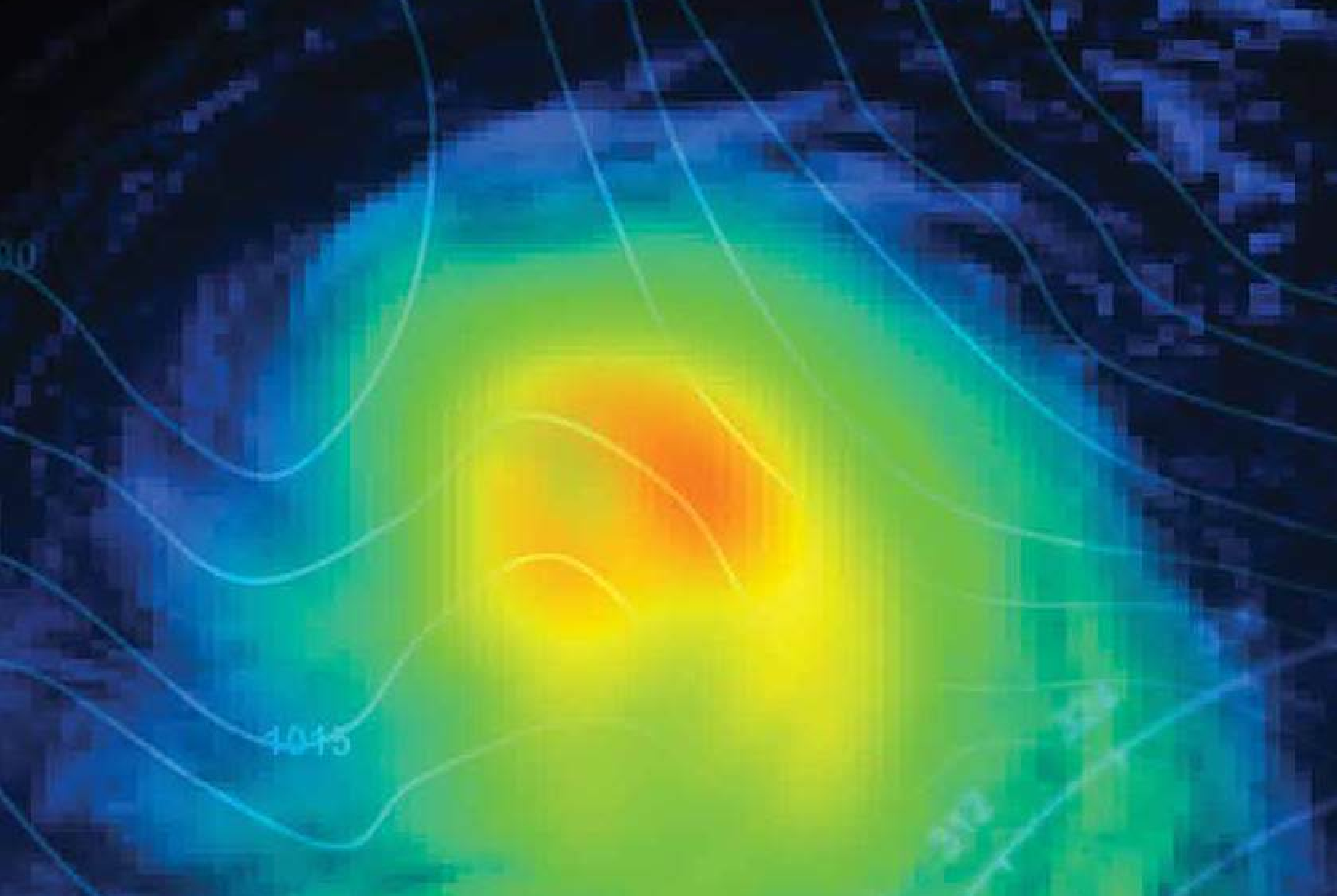

Hurricane Season Is Here:

A Disaster Planning Guide for LBM Businesses

By Sean T. Briscoe

Here we go again—welcome to hurricane season.

For lumber and building materials business owners in coastal or high-risk areas, the months making up June through November always carry a little unease.

Will this be the year that a devastating Category 5 hurricane makes landfall near your home or business?

While this year's forecast may be a bit less ominous than in years past, business owners should prepare for the worst nonetheless. Resilient LBM business owners will use the calm times to plan, practice, and prepare to execute a well-thought-out disaster preparedness plan. Doing so will allow owners and operators to limit the devastating damage a hurricane can do.

It only takes one big storm to wreak havoc on an LBM business's operations. Major hurricanes can bring wind speeds from over 110 mph up to over 150 mph, strong enough to lift unsecured products, bushes, trees, and even some equipment right off the ground and into nearby structures and other businesses. Failing to prepare for such events could result in avoidable losses, long-term business interruption, or an entire business closure.

Fortunately, there are several precautions that LBM leaders can take to minimize such losses. But it all starts well before a storm.

Building an Effective Disaster Preparedness Plan

Operating without a formal disaster preparedness plan places unnecessary risk on an LBM business. A plan not only identifies and expedites pre-storm responsibilities, it can ensure nearly every aspect of a business and its risks are considered during an active storm when stress is high and corners may be easily cut. Before building the plan, LBM leadership should conduct a thorough risk assessment of the entire property to identify any weaknesses that should be considered. An insurance professional who specializes in the lumber niche can be an invaluable asset in the risk assessment process. From there, LBM leadership can begin building a thoughtful disaster preparedness plan that should include:

- **Established roles and responsibilities:** When disasters are imminent, employees need to be able to act quickly and succinctly. LBM leaders should establish clear roles and responsibilities ahead of a hurricane, including who monitors for storm updates, who manages storm preparation on the property, who will report damages, and more.
- **Communication protocols:** When both safety and operations are compromised, several parties need to be updated on the status of the business and team members on site during a disaster. Communications protocols should be established to quickly and proactively update stakeholders before, during, and after a disaster. In addition to establishing a team member to manage communications, items such as a list of contacts with whom to get in touch, templated messages, website updates, and more should be discussed and addressed in a disaster plan.
- **Shutdown and evacuation procedures:** Evacuations and shutdown procedures should be clearly defined to ensure all responsible parties can move quickly and thoroughly. Checklists should be created to ensure equipment is not left on, loose items in the yard are not left unaddressed, or product is not left unsecured.
- **Recovery procedures:** The longer it takes an LBM business to recover from a disaster, the more costly it becomes. Recovery procedures should be clearly defined, including who will and how to assess the property, file insurance claims, report damages, conduct cleanup, and more. Doing so will limit the time a business is left unable to operate at 100% capacity and the resulting lost revenue.

In addition to a thorough disaster preparedness plan, LBM leaders need to ensure their businesses are adequately insured. It is important to remember that a general liability policy might not cover certain damages, such as flooding, and will require additional coverages. An insurance professional who specializes in the lumber niche can help ensure an LBM organization's employees, property, inventory, and equipment are accurately and adequately covered to help avoid unnecessary out-of-pocket costs while recovering from a disaster.

Disaster Planning Is Ever-Evolving

After any disaster plan is deployed, it is important that LBM leaders sit down to discuss the plan's efficacy. Having an open dialogue about what in the plan worked well and where adjustments need to be made can help strengthen an LBM business's disaster response, limiting losses and maintaining operations.

While hurricane season has already started, it's not too late for LBM leaders to establish or review their disaster preparedness plans. Consider reaching out to an insurance professional who understands the LBM industry's unique needs for assistance in disaster planning and insurance reviews that can help safeguard an organization's operations and employees in the face of a disaster. LC

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