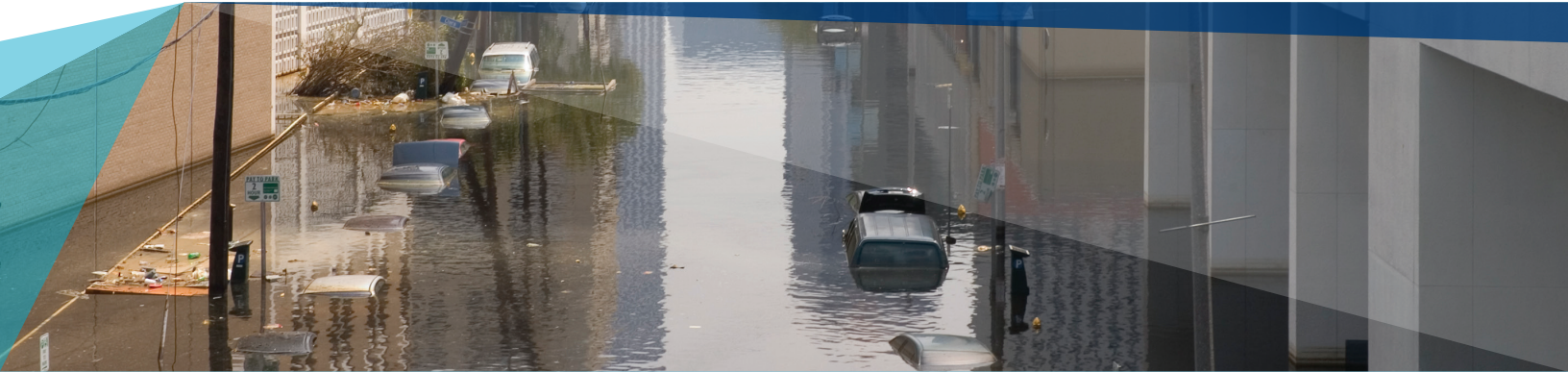


PREPARATION AND PLANNING FOR FLOODS



According to data from the United Nations Office for Disaster Risk Reduction, the deaths from Asian flood events continues to decline but economic losses remain a significant cause of concern. In 2012, floods were the most frequent disaster in Asia (44%) and still had the highest human and economic impact. Floods accounted for 54% of the death toll, 78% of people affected and 56% of all economic damage in the region.

One out of every four businesses that close their doors during a disaster — such as a flood — never reopen them, according to Federal Emergency Management Agency (FEMA), a government agency in the United States (US). Even if the damage is not severe, loss of or damage to product inventory, raw materials, and/or essential records and files or power outages may delay the return to normal operations. It is essential that all businesses, when situated in a flood-prone area, prepare for and protect themselves against the risk of floods.

The following guidelines are intended to help businesses before, during, and after a flood.

BEFORE A FLOOD

- Assess and understand the level of flood exposure at your facility.
- Locate and monitor a reliable weather forecasting authority (radio/website).
- Identify assets, valuables, process equipment, and critical control equipment and devices that are within the projected inundation zone or area.
- To the extent possible, relocate all such assets to higher elevations – permanently.
- Preplanned and tested procedures should be developed for the temporary relocation of all assets and equipment that cannot be permanently relocated.

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- Where necessary, procedures should be developed for the orderly and safe shut down of process equipment exposed to flood.
- A fully developed Flood Emergency Response Plan (FERP) should be maintained and tested regularly.
- Flood mitigation equipment and inventories should be checked on a routine basis.
- Fuel supplies for emergency pumps and generators should be maintained full.

ONCE A FLOOD WARNING HAS BEEN ISSUED

- Activate the FERP and establish Incident Command.
- Monitor the local weather authority.
- Relocate all movable assets to higher elevations.
- Commence with the orderly shut down of processes, as necessary.
- Monitor evacuation routes and release all but essential personnel.
- Communicate facility status to corporate or as specified and required in the FERP.

AFTER FLOOD LEVELS HAVE PEAKED AND ARE RECEDING

- If total evacuation has been ordered by civil authorities, do not reenter the facility until allowed to do so.
- Avoid walking or driving through flood waters.
- Survey the facility for hazardous conditions such as downed power lines, sewer back-ups, live electricals, and structural damage.
- Confirm that the public water supply is safe.
- Activate recovery and business continuity plans.
- Commence clean up and restoration of operations.

The information contained in this publication provides only a general overview of subjects covered, is not intended to be taken as advice regarding any individual situation, and should not be relied upon as such. Insureds should consult their insurance, legal and other advisors regarding specific coverage issues. All insurance coverage is subject to the terms, conditions, and exclusions of the applicable individual policies. Marsh cannot provide any assurance that insurance can be obtained for any particular client or for any particular risk.

To learn more about how MRC's Property Risk Consulting Practice and business resiliency experts can help you prepare for and recover from a flood, please speak with your local Marsh representative or contact us directly:

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