Module 5: Legal, Financial, & Insurance



There are no “one size fits all” solutions for risk.

In small business, **financial** risk management focuses on safeguarding cash flow, managing debt, and preparing for unexpected expenses to ensure stable growth.

Legal risk management categorically involves staying compliant with regulations, protecting intellectual property, and avoiding potential liabilities, which can prevent costly lawsuits or fines.

Insurance plays a crucial role by transferring certain risks to an insurance provider, covering areas like property damage, liability claims, or business interruption, which helps mitigate financial losses if adverse events occur.

Simply Having a Plan Can Reduce Financial Risk



By completing this course, you are already engaging in risk management.

The Climate Resilience Action Plan you are building will significantly **reduce uncertainty** and improve your ability to **respond quickly** and confidently in a crisis.

This is how you go from **reactive** to **proactive**!

Diversification is Key for Resilience



Credit and Lending



Savings



Insurance



Fed & State Assistance

Traditional insurance often falls short—especially when it comes to critical losses such as lost revenue, staffing disruptions, or supply chain disruptions.

Resilience planning helps fill those gaps by encouraging you to build a diversified financial safety net before disaster strikes.

Recover Quicker, Stronger





Boost Your Recovery Chances

Studies indicate that businesses with at least one risk financing strategy are **twice as likely** to successfully recover after a disaster.

Having just one tool in place—whether it's insurance, savings, or a line of credit—can make a critical difference.

Essential Pillars of Business Resilience Planning



These four pillars strengthen your ability to endure disruptions:

1. Insurance Awareness
Ensure comprehensive coverage, understand “fine print,” advocate for fair claims processes

2.Diverse Funding Sources
Explore credit, savings, and community resources

3.Disaster-Ready Employee Benefits
Implement low-cost benefits like EAP and structured PTO to support employees

4.Crisis Communication
Develop clear, proactive plans to keep stakeholders and employees informed during disruptions

Perspectives on Legal Issues

Provided by the
Vermont Small Business Law Center
at Vermont Law & Graduate School

Climate Resilience: Preparing for Legal Challenges After a Disaster



Vermont Small Business Law Center
VERMONT LAW & GRADUATE SCHOOL

Agenda

- Legal Challenges After a Disaster
- Legal Resilience Before a Disaster
- Federal & State Disaster Assistance
- Tips & Tricks

Legal Challenges After a Disaster

- Insurance coverage and documentation
- Temporary workers and DUA
- Rebuilding, permits, environmental review
- Suspended or painful commercial leases, evictions, utility shutoffs
- Broken contracts
- Government acquisitions
- Bankruptcy
- Litigation over all the above

Legal Resilience Before a Disaster

- Contracts, protective terms (disruption, force majeure)
- Insurance, review of policies (property, liability, cyber, business-interruption)
- Assets and equipment, planned strategies to replace or negotiate maintenance
- Cyberscurity insurance and policies
- Workforce protocols
- Governance and succession planning
- Lease review
- Zoning check up

Federal Disaster Assistance

- Disaster Declaration Required
- FEMA Individual Assistance
  - Individual and Household Program
  - SBA loans for ++ losses
  - Sole proprietors/tools of the trade
- FEMA Public Assistance
  - Immediate (debris removal, emergency protections)
  - Subsequent (through towns)
- SBA Disaster Loans



State Disaster Assistance

- Hazard Mitigation Assistance Grants
  - State applies to FEMA
  - At-risk property buyouts
  - Town coordination
  - 25% local match
- Vermont Flood Safety Act (ANR)
  - Regulating development in river corridors
  - Dam safety
  - Wetlands protection



