

MANAGING THE RISKS OF CORONAVIRUS

Preparing for a Facility Shutdown during the Pandemic

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One of the unfortunate consequences of the COVID-19 pandemic is the many businesses that have had to furlough workers and close facilities as a direct or indirect result of stay-at-home orders from states and municipalities. When facilities are closed and left vacant, they can become more vulnerable to exposures such as vandalism, unauthorized access/theft, fire damage, seasonal flooding or windstorm damage and even neglect in maintaining valuable equipment or building service components.

Having a plan to secure, monitor and maintain a facility that has to be closed for a period of time is essential to reducing the possibility of real or personal property loss, business income interruption (once the facility is approved for reoccupation), loss of customers or market share in the industry or damage to reputation from a prolonged shut down from a property loss.

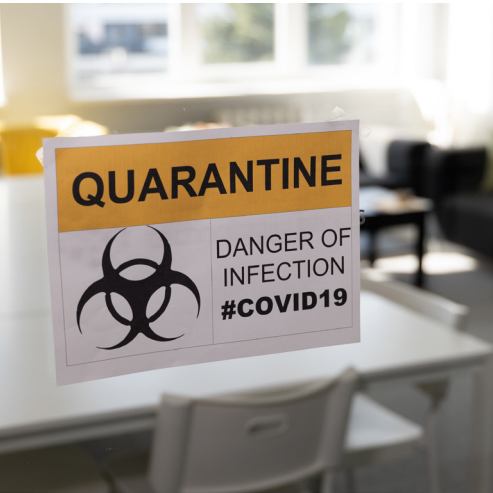
Regardless of industry, proper procedures must be followed when a facility must close for an extended time period. Preparations prior to closing, activities to maintain during closure and precautions taken to bring the facility back to its pre-closure condition for reoccupation are all steps that must be considered.

Prior to closing a facility:

- » Determine if any security and maintenance staff can be deemed “essential personnel” to stay on to maintain the building and equipment and secure the site from unauthorized entry.
- » Consider using your employees or independent contractors to conduct periodic inspections/visits to maintain and provide security for the facilities.
- » Develop a list of exposures, facilities, systems and equipment that need to be checked and maintained during the period of closure.
- » Determine if automatic monitoring systems (for fire detection and protection, security, environmental conditions, etc.) are available and effective in monitoring conditions when personnel are not on site.
- » Assess the adequacy of security measures to secure the property from unauthorized entry and make plans for additional security measures as necessary.
- » Consider which utilities (electrical, domestic water, HVAC) to maintain and which to disconnect and establish procedures to safely disconnect utilities for the closure.
- » Plan to remove from site and secure cash and valuables as well as all technology assets, operational data/ documents and supplies that are essential to the resumption of business once the facility is reopened.
- » Inform local authorities (fire, police, and municipal services) that the facility is being closed.

During the facility closure:

- » Make sure automatic fire protection systems are maintained and secured to operate when/if needed to protect against a fire.
- » Make sure security systems, surveillance cameras and fire detection systems and environmental monitoring systems (temperature, humidity) are working properly and checked regularly.
- » Facility inspections occur at least weekly to check for evidence of unauthorized entry/ theft/vandalism, adequate interior and exterior lighting, water intrusion or infiltration in building(s), mold or other environmental hazards, roof condition (clogged drains, windstorm damage), functioning life safety equipment (emergency lights, exit signs) and fire extinguishers, adequate temperature maintained for fire protection systems and other sensitive electronic equipment and processes.
- » Equipment and building services systems are maintained according to the preventive maintenance schedule. During a shutdown is an ideal time to address deferred maintenance items that are difficult to do when a facility is operating.



Once the facility is approved to reopen:

- » Restore all assets that were removed/secured that are essential to returning the facility to full operation.
- » Restore all utilities that were disconnected during the shutdown. Domestic water valves should be opened slowly to reduce the water hammer that can damage plumbing fixtures and water should be restored section by section to check for leaks. Electrical systems need to be restored gradually (minimum or no load) to reduce surges in voltage that could damage equipment or electrical components.
- » Have a qualified employee or licensed HVAC contractor inspect and assess the building's HVAC system.
- » Have a qualified employee or licensed contractor inspect, maintain and test the automatic fire protection system.
- » Verify all employee safety equipment and building life safety features are in place and working properly prior to reoccupation of the building.
- » Inform local authorities (fire, police, and municipal services) that the building is being reopened and reoccupied.

A final recommendation is to always contact your insurance broker to report plans to close/vacate a facility and to reopen/occupy a facility. This allows your commercial insurance coverages to be reviewed and modified to address the changes in use and occupancy.

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