



# A Guide to Creating a Crisis Management Plan

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## Table of Contents

<b>INTRODUCTION .....</b>	<b>3</b>
What Is a Crisis?.....	3
<b>THE IMPORTANCE OF CRISIS MANAGEMENT .....</b>	<b>4</b>
<b>PRE-CRISIS CONSIDERATIONS .....</b>	<b>5</b>
Assess Your Risks and Establish Goals .....	5
Create a Crisis Management Team.....	6
Identify Stakeholders and Consider Communication Channels.....	8
Set Alert Levels .....	9
Practice the Crisis Management Plan .....	13
<b>MID-CRISIS CONSIDERATIONS.....</b>	<b>14</b>
Evaluate the Situation .....	14
Initiate Your Plan .....	14
Act Quickly and Accurately .....	15
Adjourn the Crisis Management Team .....	16
<b>POST-CRISIS CONSIDERATIONS .....</b>	<b>18</b>
Consider Follow-up Communications.....	18
Evaluate and Update Your Crisis Management Plan .....	18
<b>MOVING FORWARD.....</b>	<b>20</b>

## INTRODUCTION

Planning is critical in business and can make all the difference when it comes to generating revenue, building a reputation, reducing insurance exposures and satisfying customers. However, while proper planning can help you grow your business, the fact is that—even if you take every reasonable precaution—a crisis can occur without warning and lead to significant disruptions and business impacts.

### What Is a Crisis?

Simply put, a crisis is any situation that falls outside normal business and emergency response plans. A crisis may be an event your business could have avoided if the proper protocols were in place (e.g., a social media crisis or organizational errors and omissions) or a situation that's completely out of your control (e.g., natural disasters or a pandemic).

When a crisis occurs, it may significantly:

- Threaten the safety or well-being of a company's people.
- Impair a company's ability to operate effectively.
- Harm a company's public reputation or image.
- Impact a company's bottom line.
- Increase a company's insurance exposures.

The truth is that every business—regardless of the industry it operates in, or the products or services it offers—will likely face a crisis at some point during its existence. These crises can threaten an organization's standing in the public and even affect clients, donors and other third parties.

When such an event occurs, it's critical that you're prepared to respond effectively with a crisis management plan. This guide provides a general overview of crisis management plans and how to create one of your own, enhancing any business continuity and loss control procedures your organization already has in place. Please note, this guide is designed to be informative in nature and is not meant to substitute advice provided by legal, insurance or other professionals.

## THE IMPORTANCE OF CRISIS MANAGEMENT

If and when a crisis occurs, it will critically challenge your organization, and the way you respond can have a direct impact on your brand. In fact, following a crisis, businesses often incur unexpected costs related to responding to customer inquiries, updating internal policies, or paying legal fees and settlements. Additionally, your business may see a steep drop in stock valuations, which can impact a variety of company shareholders, including employees and outside investors. Without a plan in place, financial damages like these can quickly get out of hand, and your business may experience extensive disruptions or even have to close its doors for good.

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**Among other concerns, a poorly handled crisis can lead to:**

- **Public safety concerns**
  - **Financial losses**
  - **Reputational losses**
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What's more, the effect of a mismanaged crisis isn't always tangible. Following a highly publicized incident, brands can quickly lose customer trust, suffering long-term reputational harm. As a result, companies with a tarnished image may have difficulty finding and recruiting talent or finding businesses and vendors that are willing to partner with them.

While you can't always prevent a crisis and the concerns that come with them, you can reduce the impact of one through proper planning. Specifically, organizations need to have a crisis management plan in place—one that's flexible and can account for different events that affect their business.

In general, crisis management involves preparing for, mitigating, responding to and recovering from a crisis situation. It requires creating an organized plan of attack for when a crisis arises, outlining what the organization needs to do before, during and after a crisis. The importance of proper crisis management can't be overstated, particularly when you consider that—according to a survey from PricewaterhouseCoopers—54% of firms that had a crisis management plan in place fared better post-crisis than those that didn't.

A successful crisis management plan takes into account pre-, mid- and post-crisis activities. The subsequent sections of this guide will examine considerations for each of these phases of crisis management, helping you craft a plan of your own.



## PRE-CRISIS CONSIDERATIONS

Crisis management is considerably more effective if organizations take the time to plan ahead. When it comes to proactive crisis management, there are a number of best practices firms should keep in mind.

### Assess Your Risks and Establish Goals

As part of your crisis management plan, it's important to think critically about the adverse events that are most likely to impact your operations. While your firm may have unique crises to consider based on your industry or the scope of your operations, some common threats to your business include, but are not limited to, the following:

Type of Crises	Examples
Organizational Crises	<ul style="list-style-type: none"><li>• Product recalls</li><li>• Dangerous goods/material spills</li><li>• General employee safety concerns</li><li>• Public relations blunders</li><li>• Active shooter incidents</li><li>• Acts of terrorism</li><li>• Civil unrest</li><li>• Communicable disease outbreaks</li></ul>
Environmental Crises	<ul style="list-style-type: none"><li>• Earthquakes</li><li>• Fires</li><li>• Floods</li><li>• Hurricanes</li></ul>
Personnel Crises	<ul style="list-style-type: none"><li>• Workplace violence</li><li>• Employee strikes</li><li>• Issues regarding sexual harassment</li><li>• Senior leadership errors, omissions and wrongdoing</li><li>• Kidnapping or hostage situations involving employees traveling for work</li><li>• Illegal or unethical employee misconduct</li></ul>
Financial Crisis	<ul style="list-style-type: none"><li>• A drop in demand for the company's products or services</li><li>• Bankruptcy</li><li>• Stock price concerns</li></ul>
Technological Crisis	<ul style="list-style-type: none"><li>• Cyberattacks</li><li>• Data loss</li><li>• Mismanagement of confidential or proprietary information</li></ul>

In addition to identifying the crises that are most likely to impact your business, it's important to set clear goals. This ensures that, should a crisis arise, your firm has concise objectives to work from and understands what a successful response looks like.

