

# **AXA INSURANCE FLOOD GUIDE**

**Commercial premises**



## Introducing AXA

### **One of the world's largest insurers**

With more than 52 million customers across the globe, AXA is one of the world's largest financial services providers. We have a presence in around 50 countries, yet we pride ourselves on having a real understanding of local issues.

### **Care & Support – when you need it**

As one of the world leaders in financial protection and wealth management, we offer a wide range of insurance and financial products to meet your business and personal needs. Our commitment is to deliver our products with consistent care, guidance and support as and when you need it.

We employ 150,000 people worldwide, and are the fifteenth largest company in the world by revenue (Fortune Global 500, 2007).

AXA provides products that help people to get the best out of life. Our products and services include: Business Insurance, Home and Motor Insurance, Investments, Life Assurance, Retirement Planning, Long Term Care, Asset Management, Medical Insurance and Dental Payment Plans.

AXA Insurance UK plc is authorised and regulated by the Financial Services Authority. This can be checked on the FSA's website at [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or by contacting them on 0845 606 1234.

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## Introduction

*This guide has been produced to help you be prepared for flooding and will help you develop a basic plan of action. Used together with other sources of guidance and information, it can help to minimise the potentially disastrous consequences of a flood event.*

It is important to remember that flood can happen anywhere – even if you have never previously experienced a flood event in your area. Thinking about the effects that a flood would have on your business can help you to be prepared.

Remember – planning for the worst case scenario will not prevent the flood from occurring, but it will help to reduce the disruption to your business.

## Preparing for a flood

*The need for planning is paramount to the success of any activity, and preparing for a potential flood is no exception. We have listed below some of the basic points you should consider. There are also a number of external agencies that can help you with planning and we have included their contact details for your reference.*

### **1. Check to see if your business is located in a flood risk area**

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For more information on this, the following agencies can be contacted:

#### **In England/Wales**

The Environment Agency (EA). The EA website [www.environment-agency.gov.uk](http://www.environment-agency.gov.uk) provides advice on preparing for a flood, as well as a postcode look up facility, allowing you to check if your business is located in a flood risk area.

#### **In Scotland**

The Scottish Environmental Protection Agency (SEPA). The SEPA website [www.sepa.org.uk](http://www.sepa.org.uk) also provides advice on preparing for flood, a postcode search and flood warnings.

#### **Floodline**

Both agencies operate a 24 hour flood helpline – 0845 988 1188 – to alert you to potential flooding risks. It is strongly recommended that you register for the Automated Voice Messaging Service, which provides advanced flood warnings by telephone, fax, text message or pager. The early warning will allow you to take preventative action.

#### **In Northern Ireland**

The Rivers Agency at [www.riversagency.cyni.gov.uk](http://www.riversagency.cyni.gov.uk). The Rivers Agency provides advice on flooding, contingency measures and emergency numbers for your location.

### **2. Planning**

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You need to have a plan of action on how you will react. This may form part of a wider business continuity plan – details of how to draft a continuity plan can be found at [www.axa4business.co.uk](http://www.axa4business.co.uk). Your plan should focus on the safety and well being of your employees and keeping the business running following a flood.

### **3. Secure your premises against flood**

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Flooding is not just about rivers and streams overflowing, it can also occur from heavy rainfall. There are a number of actions you can take to secure your business premises against flood.

- Check regularly that the drains and gutters are in good condition and free from obstructions
- Be aware of areas where rain water accumulates in a heavy downpour which may find entry to your premises. Consider ways to divert this rainwater
- If your business is located in an identified flood area you should think about temporary flood defences. Products used should be tested and approved by the British Standards Institution under PAS1188. Further advice on British Kitemark approved products can be found at [www.environment-agency.gov.uk/subjects/flood](http://www.environment-agency.gov.uk/subjects/flood)

### **4. Emergency procedures and supplies**

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Part of your planning should be for emergency procedures and supplies. These should include:

- Identifying a safe location where employees can be evacuated
- Communication (FM radio and mobile phones)
- Bottled water supplies
- Torches and radios – wind up devices rather than battery are recommended
- Non-perishable food supplies, such as tinned and packet foods

Emergency planning should include the isolation of all gas, electrical and fuel supplies prior to leaving the premises, so it is important to know where all the mains supply points are, and how they are turned off.

## **5. Relocating contents**

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You should consider moving contents out of your business property if it is at risk of flood. Be proactive and think about moving things out before the flooding starts. Items you should think about moving might include:

- High value goods / stock
- Computer and electrical equipment
- Any valuable documents such as driving licences, deeds, certificates and insurance details
- Items that may take some time to replace or repair
- Items which would slow down processes or stop work altogether if they were damaged
- Other items susceptible to water damage

If you are removing items from your business premises, it is important that you discuss this with your insurance adviser or insurance company to ensure the cover for the goods can be extended to the temporary premises.

Temporary premises, as described by most insurers, could include storage depositories, self-storage facilities or other facilities including other commercial premises. These premises should be located away from flood risk locations.

You should also consider other processes that will help you to run your business in the event of a flood. For example, you should work with your suppliers to see if they are able to delay deliveries, or provide more frequent deliveries of smaller quantities. You can also discuss with your customers whether they are able to receive early or larger deliveries.

