



Nat/Cat Preparation & Claim Guidance for clients

Earthquake events



Overview

This claims manual is designed to assist clients of Willis, a WTW business, in Asia to ensure a substantive and robust response to natural catastrophe (Nat/Cat) earthquake events. It also provides advice to clients to engage in effective Nat/Cat preparedness.

Pre-guidance for all Nat/Cat events

All clients should do the following to be prepared for any and all Nat/Cat events:

1. Ensure all vital records (including insurance policies) are stored in a safe, waterproof and shock proof environment. Ensure an uninterruptible power supply/generator (UPS).
2. Ensure that IT systems and electronic documents are backed up electronically, in an offsite location (or are portable so they can be taken in an evacuation).
3. Update your employees' emergency contact information on a regular basis (i.e. twice a year).
4. Create and regularly test an emergency communications system (i.e. testing twice a year).
5. Ensure remote access to your company's website so updates about availability can be made.
6. Determine safe evacuation routes as well as alternative routes.
7. Create and/or update business resiliency, crisis management and evacuation plans (Willis recommends once a year).
8. When planning, consider and allow employees time to prepare and execute personal preparedness plans for their families.
9. Identify crucial employees, ensure they understand what is expected of them during a disaster.
10. Develop a plan that allows your IT, payroll, benefits, and HR functions to continue to operate during and after a disaster if your workplace access is restricted.
11. If employees must work remotely, then have the necessary equipment and support available to allow them to perform their duties.
12. Conduct regular drills to remind and prepare employees for what to do during an emergency (Willis recommends once a year drills).
13. Regularly inspect all open areas in and around buildings to ensure there are no buildups of materials, refuse, leaf litter, branches or building materials (Willis recommends monthly).
14. Ensure you have employees that are certified in first aid.
15. Regularly inspect all roof areas to ensure there are no loose materials or large, untethered/unaffixed objects and that the roof is intact with all drainage and gutter properly functioning (Willis recommends monthly).
16. Ensure that structures are soundly designed to withstand reasonably expected flooding, earthquake or storm/rain events for your location.

Guidance for earthquake events

All clients in earthquake prone areas should do the following (along with the pre-event's guidance above) to be prepared for earthquake events.

Pre-event

1. Perform a workplace survey, especially if you are in an area with a high risk of earthquakes, to identify potential hazards to employees if an earthquake occurs. Look for furniture or materials that could:
 - fall and strike employees or block means of egress,
 - cause a release of hazardous materials, or
 - otherwise affect the health and safety of employees as a result of utility loss or system/structural failure.
2. Designate secure areas for your employees to shelter in place while the event is underway: i.e. under a sturdy table or desk, in an archway, against an interior wall, away from windows and bookcases/tall furniture that could fall.
3. There should be a large number of these secure areas throughout your establishment. The shorter the distance to move to safety, the less likely that you will be injured. Statistics show that people moving even as little as ten feet during an earthquake are most likely to be injured.
4. Practice drop, cover, and hold-on in each safe place. Drop under a sturdy desk or table and hold on to one leg of the table or desk. Keep your head down with your hands linked over the back of

your head; protect your eyes and/or cover your eyes. Hold regular practice/drills (minimum twice a year) for these actions so that they become automatic.

5. Create a crisis response plan for employees to follow in the event of an earthquake that also includes the within “during event” guidance.
6. Inform employees of the plan and discuss earthquakes with employees. Ensure that your employees know what to do if an earthquake occurs.
7. Get trained. Ensure some employees have taken first-aid classes and have training on how to use a fire extinguisher. Keep your training current.

During event

Follow a crisis plan as follows:

1. Wait in your secure area until the earthquake stops, then check to see if you are hurt.
2. Try not to move around, if you do have to move watch out for falling, broken items or other hazards and always use the stairs and NOT elevators.
3. Be ready for aftershocks.
4. Be watchful for fires and ensure that manual firefighting systems are available for use by your employees (i.e. fire extinguishers).
5. If you're outside in an earthquake, stay outside. Move away from buildings, trees, streetlights and overhead lines of any kind, but particularly electrical lines. Crouch down and cover your head with your hands overlapping or linking.