These goals may differ based on individual crisis scenarios, but may include one or more of the following:

- Protecting employees and the general public from serious injuries
- Preventing or minimizing damage to property, company finances, company assets or the environment
- Safeguarding the company's reputation
- Maintaining operations or returning to business as usual following a disruption

### Create a Crisis Management Team

One crucial step in crisis management involves establishing a team to help with the creation and execution of a formal, written plan. Additionally, your crisis management team will be tasked with

- Evaluating each crisis situation
- Determining the threat level of each crisis situation and responding appropriately
- Identifying outside experts to help execute or improve crisis response efforts
- Coordinating with the proper authorities
- Crafting and executing communication strategies
- Reviewing and improving the crisis management plan on a regular basis

Typically, an organization's crisis management team will be comprised of internal experts and stakeholders. However, crisis management teams will differ from company to company based on the availability of qualified staff members, organizational resources, types of exposures and similar factors.

In general, a crisis management team may include the following roles and responsibilities:

Role	Responsibilities
Crisis Team Leader	<ul style="list-style-type: none"> <li>• Developing and implementing the crisis management plan</li> <li>• Managing the crisis management team and the company's crisis response efforts</li> <li>• Classifying and ranking the threat levels of individuals crises</li> <li>• Maintaining communication with the company's CEO and other key stakeholders, keeping them informed of crisis situations</li> <li>• Scheduling meetings with the crisis management team as needed</li> <li>• Securing the necessary resources or expertise to successfully execute the crisis management plan</li> <li>• Coordinating communication with outside stakeholders (e.g., local authorities)</li> <li>• Debriefing the crisis management team and planning follow-up measures post-crisis</li> <li>• Recording lessons learned post-crisis</li> </ul>

Crisis Coordinator	<ul style="list-style-type: none"> <li>• Assisting the crisis team leader as necessary</li> <li>• Assisting with the development, review, training and distribution of the crisis management plan</li> <li>• Evaluating and suggesting improvements to the organization's crisis response efforts</li> <li>• Classifying and ranking the threat levels of individual crises alongside the crisis team leader and other key stakeholders</li> <li>• Creating and maintaining supplemental documentation pivotal to crisis response efforts</li> <li>• Creating and conducting practice exercises</li> <li>• Overseeing the support team</li> <li>• Creating situation updates or briefing reports</li> <li>• Suggesting follow-up measures post-crisis</li> </ul>
Communications Coordinator/ Spokesperson	<ul style="list-style-type: none"> <li>• Assisting the crisis team leader as necessary</li> <li>• Assisting with the development, review, training and distribution of the crisis management plan</li> <li>• Developing and implementing the internal and external communication strategy</li> <li>• Preparing and delivering press briefings, if applicable</li> <li>• Prepping the spokesperson to deliver press briefings, if applicable</li> <li>• Responding to media inquiries</li> <li>• Working alongside the crisis team leader, senior leadership and other key stakeholders to approve the release of information to the public</li> <li>• Suggesting follow-up measures post-crisis</li> </ul>
Legal Counsel	<ul style="list-style-type: none"> <li>• Providing legal counsel to the crisis management team as necessary</li> <li>• Evaluating the decisions of the crisis management team, taking potential legal consequences into account</li> <li>• Advising the communication coordinator</li> <li>• Managing relationships with third-party legal support (e.g., contracted lawyers)</li> </ul>

Human Resources Coordinator	<ul style="list-style-type: none"><li>• Providing human resources counsel to the crisis management team as necessary</li><li>• Working with support staff and their managers to set and approve overtime hours as needed</li><li>• Evaluating the decisions of the crisis management team, taking potential human resources consequences into account</li><li>• Serving as the point of contact for union and employee representatives</li><li>• Coordinating with grief counselors and psychologists, if applicable</li></ul>
Support Staff	<ul style="list-style-type: none"><li>• Assisting the crisis management team with the following:<ul style="list-style-type: none"><li>o The creation and preparation of supporting documentation</li><li>o The development, review, training and distribution of the crisis management plan</li><li>o The evaluation of the organization's crisis response efforts</li><li>o Securing the necessary resources or expertise to successfully execute the crisis management plan</li><li>o The development and execution of internal and external communications</li></ul></li></ul>

In addition to the above, organizations may need to seek the assistance of other internal departments, including IT, employee safety or finance. Again, your organization's crisis management team may include different personnel depending on your unique needs and available resources.

## Identify Stakeholders and Consider Communication Channels

An important part of building your crisis management plan is solidifying the communication channels you will use to disseminate information. However, before choosing your preferred communication channels, you have to first identify the different stakeholders your business will need to reach during an emergency.

These individuals and entities will likely differ depending on the incident, but could include the following stakeholders:

- Customers and clients
- Employees and their families
- The media



- The general public
- Company management, and directors and officers
- Investors and shareholders
- Board members
- Government organizations, regulators and other authorities
- Suppliers

Once these stakeholders are identified, it's important for your communications coordinator to create and maintain a master list of contact information. That way, you'll have an up-to-date list of information should you need to contact a specific stakeholder.

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#### **Potential communication channels:**

- Social media
- Company websites
- Intranet portals
- Mass notification systems (e.g., emails or text message alerts)
- Conference calls
- Press releases and media interactions

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It's important to note that each of these stakeholders will likely require a different communication approach. Sending an email may be appropriate for some stakeholders, but inappropriate for others. As such, it's important to think critically about how to contact each of your stakeholders in the midst of a crisis by considering the following:

- What stakeholders, if any, require direct communication during a crisis? How can you best communicate with these stakeholders directly?
- Are there legal considerations to keep in mind when it comes to contacting stakeholders?
- How do you typically engage with your stakeholders, and are these communication channels appropriate during a crisis?
- What technology, platforms or apps do your stakeholders use? Can these channels be useful during a crisis?

