

**IN CASE OF EMERGENCY: EMERGENCY PLANNING  
AND DISASTER RECOVERY FOR THE LAW FIRM**

**PHYSICAL FACILITIES**

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## **I. KNOW YOUR PREMISES**

**Knowledge of the physical layout of your premises is critical to safe evacuation of personnel, retrieval of important documents and equipment, restoration of services, and planning to repair or rebuild. A detailed floor plan should be part of your disaster plan. The floor plan should include:**

- a. The location of all exits, stairwells, emergency evacuation paths, and emergency equipment such as fire extinguishers, defibrillators, carry-chairs, special evacuation equipment**
- b. The location of all offices and work stations, including identification of locations of employees needing special assistance**
- c. The location of critical utilities and services, including computer servers and mechanical spaces**
- d. The location of any safes or special storage areas**
- e. Emergency lighting and sprinkler locations**

**If your firm leases space in an office building, the building evacuation route plans and procedures should be included. Exit and reentry floors and stairway terminus locations should be noted, as well as muster locations. Be sure building management is aware of any modifications to your space. Coordinate your plans with neighboring tenants. A set of blueprints, as-built and other architectural drawings should be stored off-site to aid recovery planning. All floor plans and drawings should be updated regularly.**

**Establish critical path "shutdown" procedures to be followed if there is adequate advance warning of a need to evacuate your premises. These should include notification to employees, clients and others, closing down utilities, safeguarding or removing valuables, including servers, securing the premises, and activation of your business continuity plan.**

**Maintain basic security systems and procedures to safeguard your premises and valuable property in the event of an unexpected disaster and from intrusion and to ensure speedy, safe egress if evacuation is needed.**

## **II. EMERGENCY CONTACTS**

**Your disaster planning kit should include a copy of your lease, all property insurance policies, and the following contacts (including home and cell phone numbers of individuals if they can be obtained) for issues related to your physical facilities:**

- a. Property insurance broker**
- b. Building management and security—key personnel**
- c. Property insurer contact**
- d. Real estate broker**

- e. Utility providers
- f. Local government and emergency service numbers
- g. Contacts to transfer phone and computer services and to notify webmaster or others about the disaster and any temporary change of address
- h. Records retrieval specialist
- i. Equipment and supply vendors

### **III. ASSESSING AND DOCUMENTING PHYSICAL DAMAGE**

**First, take a deep breath. Your law practice is not as dependent on your physical facilities as you might think. After notifying your insurer and reviewing your “duties in the event of a loss” under any applicable insurance policy, obtain necessary authorization for re-entry and do a detailed, systematic assessment of site conditions and property damage, using your floor plan and office inventory as guides. A basic kit of re-entry materials (flashlights, gloves, tools, dolly, plastic sheeting and bags, etc.) stored offsite is helpful if disaster occurs at night or affects other local businesses. Secure the office space and obtain any required insurer authorization to take immediate action to protect equipment, valuables, critical paper records, and library materials from further damage or deterioration. Establish priorities. Consider freezing or vacuum drying wet papers and photocopying charred papers. Consult a records retrieval specialist at your earliest opportunity if document damage is extensive.**

**If initial access to your premises is limited, prioritize the tasks to be undertaken during the time allotted and select the appropriate persons to perform those tasks.**

**Focus on making an early, informed decision whether your premises can be restored and, if so, an approximate time frame for doing so to enable you to make decisions about alternative space. Is it possible to work in a portion of your premises? Are there undamaged equipment and furnishings? Are there environmental or other health and safety concerns?**

**Consider retaining a public adjuster to help document, present and settle your claim. Work with them from the earliest possible moment to assess and document damage and to make repair/replacement determinations. Be sure to document the removal of any equipment, files or other items from the premises.**

### **IV. ALTERNATIVE SPACE NEEDS**

**Alternative space needs may include an immediate place to re-group, short-term options and a long term plan. Your disaster plan should include several available locations for immediate re-grouping needs, depending on the type and extent of the disaster. The closer to your current offices the better, if available phone and other communications facilities are equal and the disaster has not**

impacted the selected site. The purpose of a "re-grouping" site is to provide a place for key personnel to address the disaster and its immediate aftermath, including communicating with employees, service providers, and clients and addressing other critical business concerns, but not to carry on the day-to-day work of the firm. A large conference room with several phones in a colleague's offices may suffice. Make these arrangements in advance and re-confirm them annually.

Your options for finding short-term space depend on many variables, including your financial resources, the local real estate market, the breadth of the disaster and its impact on other area businesses, the ability of your staff to get to a selected temporary location, and which available spaces are best configured and furnished for your needs. Unfinished (and especially unwired) space may not be a good short-term choice even if you plan to be there more than a year. Depending on the size of your firm and how long temporary space is needed, personal contacts may yield equal or better options than what your real estate broker may be able to find for you. Bar association and professional group contacts also provide friendly avenues to ask for help with temporary space. If you need to use several temporary locations, establish regular communications and courier service among locations.

If you expect or hope to piggyback on a short-term host's T-1 line or other communications facilities because immediate installation of your own service is not available, discuss those expectations in advance. There are many reasons why what you want may not be possible. Similarly, before you commit to short-term space, know whether you continue to be liable for rent at your damaged premises and whether your insurance covers that rent as well as any increased rent cost for temporary space.

The decision to rebuild or move to a new permanent location can be complex. Know whether you have the right to terminate your lease given the expected period of restoration, the remaining term of your lease, the cost of any remaining lease payments after restoration is likely to be completed, whether your landlord will release you from your lease, the difference in your current rent and the rent you are likely to pay for alternative space, the projected real estate market at lease termination, current lease renewal or extension possibilities, including disaster-related government benefits and incentives, projected occupancy date and build-out costs for new space you are considering, the expected financial impact of the disaster on cash flow and income, and the overall financial health of your firm. Employee and client concerns about your firm's reoccupying space that has been impacted by a disaster or moving to new space in a different neighborhood or town may be considerations.