Post event:

1. Check yourself for injuries: Attend to any immediate injuries, providing first aid if needed.
2. If you must leave a building after the initial earthquake ends, always use the stairs and NOT the elevator.
3. Check for loose or falling debris.
4. If you are trapped, try to make noise to alert rescuers.
5. Assist anyone injured or trapped, but only if it is safe to do so and you have the appropriate training.
6. Look for structural damage to buildings, including cracks in walls and foundations, and be cautious when opening doors and cabinets.
7. Inspect water, gas, and electrical lines for damage. If you smell gas, open windows and doors, and leave the area immediately.
8. Extinguish fires: If you see any fires, put them out if it is safe to do so.
9. Be ready for aftershocks.
10. If you are near the coast, a tsunami could follow an earthquake. As soon as the shaking stops, move quickly to higher ground or inland away from the coast. Don't wait for an official alert. Please also follow all rules for tsunamis as outlined in the WTW guidelines specific to tsunamis.
11. Follow all other 'All event Willis post Nat/Cat guidance' as outlined in these guidelines.

Post Nat-Cat insurance claim damage documentation/checklist (all events)

The following actions should be taken, post-event, to prepare for the submission of your insurance claim:

Post-loss immediate response list

1. Contact Willis Claims.
2. Gather vendor contracts (service agreements) and initial information required.
3. Distribute contact information for all experts.
4. Contact all team members including responsible party for data collection and storage.
5. Set up tracking schedule for information requested and provided.
6. Review guidelines for gathering data.
7. Develop list of damaged assets and assess need to repair/replace.
8. Prepare purchase orders and request estimates/bid.
9. Activate general ledger expense accounts to capture loss related costs.
10. Begin tracking costs, both permanent and temporary, necessary to resume operations.

11. Summarize potential areas of loss including initial estimates with date(s) provided. Include placeholders for areas where estimates are not available.
12. Assess downtime and mitigation opportunities.

Property damage documentation

Be prepared to document your loss of property/damage to property by doing the following:

1. Take photographs of all damage.
2. Prepare a list of fixed assets damaged.
3. Obtain vendor/contractor quotes for repair / replacement.
4. Obtain expert reports (where necessary) regarding damage assessment.
5. Perform and document any cost benefit analyses showing repair versus replacement where appropriate.
6. Collect, collate and categorize purchase orders for anything purchased due to storm/for storm repair or to replace stock, fixtures, contents or any other items lost/damaged due to the event.
7. Collect collate and categorize repair / replacement invoices.
8. Arrange for salvage and collect, collate and categorize any salvage agreements.

Business interruption documentation / Extra expense documentation

1. Collate Monthly Budget and Actual Monthly Profit & Loss Statements for 2 years prior to the loss.
2. Collate Monthly Budget and Actual Sales/Production Statistics for 2 years prior to the loss.
3. Prepare Monthly Budget and Actual Profit & Loss Statements at any location mitigating the loss of sales.
4. Track Incremental Operating Expenses (with supporting documentation) due to the event including:
 - Overtime labour
 - Shipping Expenses
 - Temporary work force
 - Expense incurred to reduce loss

Third Party Liability Response

In addition to the above, if you have received any third party liability claims, lawsuits, petitions or demands ("3d Party Claim") please do (or do not do) the following:

1. Forward any 3d Party Claim to Willis
2. Ensure, with Willis, that insurer provides legal representation where legal action has commenced
3. Do NOT agree to make any payments, make any repairs or settle without insurers' consent
4. Do NOT admit liability
5. Do take emergency action to mitigate/stop any active damage that is occurring to a third party or their property

Contact Willis Claims and FACC Services Practice Leaders

Most importantly, contact Willis as any event is impending and, particularly post-event, to ensure your claim is reported in a timely manner and so that the work of properly documenting your loss can be commenced. Many policies include coverage for the work Willis will perform to assist you in preparing your claim for submission. This coverage entitles you to have dedicated, experienced personnel at your side, ensuring your claim receives all the attention, and policy proceeds, that it deserves.

Services Include:

- Crisis Response/Management & Planning
- Claims Preparation/Forensic Accounting (FACC)
- Business Resiliency Planning
- Site Safety/Nat/Cat Hardening Review
- Risk Analytic/Advisory



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