## During a flood

*Do not put yourself or your employees at risk in the event of a flood – personal safety is paramount. Be aware that flood brings its own unique hazards, the majority of which will be hidden from view.*

- Plan your escape route. Being trapped by rising flood waters can be one of the most distressing and terrifying experiences. Ensure that you, your employees and visitors can evacuate safely and in good time
- Up to date information is the key to ensuring that your employees/visitors don't become trapped. The websites listed on page 5 provide 24 hour flood warnings, updated every 15 minutes or you can call the 24 hour flood helpline on 0845 988 1188 for updates
- Monitor the information services and weather forecasts regularly for updates on the latest events
- Avoid wading through flood water as this is likely to be contaminated with raw sewage as drains and sewers overflow
- Be aware of waterborne diseases like Weils Disease and E-Coli in some areas where there is standing flood water. Insect bites carry disease through contact with bacteria from dirty water and this directly enters the blood stream. Good personal hygiene is important to avoid disease, so washing hands and affected clothing and footwear can help minimise the risk of illness. There are a range of dry antibacterial solutions and cleaners which dry on contact with air which are available from supermarkets and camping shops
- Avoid entering low lying areas or basements which will retain noxious vapours and gasses
- Do not use petrol or diesel driven water pumps in a confined space as this leads to a build up of carbon monoxide which can be fatal
- Where you have employees that are employed away from the business premises or staff who are required to travel on business, then specific guidance should be provided on required actions.

## After a flood

*Cleaning up after a flood is a daunting task. We have outlined some basic steps towards restoring your business. It's important to note that you should not begin any clean up measures until you can be sure that the flooding has subsided.*

- Notify your insurer and follow their advice
- Do not enter any deep standing water or water that is still fast flowing. Deep water and standing mud can cover up dangerous areas such as manholes and sharp objects
- Continue monitoring the weather and flood situation by checking the websites as noted on page 5 and using the 0845 988 1188 floodline number
- Take photos of the damage where possible
- Do not start any repair work or dispose of any items until you have approval from your insurer
- Turn off the electricity and gas mains, if it is safe to do so
- If you have external fuel tanks which are protected by bund walls a specialist removal contractor should be used to clear any water as it will be contaminated.
- Any cess pits and /or water treatment plants should be checked and any waters removed by specialist contractors as the contents may be further contaminated

## Flood risk assessment and under insurance

*Risk assessment is a critical part of managing health and safety in every business activity. Following a flood, you may need to re-evaluate your risk assessment needs. You will need to consider the threat posed to your business – significant risk or low risk.*

Whatever you decide based on your assessment, you will need to record this to demonstrate that you considered this when assessing the level of risk to employees.

If you feel that there is a significant risk, your current risk assessment needs should be revised to account for risks arising from flooding whilst at work. Flooding represents a significant hazard and you need to develop arrangements to manage this as you would with any other hazard.

You must also record what steps you have taken and make employees aware of what you are doing to keep them safe.

*The recent floods have highlighted to AXA that many businesses do not have sufficient cover for their buildings and contents.*

From a recent sample<sup>1</sup>, the AXA Building Valuation Service identified around £430m of under insurance for commercial buildings alone.

AXA recommends that you discuss this with your Insurance adviser if you are concerned about under insurance. If you want to learn more about the AXA Building Valuation Service, please email [riskmanagment@axa-insurance.co.uk](mailto:riskmanagment@axa-insurance.co.uk).

<sup>1</sup> Sample of 800 buildings over a 3 year period – AXA Building Valuation Service operated by Cunningham Lindsey Valuation Service

## Example of loss

*The following example comes from a company insured by AXA during a flood incident and is typical of the recent events.*

*This company was not expecting the flood:*

'During an afternoon in June 2007, staff of a warehousing business alerted the directors to water coming into the warehouse from the rear of the building.

The River had burst its banks following over 24 hours of continuous rainfall, which culminated in 35mm of rainfall on the day. Water levels in the river rose continuously until this was above its banks. When sections of wall along the river bank collapsed, waters spread beyond the river. Staff endeavoured to lift stock which were on pallets in the warehouse on to racking, but such was the speed with which the water level rose, they had to evacuate the premises and leave the area, along with the occupiers of surrounding buildings.

Although the water level subsided overnight, considerable damage was caused throughout the premises and has required extensive remedial works. Much of the stock had to be disposed of.

## Smoothing the claims process

*There are certain things that you can do to assist in the smooth processing of your claim. This can speed up the process and get you back in business as soon as possible.*

- Make sure you have your policy documents to hand, specifically the policy number. Have a read through the documents so you know what you are covered for and any excesses that may apply
- Provide the loss adjuster with all your contact details including mobile phone numbers and any temporary working locations (or meeting place)
- Keep a note of any emergency works you have taken to keep the business trading including temporary locations, temporary transport for employees to different workplaces and any interim payments you have made to secure services
- Gain agreement from your insurer before any items are removed from the premises for restoration or disposal and take photos or film as a record
- Have details to hand of your equipment suppliers, especially equipment that is difficult to source or takes time to install or commission
- Notify the loss adjuster of any initial enquiries you have made to replace stock or equipment. Let them know any timescales for replacement you have been given
- Give the loss adjuster details of your main customers and any discussions you have already held. Tell the adjuster:
  - Any contracts (and future work) that may be threatened by the loss
  - Any work or activities you can outsource
  - Any formal sub-contract agreements
  - Provide receipts or invoices for any of the items damaged
  - Record what action you have taken to prevent further loss/damage

- Show the adjuster any letters from your insurer or insurance adviser where any agreement or authority has been given. If anything has been agreed on the phone, record the details, including the name and number of the person you have spoken to.
- Provide any photo's you may have taken of the damage
- It may be useful to make video recordings of the incident – many mobile phones are now capable of providing adequate recordings

[www.axa4business.co.uk](http://www.axa4business.co.uk)

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