



# SOME THINGS TO KNOW

This guide is targeted at businesses that own or manage operations that provide services which may require a professional license, such as an accountant, or other types of professional consultation, such as a financial advisor.

- This guide is meant to suggest actions to reduce risk to your business. However, the success of these strategies will be site dependent, and cannot be guaranteed.
- Each business is different; always consult with your local building official before starting a construction project.
- In most communities, if a project costs 50% or more of the value of the structure, “Substantial Improvement” requirements in the building code are triggered. This requires the property to be brought into compliance with the most up-to-date municipal floodplain management code.

## IMPORTANT DEFINITIONS

**Natural Hazards** = Extreme weather events that can cause damage. Examples include hurricanes, floods, blizzards, or severe wind.

**Business Features** = The many parts that make a business run. By looking at how a hazard affects each feature, you can take focused steps to reduce risk.

**Vulnerability** = Business features that make your business more likely to be impacted by a natural hazard.

**Risk** = The level of exposure that a business has to a certain hazard. Higher vulnerability and a frequent natural hazard create higher risk.

**Resilience** = The ability of a business to “bounce back” after a severe event. It is how much individuals, institutions, and businesses can survive, adapt, and grow no matter the weather events they experience.

# ADDITIONAL CONSIDERATIONS

## Historic Structures

For historic properties, consult the following resources:

- “Keeping History Above Water” - created by the Rhode Island-based Newport Restoration Foundation to help protect historic resources from climate hazards. [www.historyabovewater.org](http://www.historyabovewater.org)
- FEMA “How-To” Guide #6 (FEMA 386-6) - provides comprehensive guidance to historic property owners. [www.fema.gov/media-library/assets/documents/4317](http://www.fema.gov/media-library/assets/documents/4317)
- Check with your local building official about your specific location. Also, coordinate with the State Historic Preservation Officer and the local Historic District Commission.

## Americans with Disabilities Act Compliance

Before implementing a risk reduction project consider how it will affect access for people with physical disabilities. Structural changes may require that additional efforts be taken to maintain ADA compliance. Talk to your local building official about your plans before proceeding.

## Elevating Buildings and Pedestrian Access

Elevating a building or installing floodwalls may lead to a loss of visibility or access, affecting your ability to attract customers. Identify protection options that avoid this outcome, and contact your local building official to clarify state and local requirements. Note that some business operations can occur in the lower section of an elevated building on a temporary basis.

## What if I Rent?

Businesses that do not own their space can still perform many risk reduction actions, including buying flood insurance, planning and preparing, and performing some minor site alterations. At your next lease renewal, add a provision that rent does not need to be paid if the site is inaccessible or unusable during a hazard event. Discuss property protection with you landlord - they don't want their building empty and their tenants damaged, either!

# USEFUL RESOURCES

## Federal Government

### U.S. Small Business Association

[www.sba.gov/funding-programs/disaster-assistance](http://www.sba.gov/funding-programs/disaster-assistance)

Rhode Island District Office (401) 528-4561

Provides low-interest loans to help businesses recover from declared disasters

### FEMA

[www.fema.gov/small-businesses](http://www.fema.gov/small-businesses) Or [www.ready.gov/business](http://www.ready.gov/business)

Provides resources & information to help businesses prepare for disasters.

Subsidizes insurance, available to businesses through most insurance agencies.

## State Government

### Rhode Island Commerce Corporation

[www.rismallbiz.com](http://www.rismallbiz.com) (401) 278-9100

Hosts a Small Business Hotline, where business owners can ask questions and get support for a wide array of issues

### Rhode Island Department of Emergency Management Agency (RIEMA)

[www.riema.ri.gov/resources/business/](http://www.riema.ri.gov/resources/business/)

Daytime: (401) 222-1360 Emergency & After Hours: (401) 222-3070

Organizes emergency response efforts at a state level. RIEMA has programs in preparedness, mitigation, response and recovery.

### Department of Business Regulation

[www.dbr.ri.gov/divisions/insurance/](http://www.dbr.ri.gov/divisions/insurance/)

Online source for answers to insurance questions and for insurance related inquiries.