Be sure that your communication coordinator documents your preferred communication channels.

### **Set Alert Levels**

To ensure your organization and its crisis management team know how to respond to individual crises, it's important to establish an alert system. This system should allow your organization to rank various threats to your operations and outline recommended response practices.

The chart below outlines recommended alert levels and suggested responses:

Level 0 – Normal Operations			
Potential Characteristics	Media Implications	Recommended Actions	Resources Needed
No outside factors are currently impacting the organization.	Media inquiries, if there are any, are in regard to general business topics.	N/A	N/A
Level 1 – Minor Incident			
Potential Characteristics	Media Implications	Recommended Actions	Resources Needed
A potential or current incident is impacting business operations, but not seriously. Any damage or business interruptions are localized.	The business is seeing minimal media attention.	On-duty employees should be able to handle the situation.	The business may need to secure outside resources, but this support is either minor or securable on the local level.
Level 2 – Potentially Critical			
Potential Characteristics	Media Implications	Recommended Actions	Resources Needed
An incident is currently impacting business operations. This incident is localized, isolated and minor. However, this incident could be exacerbated if corrective actions aren't taken.	The situation is slowly attracting media attention. There may be steady online coverage, but little to no public reaction.	<ul style="list-style-type: none"> <li>Observe the situation and how it develops.</li> <li>Notify supervisors.</li> <li>Notify members of the crisis management team. Please note that the crisis management plan does not need to be activated at this point.</li> <li>Allow on-duty employees to handle the situation.</li> </ul>	<ul style="list-style-type: none"> <li>The organization may need to secure additional resources on a regional or large scale.</li> </ul>

Level 3 – Crisis Warning			
Potential Characteristics	Media Implications	Recommended Actions	Resources Needed
<ul style="list-style-type: none"> <li>• A major emergency is currently impacting the organization—one that disrupts normal operations and affects multiple business units.</li> <li>• The incident poses a considerable threat to personnel, customers, clients, external resources (e.g., supply chain members) or the business's reputation.</li> <li>• To remedy the situation, quick responses and decision-making are required.</li> </ul>	<ul style="list-style-type: none"> <li>• The incident is gaining growing attention from local media and online publications.</li> <li>• Circumstances regarding the situation are known to the public.</li> </ul>	<ul style="list-style-type: none"> <li>• Observe the situation closely.</li> <li>• Begin information sharing, and provide regular updates to key stakeholders regarding the situation's progression.</li> <li>• Consider activating the crisis management plan. At a minimum, the crisis management team should meet and begin to monitor the situation.</li> </ul>	<ul style="list-style-type: none"> <li>• Outside emergency resources are required.</li> <li>• Major effort from internal resources is required.</li> <li>• External support is required from numerous sources.</li> </ul>
Level 4 – Major Crisis			
Potential Characteristics	Media Implications	Recommended Actions	Resources Needed
<ul style="list-style-type: none"> <li>• The incident is considered to be a severe emergency.</li> <li>• The incident severely impairs or disrupts the business's operations or its stakeholders.</li> <li>• The incident has led to injuries or fatalities.</li> <li>• The incident has majorly damaged the business's</li> </ul>	<ul style="list-style-type: none"> <li>• The media has an immediate or urgent need for information regarding the situation.</li> <li>• There is broad coverage of the situation on social media and online.</li> <li>• External communication needs are increasingly difficult to manage.</li> </ul>	<ul style="list-style-type: none"> <li>• Activate the crisis management plan.</li> </ul>	<ul style="list-style-type: none"> <li>• The business needs external support from the authorities and other organizations on a large scale.</li> </ul>

reputation or resources. <ul style="list-style-type: none"> <li>• Response efforts require considerable coordination with other organizations.</li> </ul>			
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Alert levels and their definitions may need to be adjusted to suit the individual needs of different organizations. Additionally, it's important to identify internal and external stakeholders, and determine the types of information you will need to communicate to them based on the alert level. Every organization will have a different [strategy](#), but the chart below provides a sample communication plan:

Stakeholder	When Should They Be Alerted?	What Information Do They Need?	How Should Information Be Communicated?
CEO	Level 2-5	The full extent of the incident, including: <ul style="list-style-type: none"> <li>• Probable causes</li> <li>• Aspects of the business affected</li> <li>• Corrective actions being taken</li> <li>• The scope of the impact</li> </ul>	Regular meetings and updates
Chief Security Officer	Level 2-5		
Crisis Management Team	Level 1-5		
Employees	Level 3		The company portal, emails and meetings with supervisors
The Authorities	Level 4		In-person meetings, phone calls and emails
Clients/Customers	Level 4	<ul style="list-style-type: none"> <li>• When the organization expects to return to business as usual</li> <li>• Safety measures being taken</li> <li>• What the current impact on business is</li> </ul>	Website, press, call centers and social media
The Media	Level 4	Differs depending on the details of the crisis communication plan.	



## Practice the Crisis Management Plan

Organizationally, there's more to implementing a crisis management plan than simply executing it during an emergency. Your firm needs to integrate the plan into your operations and train employees on what it entails. One way to accomplish this is through the use of tabletop exercises.

Essentially, tabletop exercises are discussion-based sessions where team members meet in an informal setting to discuss their roles during a crisis. Generally speaking, a tabletop exercise asks the crisis management team to address a simulated problem, focusing on the efficiency and effectiveness of the plan.

Tabletop exercises provide a means of practicing your company's crisis management plan and evaluating results, all without waiting until an actual emergency occurs. Following a tabletop exercise, many companies find there are weak points in their crisis management plans they need to address.

