



Press Release

Bahrain, 30th June 2009

Is your organisation prepared for a pandemic?

Following the classification of the H1N1 virus as a pandemic, Dr Naeema Aziz urges organisations to enhance resilience through effective contingency planning

The decision by the World Health Organisation (WHO) on 11 June to raise the H1N1 virus (swine flu) to pandemic status is a clear signal to all public and private organisations that they should now be reviewing their existing contingency plans or seeking to implement such plans. According to Dr. Naeema Aziz, Practice Leader, Business Advisory Services, Heritage Insurance Management (Bahrain) W.L.L. this is an essential component of any effective risk management strategy and should be conducted at both an enterprise and national level to enhance resilience in the face of this growing crisis.

“Three years ago, when we faced the threat of an avian flu pandemic, many companies invested substantial resources to determine how they would respond in the event of an epidemic or pandemic incident to limit its impact on their business activities and ensure continuity of service,” said Dr Aziz. “Following the announcement that the H1N1 virus has become a pandemic, organisation’s must ensure that these contingency plans are up-to-date, that they have been exercised and that all staff members are fully aware of the requirement placed upon them by these plans.”

According to research conducted by the Center of Disease Control and Prevention in the US, a major influenza pandemic has the potential to infect approximately 25% to 35% of the global population, and a substantial fraction of these individuals could die. The direct and indirect health impacts alone in the US (not including disruption in trade and other costs to business and industry) have been estimated at \$181bn for a moderate pandemic (similar to those in 1957 and 1968) with no interventions.

A substantial influenza outbreak has the potential to leave companies exposed on a number of fronts as a result of reduced staff numbers due to illness, increased levels of absenteeism, strains on supply chains and a range of other risks. These can all result in financial, legal and reputational repercussions. Dr. Aziz urged all organisations to assess their potential exposures as a result of the pandemic and to ensure that their contingency strategies are designed to overcome these.

Heritage's Risk Management team is currently advising all organisations to focus on the following eight core areas as part of their pandemic preparedness strategy:

1. Consider contingent policy development for workplace implications. These may include: substantial absenteeism, health insurance coverage of pandemics, employee travel, management of ill employees at work or on client premises, deferment of annual leave to cover absences, home working arrangements etc.
2. Establish internal and external disaster management communications plans. This should include: employees, customers, suppliers, shareholders, local, state and federal regulators and plans for communicating with the media
3. Implement measures to strengthen existing supplier relationship(s) to avoid a 'pick and choose' situation by the suppliers in cases of reduced workforce across all industries
4. Make sure that your suppliers have contingency plans
5. Adjust your sourcing strategy to encompass multiple suppliers in dispersed geographical areas
6. Re-evaluate your inventory levels to meet increased or decreased demand for your line of product in a pandemic situation
7. Revise your contractual Force Majeure Clauses to ensure that you are protected from being committed to any purchase quantity guarantees if your company is affected by an outbreak of the virus
8. Document and prioritise your critical department tasks that must be continued in the event of an influenza outbreak and establish which tasks can be temporarily suspended.

Dr. Aziz said that proactive planning and preparedness is key to managing a major global event such as a pandemic. Such pre-emptive steps can be critical to minimising disruption, protecting employees and maximising an employer's ability to keep their businesses running during a crisis.

Heritage has a multi-discipline team of healthcare, business and risk management insurance specialists and consultants who can provide professional assistance for developing the business continuity plan for your organisation.

For further information, please contact

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Notes to Editors

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