### STORMTOOLS

[www.beachsamp.org/stormtools/](http://www.beachsamp.org/stormtools/)

An interactive tool to display storm inundation with and without sea level rise scenarios.

### RI Coastal Resources Management Council - Coastal Hazard Application

[www.crmc.ri.gov/coastalhazardapp.html](http://www.crmc.ri.gov/coastalhazardapp.html)

Online viewer and worksheet to identify a location's level of coastal hazard.

## Local Government

Your local institutions, organizations, and utilities are often the best places to turn.

Identify key staff and contact information:

**Municipal Emergency Management Agency** \_\_\_\_\_

**Fire Department** (non-emergency) \_\_\_\_\_

**Floodplain Coordinator** \_\_\_\_\_

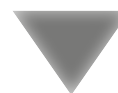
**Building Official** \_\_\_\_\_

**Chamber of Commerce** \_\_\_\_\_

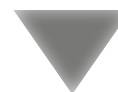
**Utility Company** (ex. gas or electric) \_\_\_\_\_

# GUIDE AT A GLANCE

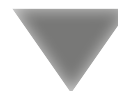
**Consider Key Business Features**  
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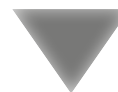
**Identify Vulnerabilities and Strengths**  
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**Select Risk Reduction Strategies**  
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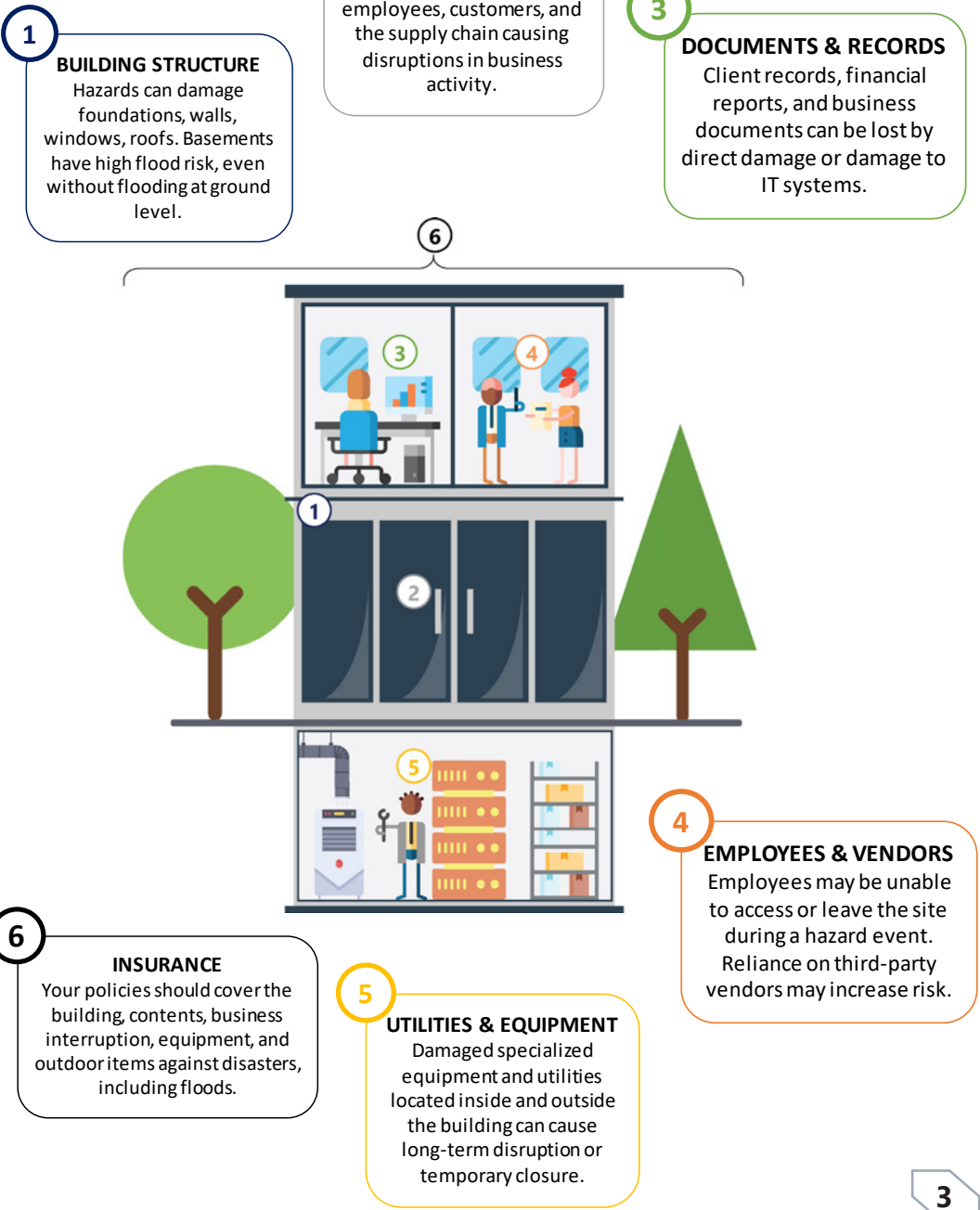