During a tabletop exercise, the crisis management team is asked to consider:

- What's expected of the crisis management team and all other employees in the event of an emergency
- What specific risks the company carries in light of a particular crisis
- Resources available to combat the crisis
- Communication options available to the crisis management team and all other employees
- How customers will be affected and what to do in that situation
- Security of company data and assets
- The order in which to respond to certain situations

After the crisis management team has discussed the issues presented in the exercise, the group has the opportunity to determine what was missing from the company's plan and to revise it accordingly. Conducting a tabletop exercise with your crisis management team is essential for the success of your plan. These exercises should be conducted regularly to provide practice for your crisis management team and to allow for timely improvements.

## MID-CRISIS CONSIDERATIONS

Preparing for a crisis is crucial, but it does your organization no good if you don't also understand how to react to various scenarios. When it comes to responding to a crisis, you may think that all you have to do is to leverage the work you did in the pre-crisis planning to initiate your crisis management plan.

However, there are a number of considerations to keep in mind to ensure your response to a crisis is effective.

### Evaluate the Situation

Once an incident is detected, you must evaluate it and determine what action is necessary. While the types of [alert levels](#) you set can help guide you, every situation that arises needs to be assessed on an individual basis.

During your evaluation, consider the following:

- The details of the incident, including:
  - What happened?
  - When and where did the incident occur?
  - Why did this incident occur?
- Potential consequences of the incident, and whether or not the incident could turn into a full-blown crisis.

Whether or not an incident can be considered a crisis will depend on how your organization [defines](#) a crisis and sets [alert levels](#). However, a crisis may include:

- Incidents where individuals were seriously injured or killed
- Acts of violence
- Incidents involving significant damage to the business's infrastructure
- Incidents that lead to significant disruptions for the business or its partners
- Dangerous goods spillages
- Criminal actions

### Initiate Your Plan

Once you have determined a crisis exists, it's important to activate your crisis management plan. This involves getting your crisis management team together to go over [objectives](#) and individual [responsibilities](#).

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#### Tasks to account for when initiating your crisis management plan:

- Rolling out the communication plan
  - Developing a response timeline
  - Seeking assistance from external parties, including legal or technology experts
  - Moderating and responding to media
  - Monitoring the crisis and escalating response efforts
-

Additionally, during your meetings, you'll need to determine how the crisis management team will go about assessing, addressing and resolving the incident. Additional follow-up meetings may be required to ensure an effective crisis response.

### Act Quickly and Accurately

When a crisis arises, the importance of a swift and thorough response can't be overstated, particularly when it comes to sharing updates with key stakeholders. However, it's equally crucial that any updates you provide are accurate, as spreading misinformation can exacerbate a crisis situation and further damage your firm's reputation.

Some organizations may opt to share preliminary information via social media, as it allows them to address situations as they arise. Additionally, firms can provide updates as the crisis evolves without needing to share uncertain details (e.g., the number of customers affected by the crisis).

Alternatively, it may be beneficial to prepare a holding statement in advance. A holding statement is essentially a canned response your business can give to the media immediately after the crisis has occurred. These statements typically include:



A factual headline



The date and time



The location of the incident



Confirmed details regarding the incident



Actions your organization is taking.



An expression of compassion or empathy (if appropriate)



Details regarding further updates

A sample holding statement can be found [here](#). Other best practices to keep in mind when responding to a crisis include the following:

- Avoid waiting for situations to blow over, as they often won't.
- Be sure to acknowledge the situation directly, and avoid being vague when addressing stakeholders.
- Don't overlook those impacted by the crisis. It's important to be mindful of individuals who may have been hurt by the situation in question.
- Commit to investigating and remedying the incident.
- Be transparent, and share major updates as feasible.
- Give insight into the corrective actions your organization will take, if possible.
- Ensure the information you are sharing is consistent across different platforms.
- Consider the do's and don'ts of communicating with the media:

Do's:	Don'ts:
Demonstrate concern for those affected.	Avoid speaking off the record.
Have the communications coordinator create a list of canned responses to common questions.	Don't guess or speculate.
Provide facts regarding the situation.	Never lie.
Be brief and straightforward.	Refrain from answering questions you don't understand.
Respect media deadlines and return every call.	Never lose your temper.

### Adjourn the Crisis Management Team

Once it appears as if the crisis has been effectively controlled (i.e., the urgency of the situation has subsided), you can slowly dismiss your response team to focus on their regular duties. Prior to their dismissal, it's important to hold a final debrief meeting to share best practices and suggestions on how to improve the crisis management plan.



During the final meeting with the crisis management team, it's important to document your response to the situation. That way, should a similar incident occur in the future, your organization will have a baseline response.

## POST-CRISIS CONSIDERATIONS

Crisis management is an ongoing challenge, and it's important to continually hone your response procedures even after your crisis management team has adjourned. The following are some actions to consider post-crisis to ensure an effective response.

### Consider Follow-up Communications

Once a crisis has been addressed, it's important to send follow-up communications to key stakeholders. This ensures they are aware that the business is returning to normal and can be confident in the health of the company going forward.

Following a crisis, communications should focus on recovery efforts, corrective actions and any pertinent details uncovered during subsequent investigations. The channels you use for these communications will depend on the stakeholders you're trying to reach. For instance, employees may prefer receiving updates via intranet or email. Prior to releasing information regarding a crisis, be sure to consult legal professionals.

### Evaluate and Update Your Crisis Management Plan

One of the most important actions to take following a crisis is to evaluate and update your crisis management plan. This is because every crisis event is unique and offers an opportunity to learn from your mistakes, improving your response to future incidents.