#### **IV. MOVING DAY CONSIDERATIONS**

**From the moment you are unable to work at your current facility, you must keep clients, colleagues, the courts, your employees, vendors, and the community apprised of your changing contact information. Establish an emergency hotline number now. Plan to have your phone service transferred immediately to another location where your phones will be answered. Even if you are able to maintain service at your usual telephone number and web addresses, you should let people know what has transpired, how the firm is responding, and how to reach the firm by mail and by courier. If you continue to use your regular business mailing address, arrange to pick up mail at that post office to avoid forwarding delays. Building management should be kept apprised of your temporary locations in the event deliveries or business guests arrive at your damaged premises.**

#### **VI. PLANNING NOW FOR POSSIBLE DISPLACEMENT**

- a. Assess your other facilities or branch offices for possible use and develop a plan for rapid retrofitting and reconfiguration of work space and redeployment of personnel**
- b. Assess and foster the home office and mobile operations capabilities of your professional staff. Encourage taking laptops, etc. home.**
- c. Keep an updated list of business and law firm colleagues who may have available space and your office work groups or teams that could be assigned to separate facilities**
- d. Form or join a consortium of firms committed to immediate space assistance**
- e. Have a plan to re-route your essential services (phone, computers) immediately. If your computers are not streamed to other office locations, consider redundant offsite back-up, as well as tape back-up, and multiple internet connections. Take advantage of e-filing, websites, scanning and other means of accessing and duplicating key file documents.**
- f. Keep an updated list of essential office supplies and an inventory of office equipment, software, furnishings and library materials. The inventory should include manufacture and model or serial numbers, original cost and date of purchase. If possible, office contents should be photographed or videotaped. Keep duplicate copies of all office software on CDs stored offsite. Store a basic essential supplies kit (including bank checks, stationary, business cards, software, etc.) offsite and prepare a list of supplies to be purchased and equipment to be rented or bought in an emergency, with vendor contact information. Include copies of equipment leases and contracts in your disaster planning kit.**
- g. Purchase and store appropriate emergency supplies, including evacuation packs, cell phones/two-way radios or other first aid kits, bull horns, flashlights, extra batteries, special evacuation equipment, and petty cash.**

**h. Keep original documents and evidence which cannot be replaced in a fireproof safe or vault or bank vault.**

## **VII. INSURANCE CONSIDERATIONS**

**Know what coverage you have and do not have. Review your current business owner's comprehensive policy or other property insurance with your broker to be sure it meets your needs in the event of a disaster. Coverage for certain types of perils such as floods, hurricanes or other windstorms, landslides, earthquakes, pollution, contamination, acts of war/terrorism or criminal acts must be specially purchased. Not all policies provide replacement cost coverage. Examine your coverage for property which is not destroyed, but malfunctions or needs special cleaning or repair.**

**Business interruption insurance to replace lost income as a result of damage or destruction of physical property can be a critical lifeline in some circumstances. It is generally sold as a supplement or endorsement to property insurance or a business owner's comprehensive policy. (Additional or different exclusions, limitations and definitions may apply to the business interruption coverage.) Policies vary considerably. In reviewing your current business interruption coverage or deciding to purchase coverage, some of the factors to consider include:**

- 1. Coverage trigger issues**
  - a. What kind of business disruption triggers coverage? Does coverage apply in the event of a slowdown or if the firm is able to operate from an alternate location?**
  - b. What constitutes a cognizable loss of income? If billable client work is deferred, but is eventually done, is any income "lost"?**
- 2. Standard coverage vs. endorsements**
  - a. Lost income**
    - 1. How is lost profit to be measured for a new firm or in special situations?**
    - 2. Coinsurance for the underinsured**
  - b. Continuing operating expenses (payroll, taxes, rent, utilities, service contracts, and the like)**
  - c. "Extra expense" to shorten the restoration period (moving and storage costs, increased rent for temporary facility, cell phone costs, etc.). Consider possible use of extra expense coverage only where no significant lost income is anticipated.**
  - d. Loss caused by orders of military or civil authorities**
  - e. Loss caused by impairment of ingress or egress**
  - f. Contingent business interruption loss—loss at another location affecting insured's business (e.g., client locations)**
  - g. Loss caused by power/services outages**

**3. Coverage period**

- a. **Waiting period considerations: Likely need for immediate expense outlay, elimination of waiting period or possible use of agreed deductible in lieu of waiting period**
- b. **Understand how long you will be covered —typical lost income coverage for one-year or earlier reasonable period for restoration of premises. There may be shorter coverage periods for certain losses such as payroll, losses caused by power outages, and business interruption which does not result from physical property damage. The reasonable restoration period will need to be negotiated if you are rebuilding bigger or different space. Consider whether you are protected if there are rebuild delays not within your control. Extended liability coverage after operations resume may be available, but may not be applicable to law firm operations.**

**4. Payment schedule: Does your policy provide for advance payments? percentage payouts over time? Consider your likely immediate cash needs.**

**5. Third-party factors. The insurer's financial strength should be evaluated and, in purchasing a new policy, consider the qualifications of your broker to assess your needs. The quality of building management also is important—Are your offices located in a first class building with first class insurance and a professional staff? Can you expect management to undertake prompt, quality building repairs and clean-up at its expense? Is your landlord likely to have rent interruption insurance?**

**If disaster strikes, consider retaining a public adjuster to analyze your coverage and to help document, present and settle your claim. Anticipate possible coverage issues and disputes about property or lost income valuation, the scope of property damage, and claim documentation.**