**Consider Insurance Options**  
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# CONSIDER KEY BUSINESS FEATURES



# FLOOD INSURANCE

FEMA offers subsidized flood insurance through the National Flood Insurance Program (NFIP). **You do not need to be in a flood zone, nor do you need to own your building, to purchase flood insurance.**

- One inch of water in a building can cause more than \$25,000 in damage.
- Standard insurance typically does not cover flood damage.
- More than 1 in 5 flood claims come from outside high-risk flood zones (and that does not include building owners who were not insured, and therefore could not file claims).
- Flood insurance can pay whether or not there is a Disaster Declaration.
- Disaster assistance must be paid back with interest. The average flood insurance claim is nearly \$30,000 and is not required to be repaid.

**Can't I just get Disaster Assistance after a flood?**  
Disaster Assistance is given as a loan, it is not guaranteed, and it needs to be paid back with interest. It is not meant to make you whole again. Don't only rely on emergency assistance, get flood insurance!

**Your insurance agent can provide detailed answers to these questions specific to your business.**

## How do I get flood insurance?

Flood insurance policies are backed by the National Flood Insurance Program (NFIP). You can get a policy through most insurance agents.

## Does flood insurance cover the building or its contents?

Contents and building coverage are separate; contents are not covered unless specifically included. Building coverage includes the structure and foundation, building utilities, and walk-in freezers. Contents coverage includes furniture, fixtures, equipment, and stock.

## If my landlord has flood insurance, do I need it too?

The landlord may not provide any coverage or may have only building coverage. A renter can purchase its own flood insurance policy.

## What is not covered by flood insurance?

Flood insurance policies do not cover everything or all water-related situations and damages. For example, outdoor assets such as landscaping, decks, or vehicles are not covered. Either is business interruption. Additionally, damage from burst pipes, backed-up municipal sewage, or poor site management is not covered.

## How can I lower my premium?

Flood insurance cost is related to the level of flood risk. Risk reduction actions can lower premiums. Your community can also take steps to lower premiums.

## My business is not in a flood zone. Do I need flood insurance?

A large percentage of flood damage happens outside of FEMA-designated floodplains. If your business is outside of a FEMA flood zone, flood insurance is generally inexpensive. Assess your risk and talk to your agent to make an informed decision.

# CHOOSING INSURANCE

A business is never completely safe from hazards. Insurance helps to protect the time and money you invest in your business against the worst-case scenarios.

**Your insurance agent can provide detailed answers to these questions specific to your business.**

## What is covered by my business insurance policies?

A standard insurance policy may not cover important situations, like damages caused by floods or losses from business interruption. Talk with your agent about different situations that concern you to see if you're protected.