When evaluating your crisis management plan, consider the following:



**Ask yourself what went well**—Be sure to identify what aspects of your response were successful and why. Effective response strategies should be documented and discussed to determine if they could be useful in the future for different types of crises. When evaluating your response, take the following into account:

- o Where did the crisis break, and when? Where did it spread, and how?
- o Was your alert system effective?
- o How well did your internal and external communication plans work?
- o Were stakeholders appropriately informed?
- o Were your response protocols effective?
- o How long did it take to address the crisis?



**Discuss what went poorly**—When evaluating your crisis response, think critically about what you could have done better. Doing so not only helps you evaluate your performance, but it can also help you improve your plan and address potential shortcomings of your response efforts.



**Determine follow-up actions**—As part of your evaluation, document any necessary follow-up actions (e.g., additional training, plan adjustments or crisis management team changes). Be sure to hold individuals accountable for their role in improving the plan.



**Review any available metrics**—Certain metrics, such as stock prices and customer engagement, can be measured to help you evaluate your response efforts. Some organizations even conduct client surveys following a crisis to determine how the event impacted the relationship.



**Review relationships with third parties for gaps**—Responding to a crisis requires the assistance of a variety of third parties, including law enforcement, legal and technology professionals. Following a crisis, it's important to evaluate whether those parties helped you respond to a crisis effectively or if you need to seek additional help with future crises.

Once you have evaluated your crisis management plan, you'll want to review it to ensure it is up to date. This is especially important if, during your evaluation, any of the following occurs:

- There's an organizational change (e.g., a merger or acquisition).
- A new process or technology is introduced.
- A crisis management team member's responsibilities change.
- New insight is gained following a crisis
- A new exposure that threatens your business is discovered

Be sure to share the most recent version of the plan with the crisis management team following any updates.

## MOVING FORWARD

There's no telling when or where a crisis will strike, making preparation all the more important. In fact, while you can't always predict how an incident will affect your operations, having the proper plan in place will give your business the tools it needs to weather a variety of different crisis scenarios.

In addition to having a crisis management plan in place, the right insurance can help organizations with their recovery efforts. To learn more about your options, contact Highpoint Insurance Group today.





## Appendix

# Sample Crisis Management Plan

Location:

Effective Date:

Revision Number: 1

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This is a sample crisis management plan—one that should be customized on a per organization basis to account for specific concerns and processes. It is not meant to be exhaustive or construed as legal advice. Consult additional insurance and/or legal counsel for professional advice. Please modify this plan to meet your business needs, taking all relevant federal, state and local compliance requirements into account.

Every business, regardless of the industry it operates in or the products or services it offers, will likely face a crisis at some point during its existence. These crises can threaten an organization's standing in the public and even affect clients, donors and other third parties. If and when such an event occurs, it's critical that is prepared to respond effectively.

To aid in our response efforts, this sample crisis management plan will be customized to meet the organization's unique needs in terms of preparing for and responding to crises. Additionally, this plan will be reviewed on a regular basis to ensure it accounts for:

- Organizational changes (e.g., a merger or acquisition)
- The introduction of a new process or technology
- Staffing changes that affect 's crisis response efforts
- New or unaccounted for exposures

## GOALS OF THE CRISIS MANAGEMENT PLAN

- Protecting employees and the general public from serious injuries
- Preventing or minimizing damage to property, company finances, company assets or the environment
- Safeguarding the company's reputation
- Maintaining operations or returning to business as usual following a disruption

## CRISIS SITUATIONS

Simply put, a crisis is any situation that falls outside normal business and emergency response plans. A crisis may be an event your business could have avoided if the proper protocols were in place (e.g., a social media crisis, or organizational errors and omissions) or a situation that's completely out of our control (e.g., natural disasters or a pandemic).

When a crisis occurs, it may significantly:

- Threaten the safety or well-being of a company's people
- Impair a company's ability to operate effectively
- Harm a company's public reputation or image
- Impact a company's bottom line
- Increase a company's insurance exposures

The chart below outlines some common types of crises that may affect our operations:

Type of Crises	Examples
<b>Organizational Crises</b>	<ul style="list-style-type: none"> <li>• Product recalls</li> <li>• Dangerous goods/material spills</li> <li>• General employee safety concerns</li> <li>• Public relations blunders</li> <li>• Active shooter incidents</li> <li>• Acts of terrorism</li> <li>• Civil unrest</li> <li>• Communicable disease outbreaks</li> </ul>
<b>Environmental Crises</b>	<ul style="list-style-type: none"> <li>• Earthquakes</li> <li>• Fires</li> <li>• Floods</li> <li>• Hurricanes</li> </ul>
<b>Personnel Crises</b>	<ul style="list-style-type: none"> <li>• Workplace violence</li> <li>• Employee strikes</li> <li>• Issues regarding sexual harassment</li> <li>• Senior leadership errors, omissions and wrongdoing</li> <li>• Kidnapping or hostage situations involving employees traveling for work</li> <li>• Illegal or unethical employee misconduct</li> </ul>
<b>Financial Crisis</b>	<ul style="list-style-type: none"> <li>• A drop in demand for the company's products or services</li> <li>• Bankruptcy</li> <li>• Stock price concerns</li> </ul>
<b>Technological Crisis</b>	<ul style="list-style-type: none"> <li>• Cyberattacks</li> <li>• Data loss</li> <li>• Mismanagement of confidential or proprietary information</li> </ul>

## THE CRISIS MANAGEMENT TEAM

To aid in our crisis response efforts, we will create a crisis management team responsible for:

- Evaluating each crisis situation
- Determining the threat level of each crisis situation and responding appropriately
- Identifying outside experts to help execute or improve crisis response efforts
- Coordinating with the proper authorities
- Crafting and executing communication strategies
- Reviewing and improving the crisis management plan on a regular basis

The crisis management team accounts for the following roles and responsibilities:

