have a direct line to our claims team and loss-adjusters, working closely alongside us so we're able to secure the best possible outcome following the incident.

In addition, if you have multiple sites of operation, it's important to communicate any investigation findings to management at all sites to ensure that they are not at risk of the incident which has already occurred elsewhere.



— Employee Wellbeing Monitoring

As referenced earlier in this document, a serious incident can have a major impact on the wellbeing of your staff. It's also easy to get caught up in the difficulties of resolving a major loss and forgetting how seriously it might affect your employees.

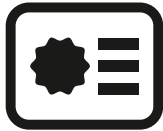
A major incident is likely to create a lot of uncertainty or potential isolation. Staff sent home from work may be cut off from colleagues and the social contact work can bring. Confusion and uncertainty about their jobs may occur, and if an employee is witness to a serious or catastrophic event this could have long-standing effects on them.

It's important that you follow what we've termed our 'Employee REST' procedure following an incident so you're able to support your team and monitor their progress as you return to normal. This process includes:



Reassure

Show your employees that you have the situation under control and a plan is in place to rectify it. Communicate what has happened to them, and put their mind at ease that they aren't at personal risk either physically, financially or emotionally.



Educate

Give your team access to all the information they need to take the appropriate next steps in your continuity planning. Whether that be clear instructions on how to work from an alternate location, or when they'll next be able to return to site, this clear communication will help them plan accordingly.



Signpost

Demonstrate to your team that you have secured support for them should they need it. Through our partners at We Are Wellbeing we can offer counselling and a range of other mental health support that can help employees navigate the situation and their emotional state following an incident.



Track

Don't simply provide information and leave your employees to it. Appoint Wellbeing Champions, or take on the role yourself, to check in on your team members and assess how they're managing at intervals following an event. This is important to continue even after operations have returned to normal as the effects of the incident could be long-standing.

If you need advice and guidance on finding the right support for your team dependent on your unique circumstances, use the contact details for We Are Wellbeing who can devise a package of support for you at a preferential rate.

They are also able to help you put in place permanent solutions to ensure that your employees are supported at all times.

CONCLUSION

— **Conclusion**

Thank you for taking the time to read this guide. We hope you have found the guidance and advice contained within useful.

As always, your Romero client team are on hand for any advice you might need. Whether this be following a major incident, or in your incident planning stages.

Please don't hesitate to get in touch with your designated point of contact for anything you might need or to access guidance and support through any challenges you might be facing.

It's our commitment to offer you exceptional service, so if you feel like we can supplement this guide in any way to make it more useful for you, please just let us know.

USEFUL DOCUMENTS

As appendices to this document, there are a selection of useful documents and templates that you may find useful as reference points when responding to an incident.

- Template Telephone Script for Client Notifications
- Media Handling Policy
- Witness Statement Template
- Inventory Record Template
- Action Log Template
- Expenses Log Template
- Supplier List Template
- Risk Assessment & Impact Analysis Template

To access these supporting materials, visit romeroinsurance.co.uk/documents/majorlossdocs.zip



NOTES

There are a number of note pages here that you can use to record any key contacts or other details you might want to keep close to hand in the event of an incident.



If you need any support regarding an incident you have experienced, please don't hesitate to get in touch with your designated contacts at the start of this document.

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