



By
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Infrastructure provides the backbone for commerce to occur in an unrestricted and potentially profitable manner. Should a component of a country's infrastructure become damaged or not perform as expected, not only can commerce become affected in that location, but due to the global nature of business today, this situation may have far-reaching ramifications. Are companies planning for such exposures?

The definition of infrastructure has become increasingly broad. It can

Business owners may want to consider the following as they begin to develop a plan or re-evaluate an existing one:

- Don't drive yourself crazy trying to anticipate every possible event that could harm your business. Prioritize those that have the most impact on your business, along with those with the greatest likelihood to occur.

- Determine which components of the infrastructure your business relies upon, and how the business will be affected by failure of that component.

Don't forget to think globally. If you have a facility in China, how would an earthquake or a power grid failure in that region affect your business?

- Work with your suppliers to determine their dependence on the same infrastructure. Think of it as aggregation—don't have all of your suppliers in one geographic area, in case the worst does occur. Develop a list of alternative suppliers that can step in if your primary suppliers are affected.

- Testing your plan is essential to verify that your choices for business continuity strategies are valid. The test may be as simple as a tabletop exercise in which company staff discusses the steps required to respond to a disaster scenario. From these discussions, the success or failure of the prescribed strategies should become apparent.

- Business owners also may want to consult with an insurance agent or broker, an insurance carrier or some other loss control specialist to help make sure the plan is viable and meets the company's objectives.

The traditional definition of infrastructure has been replaced with a much broader one that reflects today's global economy. Now, more than ever, infrastructure-related events can have a devastating impact on a company's bottom line. Companies that have a comprehensive business continuity plan can minimize the cost of such an event to the business. **BR**

What's Your Plan?

As the definition of infrastructure broadens, so can the risks.

include traditional structures such as roads, water supply, sewers, power grids and telecommunications. But it also may include financial markets, the Internet and social services.

As insurance industry professionals, we have developed strategies to deal with the damage natural catastrophes, such as typhoons, hurricanes, wildfires and earthquakes leave in their wakes. Business owners also need to plan for infrastructure-related issues that quietly sneak up, such as aging port facilities, insufficient protection from cyber threats or the shrinking supply of water in various areas of the world.

While the risks facing business owners become more complex as infrastructure ages, the good news is that the playbooks we've developed for natural catastrophes provide a good foundation for the plans needed to deal with a local bridge collapse or a power grid failure thousands of miles away. Business continuity plans are a must for business to properly prepare for and respond to infrastructure collapse.

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