

**AFP®**



# Annual Conference

OCTOBER 27-30, 2013 | LAS VEGAS

ORIGINAL→ESSENTIAL→UNBIASED→**INFORMATION**

## Coping with Disaster: Maintaining Continuity in the Wake of Emergencies

**October 28, 2013**

Charles Connery  
AIG

Tom Pastorello  
Guardian Life

Mark Kirsch, CTP,  
Bank of America

## **Presenters:**

**Charles Connery**  
**Director, Global Banking Solutions**  
**American International Group**

**Thomas Pastorello**  
**Director, Treasury**  
**The Guardian Life Insurance Company of America**

# Meet Super Storm Sandy

**Formed** October 22, 2012[1]

**Dissipated** October 31, 2012[1]

**Highest winds** 1-minute sustained: 115 mph (185 km/h)[1]

**Lowest pressure** 940 mbar[1]

**Fatalities** 147 direct, 138 indirect (285 total)[1]

**Damage** ≥ \$75 billion (2012 USD)(Second-costliest hurricane in US history[1])

**Size in miles:** 1,100[2]

Measured by diameter of tropical storm-force sustained wind, as it made landfall just south of Atlantic City, New Jersey—more than double the landfall size of Hurricanes Isaac and Irene combined.

**Areas affected:** Greater Antilles, Jamaica, Dominican Republic, Cuba, Puerto Rico, Bahamas, Bermuda, Canada, 24 states including the entire eastern seaboard from Florida to Maine and west across the Appalachian Mountains to Michigan and Wisconsin

[1]Blake, Eric S; Kimberlain, Todd B; Berg, Robert J; Cangialosi, John P; Beven II, John L; National Hurricane Center (February 12, 2013) (PDF). Hurricane Sandy: October 22 - 29, 2012, (Tropical Cyclone Report). United States National Oceanic and Atmospheric Administration's National Weather Service

[2] "Hurricane Sandy Grows To Largest Atlantic Tropical Storm Ever". WBZ-TV

# More Facts about Super Storm Sandy

**Highest Rainfall Total:** Andrews AFB, Md.: 15.3" [3]

**Highest Snow Amounts :** Mt. Leconte, Tenn.: 34" [3]

**Number of homes that lost power:** 8,100,000 homes across 17 states, as far west as Michigan. [3]

**Largest Waves:** 39.67 feet 500 miles southeast of Atlantic City, N.J. [3]

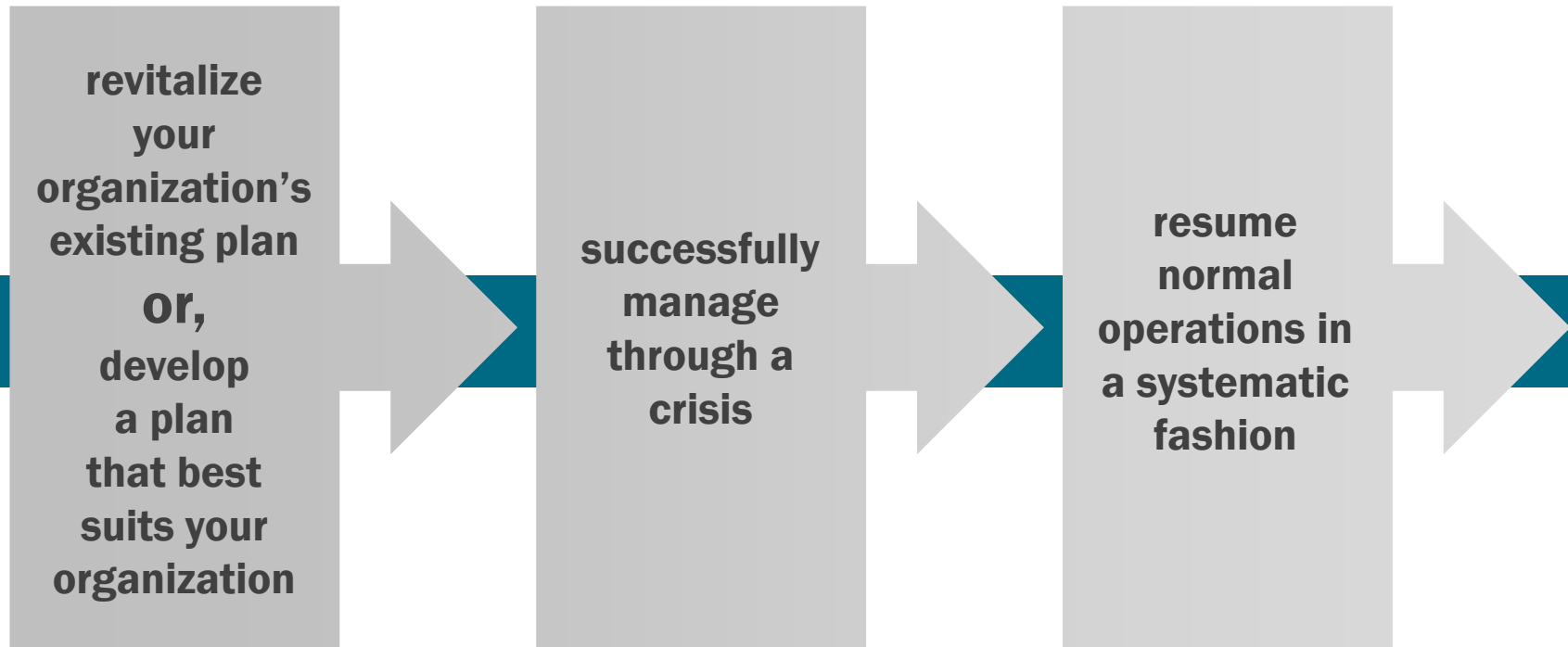
**Largest Storm Surge:** Kings Point, N.Y.: ~12.5 feet above normal [3]

