

# Questions and Answers

## Topic (3): Business Continuity Management (BCM)

### Q-1: [From Insurance Company-Regulation]

Could you please give us an example of BCP in based on pandemics such as Covid 19?

A-2 :

Figure1 : Natural disaster BCP

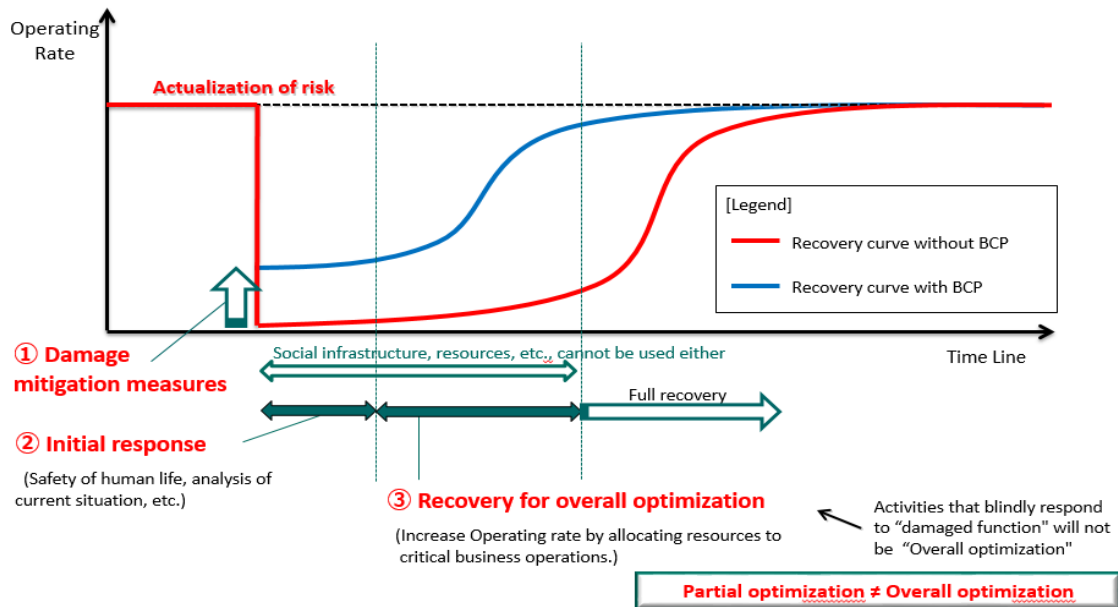
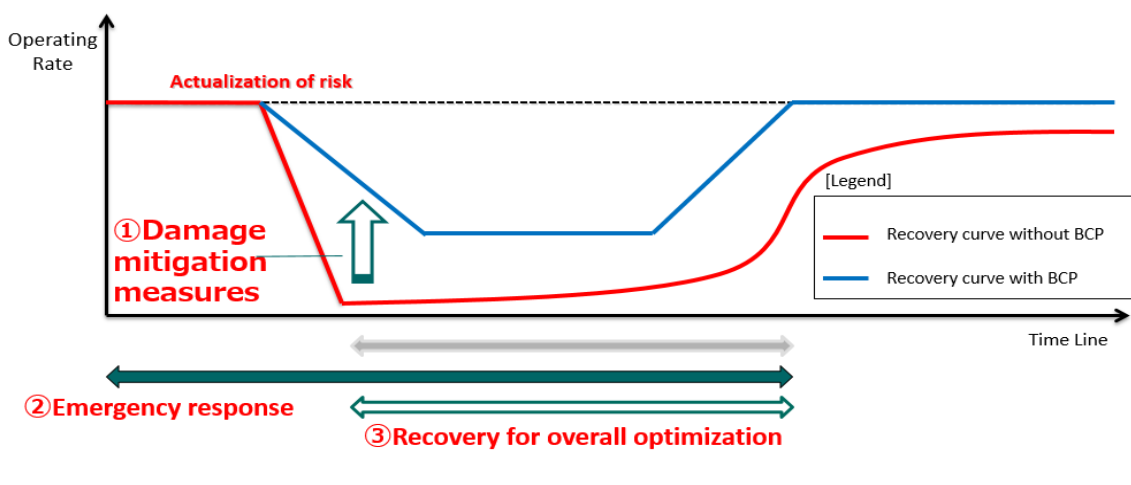


Figure 2: Pandemic BCP



There are two main differences between natural disaster BCP and pandemic BCP.

#### #1 Differences in damaged resources

The difference is that while infectious diseases damage human resources, natural disasters damage both human resources and physical resources (buildings, equipment, etc.).

Therefore, in terms of damage mitigation measures, pandemic BCP takes infection prevention measures and tries to reduce the infection of human resources.

#### #2 Characteristics of a reduced operating rate

In the case of a natural disaster, the operating rate of a company drops significantly in an instant due to a sudden disaster. In contrast, in the case of an infectious disease, the operating rate of a company drops gradually. This is because companies will take measures such as controlling the operating rate and selecting operations based on instructions ordered by the government, while taking into account various restrictions. In the comparison between Figures 1 and 2, it can be seen that the operating rate of natural disaster BCP decreases vertically, but the decrease in the operating rate of the pandemic BCP is less severe.

Due to the above differences, it is common in Japan to formulate different plans for natural disasters and pandemics.

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#### **Q-2: [From Insurance Company-Loss Adjustment]**

Could you please give us an example of BCM / BCP when an insurance company encounters catastrophic situations such as storms and floods throughout in the Central region, covid-19 pandemic and the office should be close?

#### **A-2 :**

In cases of both infectious diseases and natural disasters, Japan has employee safety laws with which companies must comply. Therefore, it is necessary to carefully consider closing offices and workplaces in accordance with the relevant laws and governmental business suspension requests, so that the safety of employees can be secured to the extent possible.

In addition, it is important for BCP to decide which work to prioritize and continue in the event of a natural disaster or pandemic. If important work can only be carried out in a specific workplace, business will stop if the workplace is closed. Therefore, from the perspective of continuing important work, it is important to prepare alternative means in advance, such as an alternative location, or having employees work remotely.

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