

MEMO# 22223

February 11, 2008

2007 Pandemic Exercise Results

[22223]

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TO: RISK MANAGEMENT ADVISORY COMMITTEE No. 1-08 RE: 2007 PANDEMIC EXERCISE RESULTS

At the September 2007 meeting of the Committee, the Committee received a presentation from the Institute's staff on the Pandemic Flu Exercise of 2007. This unprecedented three-week exercise, which began in late September, was sponsored by the U.S. Department of the Treasury, the Financial and Banking Information Infrastructure Committee, the Financial Services Coordinating Council, and SIFMA. It was intended to simulate the impact of a severe global pandemic flu on the financial services industry, including the impact from the financial sector's dependency on other sectors, such as transportation, telecommunications, and energy. More than 2700 U.S. financial services organizations, including the Institute and many of its members, participated in it. The participants ranged in size from those with less than 250 employees with those over 100,000 employees.

The results of the exercise have been published and are available at the following website link: http://members/ici.org/getPublicPDF.do?file=flu_exercise_report. According to the report, "based on the findings of this exercise, it appears that while there will be significant impacts to the financial services sector [from a pandemic], the sector overall will continue to operate and cope with these impacts."

Generally speaking, the exercise revealed that the financial sector's pandemic response planning involves a layered approach incorporating social distancing techniques, telecommuting, cross-training, communication to employees and customers, distribution of personal protective equipment (e.g., Tamiflu, respirators, surgical masks and gloves), and

special arrangements with service providers.

The report also notes that the exercise highlighted the need for organizations to include a pandemic-specific focus in their overall business continuity planning efforts. More than 91 percent of the participant said they would apply lessons learned from the exercise in refining their organization's business continuity plans.

Questions about the exercise or the report should be directed to the Institute's contact for this exercise, Peter G. Salmon. He may be reached by email at salmon@ici.org or by phone at 202-326-5869.

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