

AXA's Flood Risk Guide

Guidance for businesses and home workers



About AXA

One of the world's largest insurers

More than 102 million people across the globe trust AXA to protect their families, possessions and livelihoods. In the UK, we operate through five divisions to provide around 13 million people with personal and business insurance, healthcare and wealth management services.

Protecting the UK's businesses

AXA Business Insurance specialises in protecting and supporting businesses of all shapes and sizes. We understand that surviving and thriving through the years takes a lot. That's why we're committed to providing tailored policies, as well as free information and guidance from our in-house experts.

Business Guardian Angel is just one of the little extra things we do. Visit the site for free guidance, ideas and news on all aspects of running a business.

www.axa.co.uk/business

www.axa.co.uk/business-guardian-angel

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The information contained within this document is intended as a general guide only and is not necessarily comprehensive. You should seek appropriate professional advice when devising any risk assessment or management programme. AXA Insurance will not be liable for loss or damages arising, in contract, tort or otherwise, directly or indirectly from the use of or reliance upon any information contained in this document.

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.

You can also download our infographics:

Is your business at risk of flooding?

Is your business prepared for flooding?

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

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 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, now including surface water, as well as river and coastal risk.

In Scotland

The Scottish Environmental Protection Agency (SEPA). The SEPA website www.sepa.org.uk also provides advice on preparing for flood, a postcode search for river, coastal and surface water together with flood warning details

Floodline

Both agencies operate a 24 hour flood helpline – **0345 988 1188** or **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.

In Northern Ireland

The Rivers Agency at www.riversagency.ni.gov.uk. The Rivers Agency provides advice on flooding, contingency measures and emergency numbers for your location. The Flood Incident Phone line is **0300 2000 100**.

2. Planning

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.axa.co.uk/business-guardian-angel. 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

Flooding is not just about rivers and streams overflowing, it can also occur from heavy rainfall (surface water). 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 rainwater accumulates in a heavy downpour which may find entry to your premises. Consider ways to divert this rainwater
- Think about routes of entry into your premises including foul sewers and drains. One way valve systems may be possible to install as well as flood proof air bricks
- Consider water proofing external walls
- 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/homeandleisure/floods/105979.aspx
- Any temporary defences must always be immediately accessible and those installing must be experienced to ensure they are erected correctly. Products must also be maintained such as replacing rubber seals (when necessary) and stored correctly, to avoid damage

4. Emergency procedures and supplies

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

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 **0345 988 1188** or **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 gases
- 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 **0345 988 1188** or **0845 988 1188** floodline numbers
- 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 reevaluate 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 sample¹, the AXA Building Valuation Service identified that the average property in the UK is under insured by 40%.

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

¹ Sample data from Gleeds up to 2012

Business Continuity Planning – Robust

It is good practice to prepare a business continuity plan so that if a flood were to occur, the business will be prepared and have in place a strategy for the business to continue trading and to successfully recover. AXA is pleased to offer the free to use ROBUST Business Continuity Planning software via the Fire Protection Association (FPA).

ROBUST is a software program that will help you create and manage an effective business continuity plan for your business and provide essential on-the-spot advice immediately following an incident. ROBUST has been designed specifically to address the hurdles currently identified as discouraging companies from embracing business continuity planning and as such it:

- is free of charge
- requires no other paid-for software elements aside from the computer's operating system
- is designed with logical workflow, easily recognisable within normal company structures
- provides feedback on quality and completeness
- provides all output in a format suitable for insertion into other company documentation
- is provided with all necessary training to develop the plan

ROBUST has been financed through RISC Authority, a scheme annually financed by a group of UK Insurers, including AXA, and administered by the Fire Protection Association. The aims of RISC Authority are to invest in research to support the development of best practice guides and tools for the mitigation of business and property loss. The Fire Protection Association is a not-for-profit organisation. Please access via: **robust.riscauthority.co.uk**

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 photos 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

For business insurance, visit www.axa.co.uk/business

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