**Number of Sandy-related photos uploaded per second to Instagram on October 29, 2013:** 10 [3]

**Approximate number of tweets sent about Sandy between Oct. 27 and Nov. 1:** 20,000,000 [3]

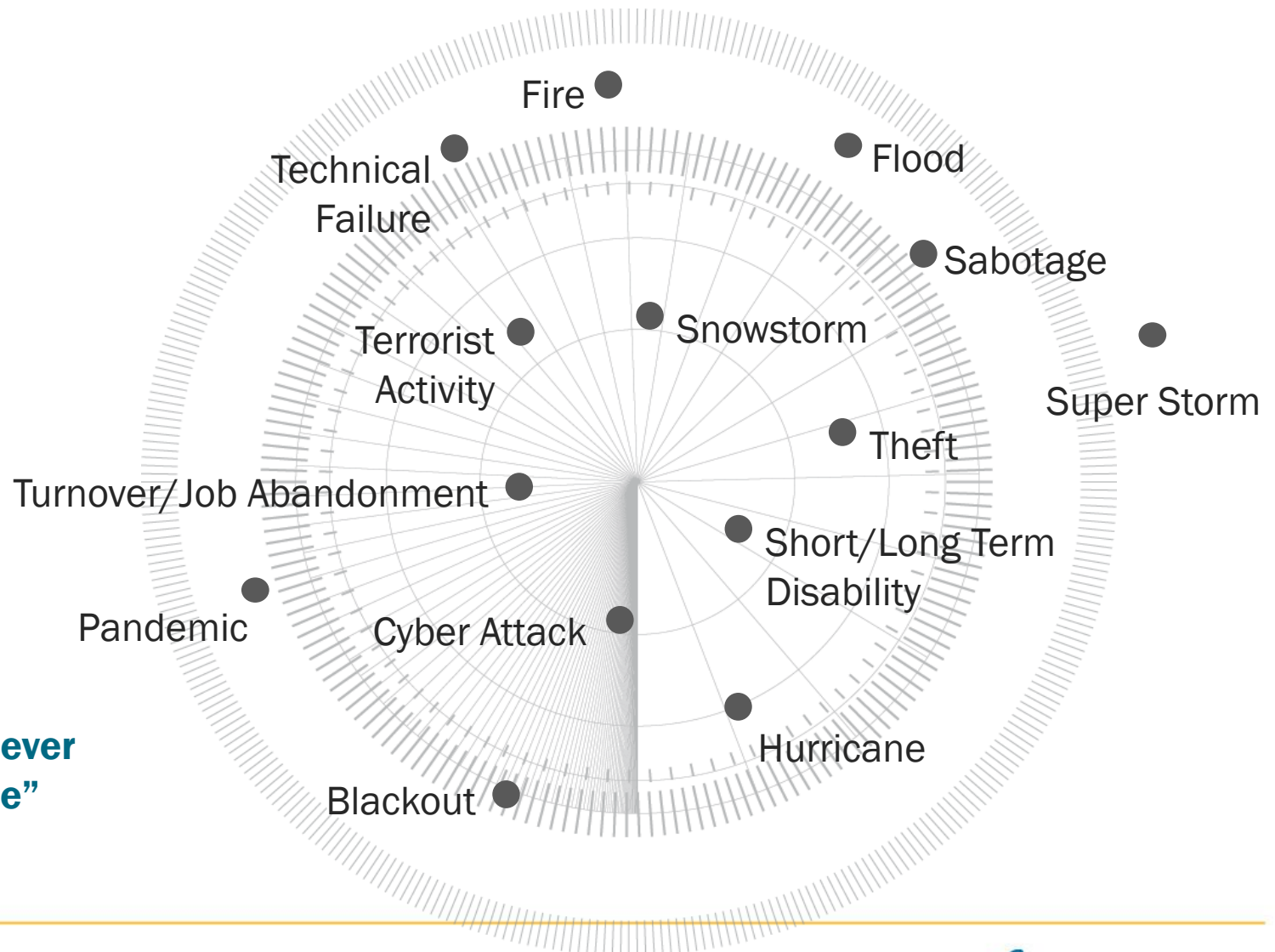
[3] "Hurricane Sandy By the Numbers: A Superstorm's Statistics, One Month Later" By Kayla Webley Nov. 26, 2012 : <http://nation.time.com/2012/11/26/hurricane-sandy-one-month-later/>

**Our goal is share the experiences and key lessons learned of two companies in the wake of Super Storm Sandy to help you...**



# A business continuity “event”

Any form of natural or man-made occurrence that disrupts “normal” operations.



