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**MANAGE YOUR BUSINESS**

# A guide to help your business survive after a disaster

6 tips to help avoid scammers, pitfalls during chaos

By **Beth Braverman** • Posted: 03/14/18

*This story is part of the Chase for Business Guide to Disaster Resilience, an original series aimed at helping business owners*



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following a natural disaster can feel overwhelming for any business owner. While your family and community are reeling from a flood, fire, or even an act of terrorism, you have the added pressure of figuring out how to make sure your business survives.

The good news is that even after a large-scale disaster, your business is likely to prove resilient. A recent [study by the JP Morgan Chase Institute](#) of small businesses in the Houston and Miami area found that while the firms' revenues took a significant hit in the initial weeks following Hurricanes Harvey and Irma, few had significant losses for more than four weeks.

Still, springing quickly into action and taking advantage of the resources available to help can make a big difference, says Larry Conley, managing director and specialty finance executive at Chase. "The first thing that business owners usually do is take care of their family and their home, so there's a delay factor on the business," Conley



chaotic, you still have to vet resources thoroughly: disasters tend to bring out scam artists looking to con victims out of their money.

Here's a guide to help you figure out who to contact for what kind of help—and the pitfalls to look out for:

### **1. Your insurer**

If you've been diligently paying premiums, you may assume your insurance will cover all your needs. Not so fast. Not all business insurance includes damage sustained by natural disasters, or business interruption. If you don't have a copy of your policy, call your agent and ask them to send you one.

Once you know you have coverage, make a claim as soon as possible. You may be tempted to start repairs as soon as you're given clearance by authorities to return to the site. Hold off. While your policy likely requires you to mitigate damage, the adjuster should take a look before you do major work. If you're dealing with water damage, for example, it's okay to start extracting water



with Kustom US, a natural disaster and restoration firm.

You'll also want to take photos of the scene to document all damage before making changes, and keep track of any expenses incurred. "In the digital age it's easy to grab your phone and take pictures and videos every step of the way," Howe says. "The more documentation the better." And even if a contractor assures you that your insurance covers the work, check with your carrier before agreeing to pay.

## **2. The Small Business Administration**

If you already have a loan with the SBA, you may be eligible to defer payments or interest on the loan for a period of time after the disaster. In addition, the SBA offers two low-interest loan programs to help small businesses get back on their feet after a natural disaster. You can borrow up to \$2 million total from the two programs.

- *Physical recovery loans* These loans cover damage to your real estate, machinery,



4 percent to 8 percent, with those businesses that have access to credit elsewhere paying higher rates.

- *Economic injury loans*  
These loans are available only to small business owners who are economically disadvantaged by the disaster. The loans have a term of up to 30 years and a rate of 4 percent or less.

It can take the SBA several months or more to get fully up and running locally after a disaster, so get your loan application in as soon as possible. "If you get a front place in the line, you'll be ahead of the backlog that occurs," says Conley, who has managed the Chase SBA program for 20 years. The good news is that SBA doesn't require immediate payment, and they don't charge for inspections or for providing help filling out applications.



been hit by disaster a break, by giving them an extension on filing and paying taxes. You can also likely write off any business losses incurred due to the disaster, either for this year, or by filing an amended return for last year's taxes, which could bring your refund more quickly. For advice about your personal tax situation, consult your tax advisor.

Just keep in mind that impersonating IRS reps and requesting immediate payment is a favorite method of fraudsters. "Anyone that calls you wanting personal info, don't give them a single thing," Conley says.

#### **4. Your bank or credit card issuer**

Many lenders will waive fees or late payments to existing customers in the immediate aftermath of a natural disaster. Your current bank and card issuers may provide you with the quickest access to money in the short term. "Many business owners think of credit cards as a convenient way to pay for purchases, but they can also offer flexible fast funding," says



*"Once your business is back on its feet, put some measures in place to ensure you're positioned to recover more quickly. Gather and store key documents online, as well as in a safe*

Some banks can also provide an emergency funds loan, backed by the Small Business Administration, for up to \$25,000.

### **5. State or local programs**

Many states and cities offer grants or low-interest loans to businesses, and local organizations such as community development corporations or certified development financial institutions may also offer assistance. Visit your local Small Business Development Center or a Federal Emergency Management Agency Disaster Recovery Center, which can offer referrals to other agencies for assistance.



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recover more quickly. Gather and store key documents online, as well as in a safe location that's not physically near your business. You also may want to work with your bank to establish a line of credit that you can quickly tap in times of need. Says Conley: "The best recovery from a disaster is basic preparation."

**Beth  
Braverman**



**Check references.**

The company should have a multi-year track record with local businesses. Check the Better Business Bureau's website for reviews.



**Ask to see their license and insurance.**

If they won't produce either, that's a red flag to move on.



**Get a written contract.**

This can prevent misunderstandings or disagreement later.



**Take your time.**

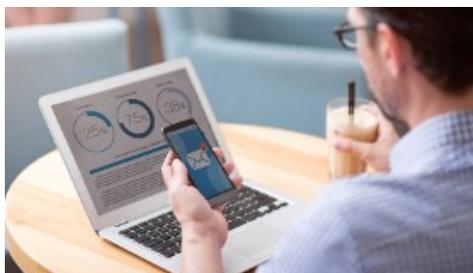
Reputable contractors won't pressure you to make decisions on the spot, or require full payment up front.



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*Beth Braverman is a Chase News contributor. Her work has appeared on CNNMoney.com.*