Role	Responsibilities
<b>Crisis Team Leader – [Insert individual/individuals responsible for this role]</b>	<ul style="list-style-type: none"> <li>• Developing and implementing the crisis management plan</li> <li>• Managing the crisis management team and the company's crisis response efforts</li> <li>• Classifying and ranking the threat levels of individuals crises</li> <li>• Maintaining communication with the company's CEO and other key stakeholders, keeping them informed of crisis situations</li> <li>• Scheduling meetings with the crisis management team as needed</li> <li>• Securing the necessary resources or expertise to successfully execute the crisis management plan</li> <li>• Coordinating communication with outside stakeholders (e.g., local authorities)</li> <li>• Debriefing the crisis management team and planning follow-up measures post-crisis</li> <li>• Recording lessons learned post-crisis</li> <li>• [Insert more]</li> <li>• [Insert more]</li> <li>• [Insert more]</li> </ul>
<b>Crisis Coordinator - [Insert individual/individuals responsible for this role]</b>	<ul style="list-style-type: none"> <li>• Assisting the crisis team leader as necessary</li> <li>• Assisting with the development, review, training and distribution of the crisis management plan</li> <li>• Evaluating and suggesting improvements to the organization's crisis response efforts</li> <li>• Classifying and ranking the threat levels of individual crises alongside the crisis team leader and other key stakeholders</li> <li>• Creating and maintaining supplemental documentation pivotal to crisis response efforts</li> <li>• Creating and conducting practice exercises</li> <li>• Overseeing the support team</li> <li>• Creating situation updates or briefing reports</li> <li>• Suggesting follow-up measures post-crisis</li> <li>• [Insert more]</li> <li>• [Insert more]</li> <li>• [Insert more]</li> </ul>
<b>Communications Coordinator/Spokesperson - [Insert individual/individuals responsible for this role]</b>	<ul style="list-style-type: none"> <li>• Assisting the crisis team leader as necessary</li> <li>• Assisting with the development, review, training and distribution of the crisis management plan</li> <li>• Developing and implementing the internal and external communication strategy</li> </ul>

	<ul style="list-style-type: none"> <li>• Preparing and delivering press briefings, if applicable</li> <li>• Prepping the spokesperson to deliver press briefings, if applicable</li> <li>• Responding to media inquiries</li> <li>• Working alongside the crisis team leader, senior leadership and other key stakeholders to approve the release of information to the public</li> <li>• Suggesting follow-up measures post-crisis</li> <li>• <a href="#">[Insert more]</a></li> <li>• <a href="#">[Insert more]</a></li> <li>• <a href="#">[Insert more]</a></li> </ul>
<b>Legal Counsel - <a href="#">[Insert individual/individuals responsible for this role]</a></b>	<ul style="list-style-type: none"> <li>• Providing legal counsel to the crisis management team as necessary</li> <li>• Evaluating the decisions of the crisis management team, taking potential legal consequences into account</li> <li>• Advising the communication coordinator</li> <li>• Managing relationships with third-party legal support (e.g., contracted lawyers)</li> <li>• <a href="#">[Insert more]</a></li> <li>• <a href="#">[Insert more]</a></li> <li>• <a href="#">[Insert more]</a></li> </ul>
<b>Human Resources Coordinator - <a href="#">[Insert individual/individuals responsible for this role]</a></b>	<ul style="list-style-type: none"> <li>• Providing human resources counsel to the crisis management team as necessary</li> <li>• Working with support staff and their managers to set and approve overtime hours as needed</li> <li>• Evaluating the decisions of the crisis management team, taking potential human resources consequences into account</li> <li>• Serving as the point of contact for union and employee representatives</li> <li>• Coordinating with grief counselors and psychologists, if applicable</li> <li>• <a href="#">[Insert more]</a></li> <li>• <a href="#">[Insert more]</a></li> <li>• <a href="#">[Insert more]</a></li> </ul>
<b>Support Staff - <a href="#">[Insert individual/individuals responsible for this role]</a></b>	<ul style="list-style-type: none"> <li>• Assisting the crisis management team with the following: <ul style="list-style-type: none"> <li>○ The creation and preparation of supporting documentation</li> <li>○ The development, review, training and distribution of the crisis management plan</li> <li>○ The evaluation of the organization's crisis response efforts</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ Securing the necessary resources or expertise to successfully execute the crisis management plan</li> <li>○ The development and execution of internal and external communications</li> <li>○ [Insert more]</li> <li>○ [Insert more]</li> <li>○ [Insert more]</li> </ul>
[Insert more]	<ul style="list-style-type: none"> <li>• [Insert more]</li> <li>• [Insert more]</li> <li>• [Insert more]</li> </ul>
[Insert more]	<ul style="list-style-type: none"> <li>• [Insert more]</li> <li>• [Insert more]</li> <li>• [Insert more]</li> </ul>

## STAKEHOLDERS AND COMMUNICATION STRATEGY

In the event of a crisis, it's crucial that is able to communicate with key stakeholders and provide necessary updates. The chart below identifies these stakeholders and the communication channels that will be used for the dissemination of information.

Stakeholders	Communication Channels
<ul style="list-style-type: none"> <li>• Customers and clients</li> <li>• Employees and their families</li> <li>• The media</li> <li>• The general public</li> <li>• Company management, and directors and officers</li> <li>• Investors and shareholders</li> <li>• Board members</li> <li>• Government organizations, regulators and other authorities</li> <li>• Suppliers</li> <li>• [Insert more]</li> <li>• [Insert more]</li> <li>• [Insert more]</li> <li>• [Insert more]</li> <li>• [Insert more]</li> <li>• [Insert more]</li> </ul>	<ul style="list-style-type: none"> <li>• Social media</li> <li>• Company websites</li> <li>• Intranet portals</li> <li>• Mass notification systems (e.g., emails or text message alerts)</li> <li>• [Insert more]</li> <li>• [Insert more]</li> <li>• [Insert more]</li> <li>• [Insert more]</li> <li>• [Insert more]</li> <li>• [Insert more]</li> </ul>

## ALERT LEVELS

To ensure our organization and its crisis management team knows how to respond to individual crises, it's important to establish an alert system. This system should allow our organization to rank various threats to our operations and outline recommended response practices.



