

# CLIENT ALERT

## INSURANCE AND RISK ADVICE FOR BUSINESSES AFFECTED BY TROPICAL CYCLONE COOK

TROPICAL CYCLONE COOK IS EXPECTED TO MAKE LANDFALL AT APPROXIMATELY 6PM THIS EVENING. WINDS EXCEEDING 165KPH, TOWERING WAVES AND DOWNPOURS OF UP TO 50MM AN HOUR ARE EXPECTED.

The storm is expected to be centred near Christchurch tomorrow morning. Downpours may be intense in South Canterbury and coastal Otago for a time tomorrow with concern of flooding.

It will be some time before the ultimate cost of the damage caused by Cyclone Cook will be known.

As conditions improve business owners and their employees should follow guidance provided by the appropriate authorities before accessing premises.

Heed warnings and make sure loose items such as outdoor furniture is secured, enough food and water is available and torches and batteries available.

### USEFUL CONTACTS

In the event of damage due to Cyclone Cook, please act as a prudent uninsured, however in emergencies contact emergency services. You may also contact the following loss adjusting companies who may provide assistance or advice:

#### **Crawford & Company**

Claims@crawford.co.nz or  
new.zealand@crawford.co.nz  
0800 665 656

#### **Cunningham Lindsey**

0800 800 270 (after hours call service will be operating)  
[www.cunninghamlindsey.com/global/locations/new-zealand/](http://www.cunninghamlindsey.com/global/locations/new-zealand/)

#### **Godfreys**

0800 567 723 (24/7)  
info@godfrey.co.nz

### PREPARING FOR A CLAIM

While many affected businesses will be focused on immediate clean-up and recovery issues, as an initial response to insurance needs, businesses should consider making preparations for a claim that properly quantifies the extent of loss and damage under their property and business interruption policies.

As large areas of New Zealand is expected to be affected, businesses should also be prepared for flow on effects from the damage, particularly supply chain disruptions, which could affect or delay the return to normal business operating conditions.

The following preliminary actions should be considered before and during the notification of claims.

Take photographic or video evidence to depict:

- An item's existence.
- An item's condition.

Quarantine the following pre-loss information:

- Maintenance records for real and personal property.
- Fixed assets lists.
- All budgets/forecasts.
- All historical sales data.
- Meeting notes/minutes dealing with plans for business, including capital improvements.

Where possible, ensure that all computer files are backed up and copies removed to a separate site:

- Capture costs.
- Maintain a separate voucher package for each claim disbursement.

Create a separate general ledger account or subaccounts for:

- Permanent repair/replacement costs for each damaged building affected by the loss event and track loss-related disbursements by building.
- Temporary costs on same basis as above.
- Costs to mitigate sales loss or impact of damage

*If in any doubt, record it so that it can be reviewed at a later date.*

For all in-house labour, note:

- Movement details.
- Additional labour hours, by employee and by building location (if this can be allocated).
- Maintain employee time cards indicating straight time and overtime.
- Employees should be instructed to file separate expense reports for all costs incurred relating to the loss event.

## BUSINESS CONTINUITY CONSIDERATIONS

As the full impact of the cyclone is assessed, many businesses are considering diverting or shutting down operations in order to protect their staff, assets and revenue streams. In preparation against flooding, businesses should:

- Actively monitor and follow the advice provided by emergency services in a timely manner.
- Locate their business continuity plan if it exists and conduct a very quick review.
- Ensure arrangements are in place to contact staff, suppliers and customers, including ready access to telephone, email and home address details.
- Secure critical records and files including accounts, customer lists, inventories, insurance details etc.
- Activate plans to isolate or protect assets and equipment to minimise damage or loss.

- Secure property and assets to prevent potential theft and looting.
- Determine and advise critical suppliers and customers of likely outage, impacts and alternative servicing arrangements.
- Test arrangements to divert telephony and other critical services.
- Be timely in their decision making and be prepared to be out of their premises for multiple days.

## CLEANING UP

Before taking any steps to re-enter premises business owners should seek the advice of the emergency services and building authorities.

Where damage is identified or exists then an appropriately qualified and competent person should ensure that a risk assessment is undertaken and appropriate controls put in place, prior to entering the area.

It is important to check the premises prior to any clean-up commencing and then regularly during the clean-up for animals and insects that may have sought refuge in unusual places, especially spiders and snakes.

## NEXT STEPS & CONTACT INFORMATION

Insurance coverage will depend on a number of factors, including the terms of your policy. If you have insurance questions or wish to notify a potential claim please contact your Client Executive by phone or email.

Alternatively, you can contact our Claims Practice on **0800 887 123** or email **[claims.marshnz@marsh.com](mailto:claims.marshnz@marsh.com)**

Or contact our reception on **0800 627 744**.