



Disaster Planning and Liability Management for Corporations

An alliance between Pillsbury, Protiviti and The American Red Cross in Greater New York



While most corporations have invested in broad-based business continuity plans to address a variety of risks, few have measured these plans against potential liabilities that may be introduced as a direct result of how they respond to major disasters.

How a corporation responds to a major disaster can directly affect (1) the nature and level of liability it may face in the event's aftermath, and (2) the value of corporate assets following actions that may be taken by civil authorities. Yet many corporations have not adequately considered liability management and asset protection as part of their contingency planning for specific disaster events and, as a result, these corporations are leaving themselves exposed to potential litigation and financial loss.

Our Services

The Pillsbury-Protiviti-Red Cross alliance has developed a customized proprietary methodology that effectively assesses disaster-related liability exposure and enables crisis management and business continuity plans to be properly aligned with risk management objectives.

We have combined our respective experience in legal and operational risk management to jointly offer the first Disaster Planning & Liability Management (DPLM) services to the market. Our DPLM methodology helps clients understand the nature and scope of their exposure to disaster-related liability—proactively assessing this risk, developing legal and operational strategies to manage it, and implementing required changes to an organization's crisis management and business continuity plans.

While this is a new combined service offering, our joint DPLM delivery approach is based on legal and operational planning methodologies that have already delivered risk mitigation to clients in both the public and private sectors.

Our combined services include:

Legal Considerations

- Identification of relevant scenarios
 - Hurricanes, earthquakes and other natural disasters
 - Avian flu, pandemics, anthrax & other biological attacks
 - Large-scale conventional explosive attacks
 - Nuclear accidents, dirty bombs & other radiological events
- Analysis of a corporation's potential legal liability for the responses contemplated in the event of such scenarios
- Enhancements to operational strategy and contingency planning
- Modification of a corporation's crisis management and business continuity plans to minimize or avoid liability

Operational Considerations

Pre-Event Planning

- Threat avoidance
- Alternative site evaluation
- Succession planning
- Resource stockpiling
- Insurance
- Training
- Testing

Operational Recovery

- Life safety
- Sheltering
- Containment and clean-up
- Damage assessment
- Crisis communication
- Mobilization
- Interim/manual operations
- Operational recovery
- Return home

Our Experience

Pillsbury has partnered for two years with the City of New York, through its Office of Emergency Management and Corporation Counsel's office, to perform a comprehensive assessment of the legal issues New York City could face in responding to a major disaster. We systematically analyzed the City's plans for responding to major disasters, ensuring that the City had the authority needed to protect its residents and visitors in the event of a disaster and minimizing its potential future liability. Pillsbury's work for the City of New York included:

- Reviewing the City's emergency plans against relevant federal, state and local law to ensure adequate legal authority for all operational plans
- Examining NYC's potential liability for:
 - Public communications
 - The taking and use of private property
 - Personal injuries associated with pre- and post-disaster actions
 - Regulatory non-compliance
 - Any discriminatory impact of acts or omissions
- The specific issues examined included:
 - Evacuation
 - Sheltering
 - Quarantine
 - Inoculation/prophylaxis administration
 - Emergency medical treatment
 - Contamination and cleanup
 - Private property use
 - Debris removal
 - Contracting
 - Worker protection
 - Federal/state/local jurisdictional Issues

Protiviti's experience has addressed a wide range of emergency response and crisis management issues for our clients, including:

- Development of a global pandemic preparedness program framework for an international building materials manufacturer, and piloting this program roll-out to multiple operating facilities in different countries
- Developing a hurricane response strategy and plan for a major aerospace engineering firm that suffered severe damage at one of its operating facilities
- Assisting an international bank located in the Middle East in defining its risk, evacuation strategy and recovery options related to risk of war and invasion
- Assessing risk and identifying credible threats for a major financial institution with two data centers located within close proximity
- Developing, for a regional energy company, a crisis management plan and procedures for hurricanes and other natural disasters

The American Red Cross in Greater New York's Emergency Optimization Program is an integrated program for training, exercises and drills specifically crafted to address the safety and preparedness needs of corporate clients. The Program provides corporate employees with the knowledge and skills for confronting a disaster or emergency. Specifically developed to ensure an organization's emergency preparedness and crisis response plan is a vital, functioning tool, the Program is a key supplement to a corporation's business continuity plan. Components of the program include:

- First responder training suite
- Method and Metrics program for corporate medical emergency response
- Table top preparedness exercises
- Team building program
- "Red Cross Ready" preparedness training
- Pandemic preparedness training
- Global Solutions for multi-national organizations
- Safety and preparedness products

About the Alliance Partners

Protiviti (www.protiviti.com) is a global business consulting and internal audit firm composed of experts specializing in risk, advisory and transaction services. The firm helps solve problems in finance and transactions, operations, technology, litigation, governance, risk, and compliance. Protiviti's highly trained, results-oriented professionals provide a unique perspective on a wide range of critical business issues for clients in the Americas, Asia-Pacific, Europe and the Middle East. Protiviti has more than 60 locations worldwide and is a wholly owned subsidiary of Robert Half International Inc. (NYSE symbol: RHI). Founded in 1948, Robert Half International is a member of the S&P 500 index.

The American Red Cross in Greater New York is a humanitarian organization, led by volunteers, that has been providing companies, organizations and employees the knowledge, skills and tools to meet emergencies competently and confidently for over 100 years.

Pillsbury is a full-service law firm with a presence in the world's major financial and technology centers. Pillsbury counsels clients on all aspects of global business and litigation. We work in multidisciplinary teams that allow us to anticipate trends and bring a 360-degree perspective to complex business and legal issues—helping clients to take greater advantage of new opportunities and better mitigate risk.

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