The chart below outlines 's alert levels and suggested responses:

Level 0 – Normal Operations			
Potential Characteristics	Media Implications	Recommended Actions	Resources Needed
No outside factors are currently impacting the organization.	Media inquiries, if there are any, are in regard to general business topics.	N/A	N/A
Level 1 – Minor Incident			
Potential Characteristics	Media Implications	Recommended Actions	Resources Needed
A potential or current incident is impacting business operations, but not seriously. Any damage or business interruptions are localized.	The business is seeing minimal media attention.	On-duty employees should be able to handle the situation.	The business may need to secure outside resources, but this support is either minor or securable on the local level.
Level 2 – Potentially Critical			
Potential Characteristics	Media Implications	Recommended Actions	Resources Needed
An incident is currently impacting business operations. This incident is localized, isolated and minor. However, this incident could be exacerbated if corrective actions aren't taken.	The situation is slowly attracting media attention. There may be steady online coverage, but little to no public reaction.	<ul style="list-style-type: none"> <li>Observe the situation and how it develops.</li> <li>Notify supervisors.</li> <li>Notify members of the crisis management team. Please note that the crisis management plan does not need to be activated at this point.</li> <li>Allow on-duty employees to handle the situation.</li> </ul>	<ul style="list-style-type: none"> <li>The organization may need to secure additional resources on a regional or large scale.</li> </ul>
Level 3 – Crisis Warning			
Potential Characteristics	Media Implications	Recommended Actions	Resources Needed
<ul style="list-style-type: none"> <li>A major emergency is currently impacting the organization—one that disrupts normal operations and affects multiple business units.</li> <li>The incident poses a considerable threat to personnel, customers, clients, external resources (e.g., supply chain members) or the business's reputation.</li> <li>To remedy the situation, quick responses and decision-making are required.</li> </ul>	<ul style="list-style-type: none"> <li>The incident is gaining growing attention from local media and online publications.</li> <li>Circumstances regarding the situation are known to the public.</li> </ul>	<ul style="list-style-type: none"> <li>Observe the situation closely.</li> <li>Begin information sharing, and provide regular updates to key stakeholders regarding the situation's progression.</li> <li>Consider activating the crisis management plan. At a minimum, the crisis management team should meet and begin to monitor the situation.</li> </ul>	<ul style="list-style-type: none"> <li>Outside emergency resources are required.</li> <li>Major effort from internal resources is required.</li> <li>External support is required from numerous sources.</li> </ul>
Level 4 – Major Crisis			
Potential Characteristics	Media Implications	Recommended Actions	Resources Needed

<ul style="list-style-type: none"> <li>• The incident is considered to be a severe emergency.</li> <li>• The incident severely impairs or disrupts the business's operations or its stakeholders.</li> <li>• The incident has led to injuries or fatalities.</li> <li>• The incident has majorly damaged the business's reputation or resources.</li> <li>• Response efforts require considerable coordination with other organizations.</li> </ul>	<ul style="list-style-type: none"> <li>• The media has an immediate or urgent need for information regarding the situation.</li> <li>• There is broad coverage of the situation on social media and online.</li> <li>• External communication needs are increasingly difficult to manage.</li> </ul>	<ul style="list-style-type: none"> <li>• Activate the crisis management plan.</li> </ul>	<ul style="list-style-type: none"> <li>• The business needs external support from the authorities and other organizations on a large scale.</li> </ul>
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## EVALUATING CRISES AND TAKING ACTION

Once an incident is detected, we will evaluate it (based on the alert level and other factors) and determine what action is necessary. During the evaluation, we will consider the following:

- The details of the incident, including:
  - What happened?
  - When and where did the incident occur?
  - Why did this incident occur?
- Potential consequences of the incident, and whether or not the incident could turn into a full-blown crisis.

Once we have determined a crisis exists and action is necessary, we will activate our crisis management plan. This involves getting the crisis management team together to go over objectives and individual responsibilities.

Tasks we will account for when initiating our crisis management plan include:

- Rolling out the communication plan
- Developing a response timeline
- Seeking assistance from external parties, including legal or technology experts
- Moderating and responding to media
- Monitoring the crisis and escalating response efforts

## UPDATING THE PLAN

One of the most important actions we will take following a crisis is to evaluate and update our crisis management plan. This is because every crisis event is unique and offers an opportunity to learn from our mistakes, improving our response to future incidents. When evaluating our crisis management plan, we will:

- Discuss what went well
- Discuss what went poorly
- Determine follow-up actions
- Review any available metrics
- Review relationships with third parties for gaps

[illegible]

# CHECKLIST | CRISIS MANAGEMENT PLANS

Presented by Highpoint Insurance Group

**Date:**

**Review conducted by:**

Planning is critical in business and can make all the difference when it comes to generating revenue, building a reputation, reducing insurance exposures and satisfying customers. However, while proper planning can help you grow your business, the fact is that—even if you take every reasonable precaution—a crisis can occur without warning and lead to significant disruptions and business impacts.

Simply put, a crisis is any situation that falls outside normal business and emergency response plans. A crisis may be an event your business could have avoided if the proper protocols were in place (e.g., a social media crisis, or organizational errors and omissions) or a situation that's completely out of your control (e.g., natural disasters or a pandemic).

When such an event occurs, it's critical that you're prepared to respond effectively with a crisis management plan. This checklist provides an overview of best practices when it comes to creating a crisis management plan of your own.

