



## Ask SCORE for Business Advice

### **A Disaster Plan**

By Tina Dettman-Bielefeldt

Last week, we looked at disaster assistance and SBA loan programs that are available to assist businesses affected by disasters. Many of those owners may be wishing that they had made plans for dealing with a potential disaster before the devastation occurred. For example, businesses that were in flood hazard areas but did not have flood insurance will not be eligible for SBA loans. The SBA recognizes that it is the responsibility of the business to be adequately insured.

Jeff Bergum, CISR, an insurance broker and Green Bay SCORE volunteer, thinks that passing up flood insurance could be a serious mistake.

“I always offer flood insurance as part of the business portfolio,” Bergum said. “If the owner declines the coverage I have them sign a waiver that it was offered and explained to them.” Bergum thinks that the recent disasters have made business owners more likely to purchase coverage.

In addition to flood insurance, a business insurance package should include general liability, property coverage, and business interruption with extra expenses and extended period of indemnity. “Business interruption coverage is determined by sales, normal operating expenses such as rent or mortgage, utilities and everyday operating costs. You can also account for employee payroll if you have extra expense on your business interruption coverage,” Bergum explained.

Once a business has coverage, the client must be able to show a direct physical loss to their location that has caused a financial loss in order to collect damages. This process is simplified when business owners have a plan in place. One of the most important steps an owner can take is to regularly back up computer data, preferably on a daily basis. Bergum stressed that the records should be stored off site in a secure location. A safe deposit box at the bank is a good option.

“Having duplicate copies of all important materials and data is always a recommended practice. It will save the business owner a tremendous amount of time when a claim arises and allow them to focus on getting the business back up and running,” Bergum advised.

An additional preparation includes taking digital pictures of the premises, inventory, and business personal property and storing them off site. The pictures or a visual recording will make it easier to prove a loss.

With good records and adequate coverage, a business will be much better equipped to survive a disaster. It's important to have a plan and review it often. The need for coverage may change throughout the life of a business. Bergum recommends meeting with your insurance agent at least 60 days prior to policy renewal to allow time for updates and changes.

If you'd like further information on obtaining a disaster assistance loan or other business concerns, contact the Green Bay Chapter of SCORE "Counselors to America's Small Business." Visit [www.greenbayscore.org](http://www.greenbayscore.org) or call Cindy Gokey at 920-496-8930 for information.

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