



MANAGING PROPERTY CLOSURES DURING COVID-19



To contain the spread of COVID-19, governments are encouraging or enforcing social distancing and movement control policies and requiring many offices and manufacturers to shut or temporarily close their operations.

In these uncertain times, risk managers must act fast to prepare for and implement facility closures in order to reduce the potential for loss or damage.

MANAGING PROPERTY CLOSURES DURING COVID-19

It is essential to plan ahead, implement closures safely and monitor and maintain the situation in order to ensure activities can resume quickly once restrictions are lifted.

If your facility is considered non-essential, and will be temporarily closed for an extended period of time, what measures should you take?



Develop a Plan

- ☐ Develop a plan for temporary closure of the facility, both on a short-term and long-term basis.
- ☐ Ensure the plan includes up-to-date emergency response plans, preparations for closure and ongoing maintenance required during a shutdown and the eventual re-opening of the facility.



Prepare for the Closure

1. General

- ☐ Identify key members of staff and their responsibilities during the closure.
- ☐ Keep important documents such as records, contracts, drawings and similar materials in secure storage. When possible, digital or paper copies of these items should be made and stored off-site.
- ☐ Combustible materials such as wooden pallets and trash buildup should be removed from indoor and outdoor areas of the premises.
- ☐ Combustible/flammable liquid and hazardous chemicals should be secured in a safe location (preferably inside a metal cabinet) and away from ignition sources.
- ☐ Yard storage should be avoided.

2. Building & Structure

- ☐ Assess the physical condition of the building envelope and repair any issues as appropriate.
- ☐ Identify areas susceptible to water ingress and provide waterproof coverings over these areas.
- ☐ Ensure roof drains and gutters are cleared of debris in anticipation of potential severe weather condition.

3. Security

- ☐ Carry out a security risk assessment to identify what needs to be protected and how they should be protected.
- ☐ Lock all perimeter gates and pedestrian access to the premises.
- ☐ Lock all doors and windows exterior to the building as well as access points to restricted areas within the building.
- ☐ Any broken windows or faulty door lock mechanisms should be rectified.
- ☐ Evaluate the adequacy of existing CCTVs and intruder alarm systems. Ensure they are in good working condition.
- ☐ Provide adequate lighting along the perimeter of the premises.
- ☐ If possible and permitted by local authorities' COVID-19 guidelines, ensure there is a security presence (mobile & static) 24/7 to prevent theft, arson, loitering etc.

4. Utilities & Services

- ☐ All fuel-fired equipment and processes should be shutdown.
- ☐ Fuel supplies including but not limited to fuel oil and natural gas should be isolated at the mains by closing the manual shutoff valve(s). Ensure the residual fuel in the supply lines of the premises is emptied using proper venting and draining procedures. Note: This does not apply to emergency diesel generators and diesel engine-driven fire pumps.
- ☐ Water, compressed air and electricity supplies to non-essential services should be turned off.
- ☐ Essential supplies should remain energised for lighting, fire protection systems, security surveillance, alarm systems, data processing and telecommunication equipment.
- ☐ For specific occupancies such as semiconductors, electronics, food storage and others, special arrangements may be required such as ensuring the continuous operation of the heating/cooling, ventilation and air-conditioning (HVAC) system for temperature and humidity control.

5. Fire Protection

- ☐ Ensure fire detection and protection systems are operable.
- ☐ All critical control valves should be secured and locked in the open position.
- ☐ Fire pumps should be placed in automatic mode. Ensure the fuel tank of the diesel engine-driven fire pump is filled.
- ☐ Ensure adequate water supply is available on site.
- ☐ The fire detection and protection systems should be inspected and properly maintained throughout this period. Where government movement controls allow, they should be visually inspected weekly.
- ☐ Should the closure extend through winter, additional precautions should be taken against freezing of fire water mains and sprinkler pipes.

Ongoing Maintenance and Management

- ☐ Communicate clear and easy to follow procedures to all employees.
- ☐ Maintain a register of emergency and/or key contact persons with contact details, highlighting their roles and responsibilities during the closure.
- ☐ Maintain a key control register and ensure authorized emergency response team (ERT) members are provided access to the facility (i.e. access card, master key, passcode, etc.)
- ☐ If possible and permitted by local authorities' COVID-19 guidelines, conduct a weekly inspection to the premises to ensure the fire protection system is operable, the facility's security has not been breached and that utilities and supplies to non-essential services are isolated.



CONSIDER YOUR INSURANCE

Contact your Insurance Broker as early as possible in the event of a likely shutdown to ensure the appropriate cover remains in place for your situation. Areas to discuss with your broker could include:

- Policy coverage during the temporary closure arising of COVID-19.
- Policy requirements including warranties or precautions to be adhered to in the event of vacancy to ensure policy continues to be effective.
- Any unforeseen changes to the insured premises due to temporary closure.

Risk Managers should further review contractual provisions and obligations, including but not limited to Force Majeure, and communicate early and openly with their insurance panel.

Re-opening

Once a directive to reopen is in place, it is important to have a plan to quickly re-establish the premises and minimise any further disruptions.

Issues to plan for at a reopening include:

- ☐ Operation readiness of plant equipment;
- ☐ Labour shortages;
- ☐ Restoration of utilities and services;
- ☐ Availability or increased cost of materials; and
- ☐ Implementing gradual or staggered re-openings.



A well-planned and managed facility closure reduces the potential of damage or loss of property and shortens the restoration time when operations resume.