## I rent my workspace. What is covered by my landlord's insurance?

A landlord's insurance policy may or may not cover losses incurred by tenants. Ask for a copy of the insurance policy and bring it to your own agent to review.

## Does my standard policy cover business interruption?

You may lose business after a storm if power goes out, if roads are blocked, or if you need to close for repairs. Check with your agent whether lost business is covered or if you should purchase a rider to increase coverage.

## What about liability and automobile insurance?

Liability and auto insurance are separate from business insurance and flood insurance. Talk to your agent about other policies you may need and what they cover. For example, auto insurance may partially cover your vehicle(s) for hazard events like severe storms.

## What is a hurricane deductible?

Some policies include a separate hurricane deductible. Because hurricanes are rare, you pay less monthly. However, if a hurricane does hit, you will pay more before insurance kicks in. A storm must be hurricane-force when it hits Rhode Island for hurricane deductibles to apply. You may have other weather related deductibles (for example wind or hail). Check with your insurance agent to discuss what deductibles you may have and how they apply to other weather related events.

## How do I make filing a claim easier?

Have insurance information and current inventory and equipment lists on-hand. Take photos or videos of your business site and inventory now, BEFORE an event occurs. Then, take photographs/video of any damage before clean-up or repairs. DO NOT make permanent repairs until your insurance company inspects the property. Save all receipts, including those from any temporary repairs.

# IDENTIFY VULNERABILITIES AND STRENGTHS

	Vulnerabilities	Strengths
<b>1</b>	<b>BUILDING STRUCTURE</b>	
	How important is the building to operations? How vulnerable is it to damage?	
	<ul style="list-style-type: none"> <li><input type="checkbox"/> Basement</li> <li><input type="checkbox"/> Large or old windows, old roof</li> <li><input type="checkbox"/> Near coast or river, in mapped flood zone</li> <li><input type="checkbox"/> Sources of risk (like trees) near building</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Elevated</li> <li><input type="checkbox"/> Hurricane-proof windows, shutters, roof</li> <li><input type="checkbox"/> Located uphill, out of flood areas</li> <li><input type="checkbox"/> Structural protection in place on site</li> </ul>
<b>2</b>	<b>ACCESS</b>	
	Is access essential for customers, employees, others? How often is it blocked?	
	<ul style="list-style-type: none"> <li><input type="checkbox"/> Low-lying roads get flooded</li> <li><input type="checkbox"/> High tree cover over roads</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Multiple routes of access</li> <li><input type="checkbox"/> Can operate remotely or offsite</li> <li><input type="checkbox"/> Easily accessible on foot (good sidewalks)</li> </ul>
<b>3</b>	<b>DOCUMENTS AND RECORDS</b>	
	How are documents stored? Is information management a specific service?	
	<ul style="list-style-type: none"> <li><input type="checkbox"/> Hard-copies</li> <li><input type="checkbox"/> Located on-site</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Electronic copies</li> <li><input type="checkbox"/> Stored on "the cloud" and/or offsite</li> </ul>
<b>4</b>	<b>EMPLOYEES AND VENDORS</b>	
	Can employees work remotely? Do you rely on third party vendors?	
	<ul style="list-style-type: none"> <li><input type="checkbox"/> Staff do not live locally</li> <li><input type="checkbox"/> Staff may be exposed to natural hazards</li> <li><input type="checkbox"/> Rely on third parties</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Staff are trained in hazard response</li> <li><input type="checkbox"/> Redundancy in supply chain</li> <li><input type="checkbox"/> Staff/vendor communication protocol</li> </ul>
<b>5</b>	<b>BUILDING UTILITIES &amp; SPECIALIZED EQUIPMENT</b>	
	Can you operate without utilities? Where are utilities and equipment located?	
	<ul style="list-style-type: none"> <li><input type="checkbox"/> Located in basement</li> <li><input type="checkbox"/> Located outdoors</li> <li><input type="checkbox"/> Site experiences frequent utility outages</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> On upper level, floodproofed or elevated</li> <li><input type="checkbox"/> Backup power (batteries, generators) &amp; fuel</li> <li><input type="checkbox"/> Served by municipal water &amp; sewer</li> </ul>
<b>6</b>	<b>INSURANCE</b>	
	Do you have Insurance? Does it cover contents, interruption, or natural disasters?	
	<ul style="list-style-type: none"> <li><input type="checkbox"/> Standard insurance policy</li> <li><input type="checkbox"/> Not sure about insurance policy</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Specialized disaster insurance</li> <li><input type="checkbox"/> Business interruption &amp; contents</li> </ul>

