Provided by: **Risk Strategy Solutions**

# Commercial Risk Advisor

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## 6 Ways to Minimize Business Interruptions

Business interruptions can occur after an anticipated or unanticipated event that delays or disrupts a business's normal operations. Natural disasters, fires, cyberattacks or the loss of a critical supplier can halt operations for an extended period of time, leading to a cash-flow imbalance that could force a business to close for good.

Here are six ways to minimize business interruptions:

1. **Determine the risk.** Take into consideration environmental and human risks, as well as which risks are preventable and which are not. After the risks have been identified, the elements involved can be understood, such as the hazard itself, the assets at risk and the potential impact of the risk.
2. **Calculate the cost.** Analyze the impact of each risk by considering the cost of lost sales or income, increased expenses, regulatory fines or contractual penalties.
3. **Understand insurance coverage.** Review the organization's insurance coverage to understand the policy terms, exclusions, coverage limits and waiting periods.
4. **Implement steps for prevention and mitigation.** Control and contain potential hazards by implementing prevention, deterrence and mitigation strategies.
5. **Create a crisis communication plan.** Provide employees and customers with updates and critical information by creating a crisis communication plan. Determine the chain of command, write key messages and scripted responses and establish bidirectional communication networks.
6. **Prepare an emergency plan.** Practice and review emergency procedures to ensure the plan's effectiveness. Include IT and data recovery, contracts and resources in the plan.

According to the Federal Emergency Management Agency, 40% of businesses never reopen after a disaster. By taking the above precautions, business leaders can prepare and strategize for interruptions. For more information, contact us today.

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# Risk Exposure of Using Drones

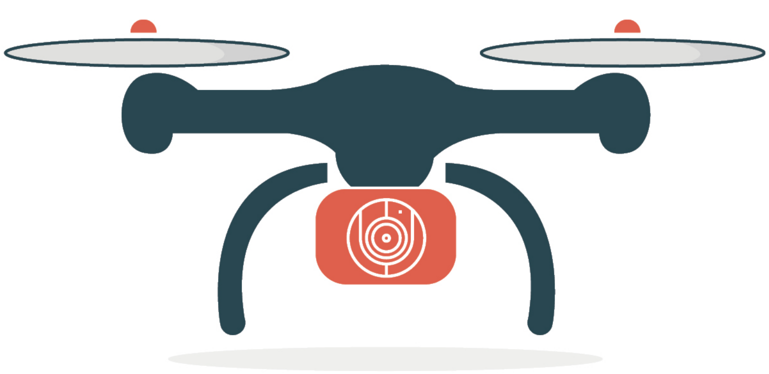
The commercial use of drones—also known as unmanned aerial systems (UAS)—has grown in popularity over the past several years. The usage of drones can create new opportunities for businesses, such as:

- Enabling retailers and other businesses to deliver products and services faster than ever before
- Offering a more efficient and environmentally friendly way to make small, one-off deliveries
- Performing tasks that would be a safety risk to humans, such as surveying towers and tall buildings

However, drones could also change a company's risk exposure, opening it up to potential personal injuries, property damage, privacy issues, cyberthreats and financial loss. Because of these risks, the Federal Aviation Administration (FAA) has several requirements for commercial drones, including:

- Commercial drone operators need a remote pilot airman certificate with a small UAS rating or be under the direct supervision of a person who holds such a certificate.
- The remote pilot much inspect the UAS before every flight.
- Operators must maintain a visual line of sight with their drones and keep them below 400 feet above ground level.
- Operators cannot fly the drone over anyone who is not directly participating in the drone's operation.
- Drones may carry an external load if it's securely attached and doesn't adversely affect the aircraft's controllability.

Any business considering drones should work with their broker to determine their potential liabilities and what insurance coverage is available to protect against them. For more information, contact us today.



According to the FAA, there are currently **314,689 registered commercial drones.**