CRISIS MANAGEMENT CONSIDERATIONS	YES	NO	NOTES
<b>Have you assessed your risks and establish goals?</b>  <i>As part of your crisis management plan, it's important to think critically about the adverse events that are most likely to impact your operations. In addition to identifying the crises that are most likely to impact your business, it's important to set clear goals. This ensures that, should a crisis arise, your firm has concise objectives to work from and understands what a successful response looks like.</i>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Have you created a crisis management team?</b>  <i>One crucial step in crisis management involves establishing a team to help with the creation and execution of a formal, written plan. Additionally, your crisis management team will be tasked with:</i> <ul style="list-style-type: none"><li>• Evaluating each crisis situation</li><li>• Determining the threat level of each crisis situation and responding appropriately</li><li>• Identifying outside experts to help execute or improve crisis response efforts</li><li>• Coordinating with the proper authorities</li><li>• Crafting and executing communication strategies</li><li>• Reviewing and improving the crisis management plan on a regular basis</li></ul> <i>Typically, an organization's crisis management team will be comprised of internal experts and stakeholders. However, crisis management teams will differ from company to company based on</i>	<input type="checkbox"/>	<input type="checkbox"/>	

*This checklist is merely a guideline. It is neither meant to be exhaustive nor meant to be construed as legal advice. It does not address all potential compliance issues with federal, state or local standards. Consult your licensed commercial property and casualty representative at Highpoint Insurance Group or legal counsel to address possible compliance requirements. © 2020 Zywave, Inc. All rights reserved.*

<p><i>the availability of qualified staff members, organizational resources, types of exposures and similar factors.</i></p>			
<p><b>Have you identified key stakeholders?</b></p> <p><i>It's critical to identify the different stakeholders your business will need to reach during an emergency. These individuals and entities will likely differ depending on the incident, but could include the following stakeholders:</i></p> <ul style="list-style-type: none"> <li>• Customers and clients</li> <li>• Employees and their families</li> <li>• The media</li> <li>• The general public</li> <li>• Company management, and directors and officers</li> <li>• Investors and shareholders</li> <li>• Board members</li> <li>• Government organizations, regulators and other authorities</li> <li>• Suppliers</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	
<p><b>Have you considered what communication channels you will use for outreach during a crisis?</b></p> <p><i>With your key stakeholders identified, you can now determine what communication channels you will use to disseminate information during a crisis. Potential communication channels can include:</i></p> <ul style="list-style-type: none"> <li>• Social media</li> <li>• Company websites</li> <li>• Intranet portals</li> <li>• Mass notification systems (e.g., emails or text message alerts)</li> <li>• Conference calls</li> </ul> <p><i>It's important to note that each of your stakeholders will likely require a different communication approach. Sending an email may be appropriate for some stakeholders, but inappropriate for others. As such, it's important to think critically about how to contact each of your stakeholders in the midst of a crisis.</i></p>			
<p><b>Have you set alert levels to help you rank threats to your business?</b></p> <p><i>To ensure your organization and its crisis management team know how to respond to individual crises, it's important to establish an alert system. This system should allow your organization to rank</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	

<p><i>various threats to your operations and outline recommended response practices.</i></p>			
<p><b>Have you practiced the crisis management plan?</b></p> <p><i>Organizationally, there's more to implementing a crisis management plan than simply executing it during an emergency. Your firm needs to integrate the plan into your operations and train employees on what it entails. One way to accomplish this is through the use of tabletop exercises.</i></p> <p><i>Essentially, tabletop exercises are discussion-based sessions where team members meet in an informal setting to discuss their roles during a crisis. Generally speaking, a tabletop exercise asks the crisis management team to address a simulated problem, focusing on the efficiency and effectiveness of the plan.</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	
<p><b>Do you have a documented system for initiating your crisis management plan?</b></p> <p><i>Once you have determined a crisis exists, it's important to activate your crisis management plan. This involves getting your crisis management team together to go over objectives and individual responsibilities.</i></p> <p><i>Tasks to account for when initiating your crisis management plan:</i></p> <ul style="list-style-type: none"> <li>• <i>Rolling out the communication plan</i></li> <li>• <i>Developing a response timeline</i></li> <li>• <i>Seeking assistance from external parties, including legal or technology experts</i></li> <li>• <i>Moderating and responding to media</i></li> <li>• <i>Monitoring the crisis and escalating response efforts</i></li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	
<p><b>Do you have a system in place for evaluating your crisis management plan?</b></p> <p><i>One of the most important actions to take following a crisis is to evaluate and update your crisis management plan. This is because every crisis event is unique and offers an opportunity to learn from your mistakes, improving your response to future incidents.</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	
<p><b>Do you have a system in place for updating your crisis management plan?</b></p> <p><i>Once you have evaluated your crisis management plan, you'll want to review it to ensure it is up to date. This is especially important if, during your evaluation, any of the following occurs:</i></p> <ul style="list-style-type: none"> <li>• <i>There's an organizational change (e.g., a merger or acquisition).</i></li> </ul>			

<ul style="list-style-type: none"><li>• A new process or technology is introduced.</li><li>• A crisis management team member's responsibilities change.</li><li>• New insight is gained following a crisis.</li><li>• A new exposure that threatens your business is discovered.</li></ul> <p>Be sure to share the most recent version of the plan with the crisis management team following any updates.</p>			
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## SAMPLE HOLDING STATEMENT

For Immediate Release

## Company Contact:

[NAME], [TITLE]

[PHONE NUMBER]

[EMAIL]

[INCIDENT] at

At approximately [TIME] on [DATE] there was what is currently being investigated as a [BRIEF DESCRIPTION OF THE INCIDENT] at [LOCATION].

is currently working to determine the severity of the situation. At this time, we have confirmed that [INSERT CONFIRMED DETAILS].

At , the safety and well-being of our employees, customers and partners is our first priority. As more information becomes available, we will provide updates via [WEBSITE LINK] and regular media briefings. These briefings will be held at [LOCATION] on [DATE].