



CORONAVIRUS CONTINGENCY PLANS

By Jay Kenney, SVP, Regional Manager, PCBB

Since the World Health Organization declared the coronavirus a pandemic, it is definitely a good time for community banks to review their business continuity plans and ensure pandemic planning is included. Traditional business continuity plans could be less effective if they don't incorporate the risk of widespread illnesses.

To help, the Federal Financial Institutions Examination Council (FFIEC) just updated its 2007 guidance. Reviewed with your current business continuity plan, this document should help you fill in any gaps, to ensure your institution is prepared.

Several factors dictate specialized planning for a pandemic, according to the interagency guidance. A traditional business continuity plan typically prepares for various types of natural disasters, such as floods or wildfires, or human-made disasters such as terrorist attacks. While such disasters can vary in severity, most cause only short-term disruption or are limited in scope, in relation to a community bank's market area.

As such, traditional plans typically call for the use of mobile branch buses or remote locations to serve as alternative places for back-office activities. But in the case of a pandemic, all locations could be impacted and employees everywhere

could be subjected to the illness — and conditions could last for a longer period than the impacts from some disasters.

Moreover, pandemics often come in waves. After a summer respite, the coronavirus could come roaring back and cause more illness, potentially impacting an institution's operations.

To minimize the threat of illness among an institution's workforce, community banks should monitor local outbreak conditions to determine when to direct employees to work from home, if their work can be handled remotely. Employees should also be cross-trained for key business positions and processes.

In extreme cases, institutions might need to dictate quarantines in some areas, redirecting customers to online banking, mobile banking, ATMs and call centers (ideally routed to employees' quarantined locations, if possible).

For now, community banks should take preventive measures to reduce the likelihood that the coronavirus would significantly impact their operations. One of the things that are at the top of the list: educating employees about minimizing the threat of illness, including appropriate hygiene training and tools. Community banks should also coordinate now with critical service providers and suppliers to lessen potential disruptive impacts.

Now that the coronavirus is officially a pandemic, it's smarter not to be penny-wise and pound-foolish. We are testing and training around our business continuity plan, including the FFIEC updates. Be prepared and stay safe out there!

For more information on contingency plans, please contact Jay Kenney. ■



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