



Natural Disasters Keep Coming – Preparing With Fresh Eyes

business customers risk management employees

Summary: Planning for natural disasters is not new. But, with 100 climate- and weather-related global disasters happening between March and October 2020, the stakes have been raised. Since September is National Preparedness Month, it is a good time to review your business continuity plan with fresh eyes and communicate the steps to prepare with both employees and customers.

State mottos actually started as far back as colonial times, with the state of CT claiming to be the oldest one. “He Who Transplanted Still Sustains” originated from the Saybrook Colony in 1639. These mottos started as ways for the colonials to represent their attitudes and beliefs and they live on, as many have been integrated into state seals and flags throughout the country.

Mottos are not the only things that are spread countrywide. In virtually every part of the country, [natural disasters](#) are becoming an increasingly large part of life. Indeed, in November 2020, the World Health Organization reported that over 100 climate- and weather-related [disasters had directly impacted over 50MM people globally](#) in the prior eight months alone.

While all community financial institutions (CFIs) plan for natural disasters, the pandemic may have taken a level of focus away. Since September is National Preparedness Month, it is a good time to do a robust review of your business continuity plan (BCP), especially considering the number of disasters lately.

Review your business continuity plan with fresh eyes

While it may be difficult to plan for the worst when the worst keeps getting bigger, carefully review your business contingency plan with fresh eyes. It may not be enough to simply expect more of the same. Ask yourself specific questions and then touch base with various departments, such as operations, IT, and risk management while reviewing your plan too. This will help fill in what may still be needed. Some questions to consider:

- What were the natural disasters affecting your communities in the past year? 1-5Ys?
- How has your institution handled them?
- Do protocols need to be modified? Are they the most effective they can be, especially if some staff is working with a hybrid schedule or working remotely? If changes have been made, have these changes been communicated institution-wide?
- Any original ideas to help protect and safeguard the business that haven't been tried yet? Now may be the time to brainstorm.
- Are there new technologies that can help to better protect your data?

Communicate preparedness with your customers and employees

Customers. Your customers will want to know how to access their accounts or ATMs if the network goes down or how to reach your staff. Creating a page on your website is a great way to get the pertinent information out

to your customers right now. However, if they are unable to access your website during a natural disaster, make sure there are other ways of getting the information to them. Posted information in branches as well as reminder messages in the mail this month would be helpful too.

Employees. Sending a refresher email and practicing drills with your employees are good ways to keep them up-to-date on disaster preparedness. Personnel in the branch should know their branch responsibilities in the event of a natural disaster and the BCP calling tree should be updated at this time too. Find ways to incorporate both in-branch and any remote employees so that everyone knows their role in the BCP.

How one CFI prepared itself

We know that bankers have long been preparing for natural disasters. But, it is always interesting to hear the ways that other CFIs are doing this. One \$380MM-asset CFI in AK with five branches knows it is mission-critical to keep IT services up and running during a disaster. So, it ensures that its bank system has a backup in a branch that is on a different part of the power grid than the main branch. It also uses cloud-based services, which allows it to run tests of critical functions fairly quickly. This way, the CFI knows in advance where gaps may need to be filled before disaster hits.

There are many elements to review in your BCP, especially these days. However, it is more and more important to review your plan from today's perspective and look for solid ways to mitigate risk and keep business going. Since it is National Preparedness Month, take the time today to avoid bigger problems down the road.

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ECONOMY & RATES

Rates As Of: 09/08/2021 05:18AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.05	0.01	-0.04
6M	0.06	0.00	-0.03
1Y	0.07	0.00	-0.03
2Y	0.22	0.01	0.10
5Y	0.81	0.03	0.44
10Y	1.35	0.03	0.42
30Y	1.95	0.01	0.30
FF Market	FF Disc	JOB	
0.08	0.25	0.15	
SOFR	Prime	OFR	
0.05	3.25	0.07	

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