

World Health Organization raises pandemic alert level to phase six

Marsh advises organisations to maintain focus on potential economic and jurisdictional issues associated with pandemic

London, 11 June 2009 — Following today's decision by the World Health Organization (WHO) to raise its H1N1 influenza pandemic alert to Phase 6, its highest level, Marsh, the world's leading insurance broker and risk adviser, is recommending that all organisations continue to focus on potential economic and jurisdictional issues in shaping their response to the current pandemic.

As part of their response, Marsh advises organisations to continue to address potential health and social consequences of the pandemic, as well as to step up surveillance of pandemic clusters that might affect their operations, markets, or suppliers, and to monitor the performance of their current mitigation efforts.

Rod Ratsma, Managing Consultant in the Business Continuity Management Practice at Marsh, said: "With declaration of the pandemic, public and private organisations should seek to finalise, validate, and test their business continuity, supply chain resiliency, and crisis communications plans, so they will be able to cope more effectively with any potential jurisdictional and economic consequences.

"Industry's ability to respond to the challenges posed by a pandemic may be complicated by the global economic recession, which has led to significant reductions in workforce, streamlining of supply chains, and cutbacks in operations," he added.

According to Marsh, businesses should continue to monitor the possibility of government intervention, ranging from mandated shutdowns of factories and offices to increased scrutiny of goods and people at border crossings, random quarantines, and social isolation. The reality of global interdependent economies is that a pandemic can have ramifications for a company's ability to source goods and maintain its operations and service levels around the world. However, it is important to keep this in perspective as actions and impacts will vary depending on the severity of outbreaks in a particular geography or geographies.

With the alert level now at Phase 6, Mr Ratsma notes that businesses should update their continuity plans in light of the pandemic, ensuring that their trading partners do the same. Planning should include:

- An understanding of how and where an organisation might be impacted, especially global supply chains that are supported by trading partners and public infrastructure providers.
- Pre-defined business priorities and decision modeling that accounts for interdependencies.
- A process for orderly shut-down or reduction in service based on a decline in demand, unavailability of labor force, absence of raw materials, or failure of critical infrastructure services, such as public health and safety, energy, sanitation, communications, and transportation.
- Recovery, restoration, and resumption plans that address all key processes and resources and define desired recovery times. At a minimum, these plans should

include alternative methods for sourcing materials and products, alternative workforce, and work-at-home policy.

He also points out that organisations should use the current pandemic as a basis for reviewing and updating the following:

- A crisis and continuity management pandemic plan, including policies for business travel, locating staff, social-distancing, isolation procedures, and an alternative workforce.
- A pandemic communication plan that ensures that all appropriate stakeholders are kept informed and know what is expected of them.
- A physical and behavioural health policy for managing infected personnel and premises as well as hygiene and medical screening policies, anti-viral medications, health care support (e.g. anti-bacterial sanitiser, masks), and procedures for dealing with emotional impacts.

In addition, organisations need to review their insurance coverage and understand how it relates to a Phase 6 pandemic event. It is critical to have available the specific policies (e.g. supply chain pandemic coverage, general liability, U.S. workers' compensation and benefits, U.K. and European employers' liability, and property) under which a claim might be made as many variables might affect potential recovery. This includes period of restoration, waiting periods, distance limitations, sub-limits, modification of language from the basic form, definitions, deductibles, and other policy conditions, including contamination and other exclusions.

During the past several weeks, many organisations updated their pandemic plans with regard to social, health, economic, and security impacts as evidenced by such measures as:

- Requesting that employees returning from infected countries remain at home for three to seven days.
- Restricting employee business travel.
- Activating accountability systems for employees and members of household.
- Initiating three orders of succession and delegation.
- Reviewing work-at-home procedures.
- Monitoring and surveillance of events, and regular communication of all relevant information.
- Validating trading partners' degree of preparedness.

John Merkovsky, global leader of Marsh Risk Consulting, added: "Much will be learned from the initial response to this pandemic, in terms of coordinated international activity, communications, and the need to prioritize the key things we need to do to keep going. There is an urgency in finding and applying these lessons. Based on the world's past experience with pandemics, businesses need to prepare for the possibility of a recurrence of H1N1 later in the year and for future pandemic outbreaks."

Marsh offers a number of resources for businesses related to the pandemic, including:

- **Rapid Pandemic Preparedness Assessment** to help businesses evaluate their capabilities to respond to and recover from a pandemic, identify gaps in their continuity and crisis plans, and develop a roadmap for process improvement. For more information, visit <http://global.marsh.com/documents/RapidPandemnicPreparednessAssessmentFactsheet.pdf>.
- **Pandemic Risk Transfer as part of Marsh's Global Supply SecureSM**, which can provide valuable protection for organizations that need pandemic coverage as part of

their global supply chain coverage. For information, visit http://global.marsh.com/documents/PandemicSolutionsfromMarsh_GSS.pdf.

- One-hour Webcast, "**H1N1 Flu and Pandemic Preparedness.**" A replay may be accessed free of charge by registering at <http://global.marsh.com/news/articles/mediafiles/register.php>.
- **Marsh Pandemic Preparedness Center** at <http://global.marsh.com/risk/pandemic/index.php>.
- Marsh 34-page report, *H1N1 Influenza: Preparing for and Responding to a Pandemic*, available free of charge by registering at <http://global.marsh.com/risk/pandemic/register.php>.
- **Marsh H1N1 influenza and pandemic e-mail alerts**, available free to those registering at <http://global.marsh.com/risk/pandemic/alerts/registration.php>.
- **Marsh Pandemic Response Center.** To discuss pandemic preparedness with Marsh risk professionals, telephone 866-9At-Risk (866-928-7475) in the United States and Canada, and +1-212-345-9589 from elsewhere, or e-mail: At.Risk@marsh.com.

Over the past four years, Marsh has been on the front lines of driving the urgent need for pandemic preparedness and insurance response through its leadership role in the World Economic Forum Global Risk Network and through ongoing work with major insurers.

About Marsh

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