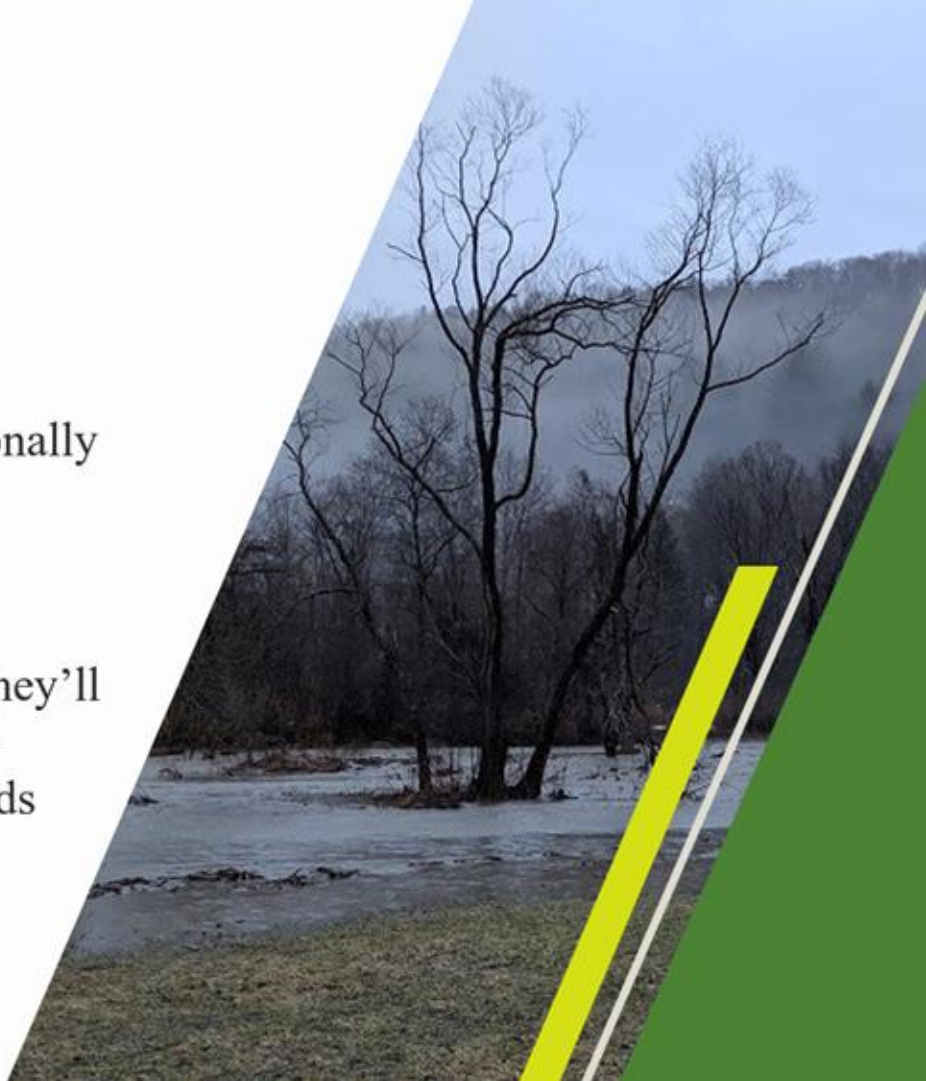
Disaster Planning

- RIVER Resilience Initiative
  - Let by regional planning commissions
  - Floodplain restoration
  - Roads & bridges
  - Floodproofing structures
  - But, FEMA-dependent funding
- Individual Due Diligence
  - FEMA Flood Maps
  - First Street Hazard Maps
  - Local Efforts



Top Tips and Tricks

- Commercial leases:
  - Spell out disaster process
  - Require flood insurance
  - If you can avoid it, don't sign personally if you're an LLC or Corp
  - Make sure flood is included!!
- FEMA/SBA disaster relief:
  - Apply early, appeal for as long as they'll let you until you get what you need
  - SBA loans can reduce FEMA awards
- State disaster relief:
  - Reach out to your town officials
  - OR reach out to VEM



Next Steps

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Fill out this short form to get to legal help.

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Questions?

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