**“That Could Never  
Happen Here”**

# Business Impact Analysis

**Identify circumstances under which “normal” operations could be disrupted and your Business Continuity Plan would be implemented.**

Identify specific events which could disrupt continuing operations.

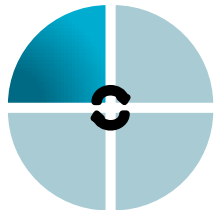
Identify key personnel and critical activities that must take place if the BCP is executed for the first hour/day/week/beyond.

Engage leadership in a collaborative thought process. Silo thinking during discovery phase adds no value.

Identify the effect each event has on your organization’s processes, systems, personnel, and resources.

Identify critical dependencies that exist in your continuing operations. BCP rendered ineffective if a critical dependency is forgotten in plan.

-Do other departments/functions have their own BCP?  
-Have they identified the same dependencies that Treasury has identified?  
-Do these plans view the same activities with an identical level of criticality?  
If not, why not?

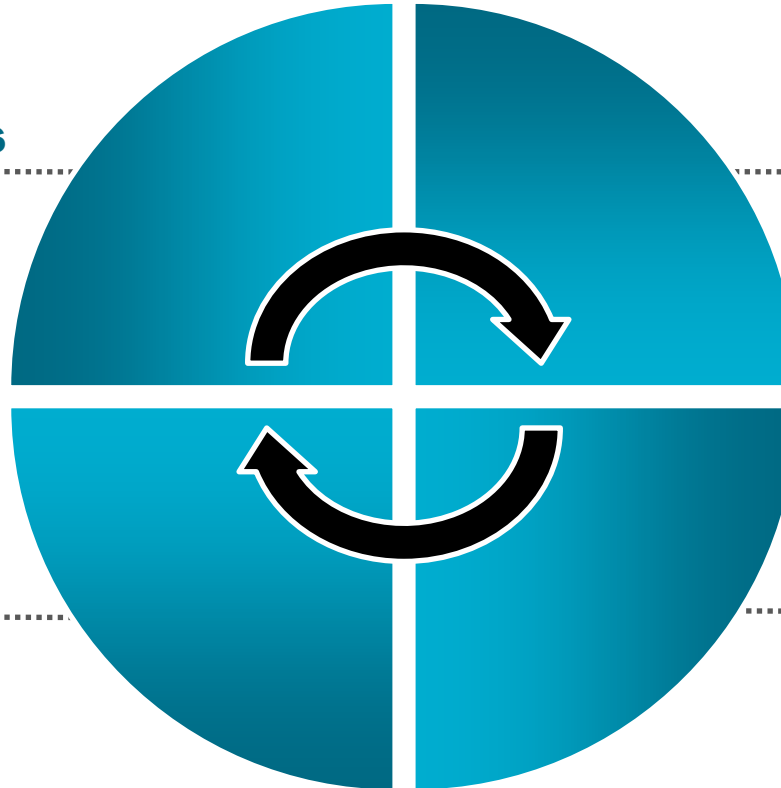


**A time of discovery, not handicapping.**

# Four Elements of Business Continuity Planning

**Business Impact Analysis**

**Risk Assessment**



**Test & Assess**

**Plan Development**

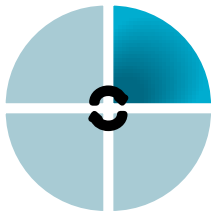


# Risk Assessment

**Evaluate** the impact of each scenario upon the processes, systems, personnel and resources required to conduct day-to-day operations.

**Perform** gap analysis.

**Record** your results and **analyze**.



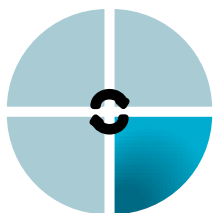
# Plan Development

## Best Practices

- It must exist in written form.
  - Several locations outside the office.
  - Electronic/Hard copies.
- Which activities must be performed in the first Hour? Day? Week?
- Reviewed and Approved by the Chief Financial Officer and the leader of the business continuity program.
  - Including revisions

## Avoid

- Bias influencing the Plan.
- Assuming that a Black Swan will never materialize.



# Test and Assessment



**Designate owner of testing process**



**Ensure testing is dynamic**



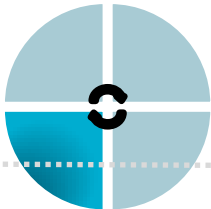
**Report written results to CFO/ Treasurer**



**Remediate all gaps immediately**



**Independent review of results**



# Questions



**Thank You**