# SELECT RISK REDUCTION STRATEGIES

1

## Building

	Required Investment
<ul style="list-style-type: none"> <li>Store Mitigation Materials</li> <li>Store items on-site such as sand bags to reduce flooding, pre-sized plywood to protect windows, or salt for snow and ice.</li> </ul>	 \$
<ul style="list-style-type: none"> <li>Moderate-Cost Risk Reduction Actions</li> <li>Sump pump in basement, backflow-prevention on plumbing, seal exterior walls, install flood gates that close during floods, "hurricane glass".</li> </ul>	 \$\$

2

## Access

<ul style="list-style-type: none"> <li>Enable Remote Work</li> <li>Develop abilities to collaborate &amp; schedule without office access to allow for continued operations.</li> </ul>	 \$
<ul style="list-style-type: none"> <li>Mobile Operations</li> <li>Identify services that can be provided at customer or third-party locations if office cannot be accessed.</li> </ul>	 \$
<ul style="list-style-type: none"> <li>Multiple Locations</li> <li>Acquire a secondary site, or arrange with another business to rent a temporary backup location for operation if yours is compromised.</li> </ul>	 \$\$
<ul style="list-style-type: none"> <li>Partial Operations</li> <li>Provide a degree of service through temporary disruptions to maintain customer loyalty and build goodwill in the community.</li> </ul>	 \$
<ul style="list-style-type: none"> <li>Diversify Services</li> <li>Expand the types of services your business offers so that one service may continue to be operational if the other is impacted by a hazard.</li> </ul>	 \$\$

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3

## Documents & Records

<ul style="list-style-type: none"> <li>Protect Documents and Records</li> <li>Store files in protective containers in elevated spaces. Back up records electronically and store off-site or on the cloud.</li> </ul>	 \$
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## Employees & Vendors

<ul style="list-style-type: none"> <li>"Business Continuity Plan"</li> <li>Develop a business continuity or emergency plan. Identify needs, educate staff, assign responsibilities and perform drills.</li> </ul>	 \$
<ul style="list-style-type: none"> <li>"Emergency Communication Protocol"</li> <li>Develop, share, and practice emergency communication protocols with tenants.</li> </ul>	 \$
<ul style="list-style-type: none"> <li>Emergency Supplies for Employees</li> <li>Maintain a supply of food, water, first-aid, and other equipment on-site in case of an emergency when staff cannot leave the site.</li> </ul>	 \$

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## Utilities & Equipment

<ul style="list-style-type: none"> <li>Protect Utilities and Equipment</li> <li>Raise utilities and equipment above potential flood levels on platforms or upper floors. Use barriers waterproof or protect fixed items.</li> </ul>	 \$\$
<ul style="list-style-type: none"> <li>Seal Interior Rooms</li> <li>Construct or install flood barriers to protect key equipment. Floodproof equipment if possible.</li> </ul>	 \$\$
<ul style="list-style-type: none"> <li>Backup Power</li> <li>Buy batteries for computers/emergency lighting. Install a generator to power equipment &amp; train staff how to operate. Store fuel on-site.</li> </ul>	 \$\$

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## Insurance

<ul style="list-style-type: none"> <li>Ask About Insurance Coverage</li> <li>Check with your agent about the specifics of your coverage. See the next page for questions to ask.</li> </ul>	 \$
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Staff Time Required	Relative Cost	Space Required
No staff time needed	Within normal budget	Minimal space needed
Overtime needed	Grants may be needed	Buy or rent more space
Within normal operations	Additional capital needed	Find space on site
Additional staff or help		

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