

Climate Risk Preparedness for Businesses

Executive Climate Change Council

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FM Global:



- **Founded in 1835 - Largest Private Company in Rhode Island**
- **Commercial and Industrial Property Insurance**
- **“Majority of Loss is Preventable” Through Research/Engineering**
- **Mutual Ownership**





Natural Hazards Lab

Hydraulics Lab

Electrical Lab

Center for Property
Risk Solutions
Norwood, MA

Research Campus
West Glocester, RI

Research
Product Certification
Education



Fire Technology Lab

Explosion Test
Site

The Big Picture

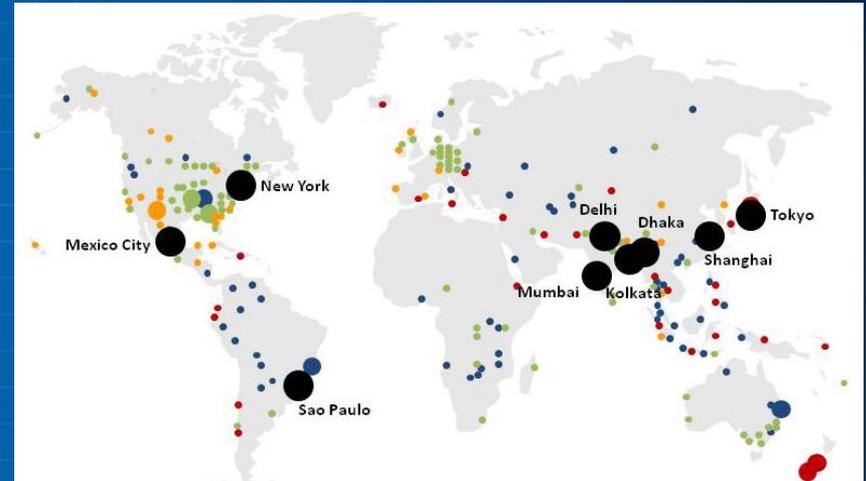


96% of companies

have operations *exposed to natural disasters*

Only 20%

are “*very concerned*” about the impact to their bottom line



“Flirting with Disaster: Why Some Companies Risk it All”, www.fmglobal.com/disaster

Call to Action



28x Lower

Average natural hazards losses are 28 times lower for a company with strong risk management practices

\$3.4 Million Less

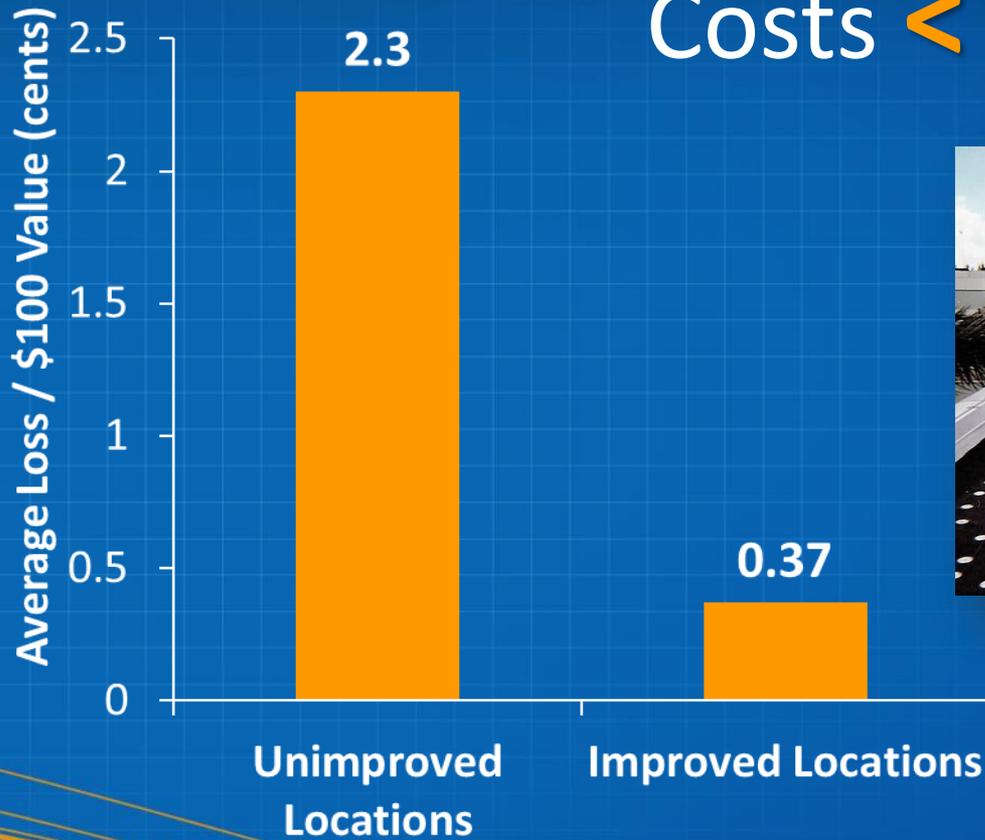
Average severity of a natural hazard loss exceeds \$3.4 million for companies with weak risk management vs. \$0.48 million for companies with strong risk management



Image: <http://www.katrina.noaa.gov/>

Wind Cost Reduction

Costs < \$10K



Rhode Island Flooding



Protecting Capital Investments



Probability

1% (100 yr) 0.2% (500 yr)

1 in 3 chance

locations exposed to a 100 year hazard

WILL EXPERIENCE AN EVENT in 40 years.

Lifetime	1% (100 yr)	0.2% (500 yr)
25	22%	
30	26%	6%
40	33%	8%
50	39%	10%

Flood Preparedness

1. Block



Flood Preparedness

2. Raise

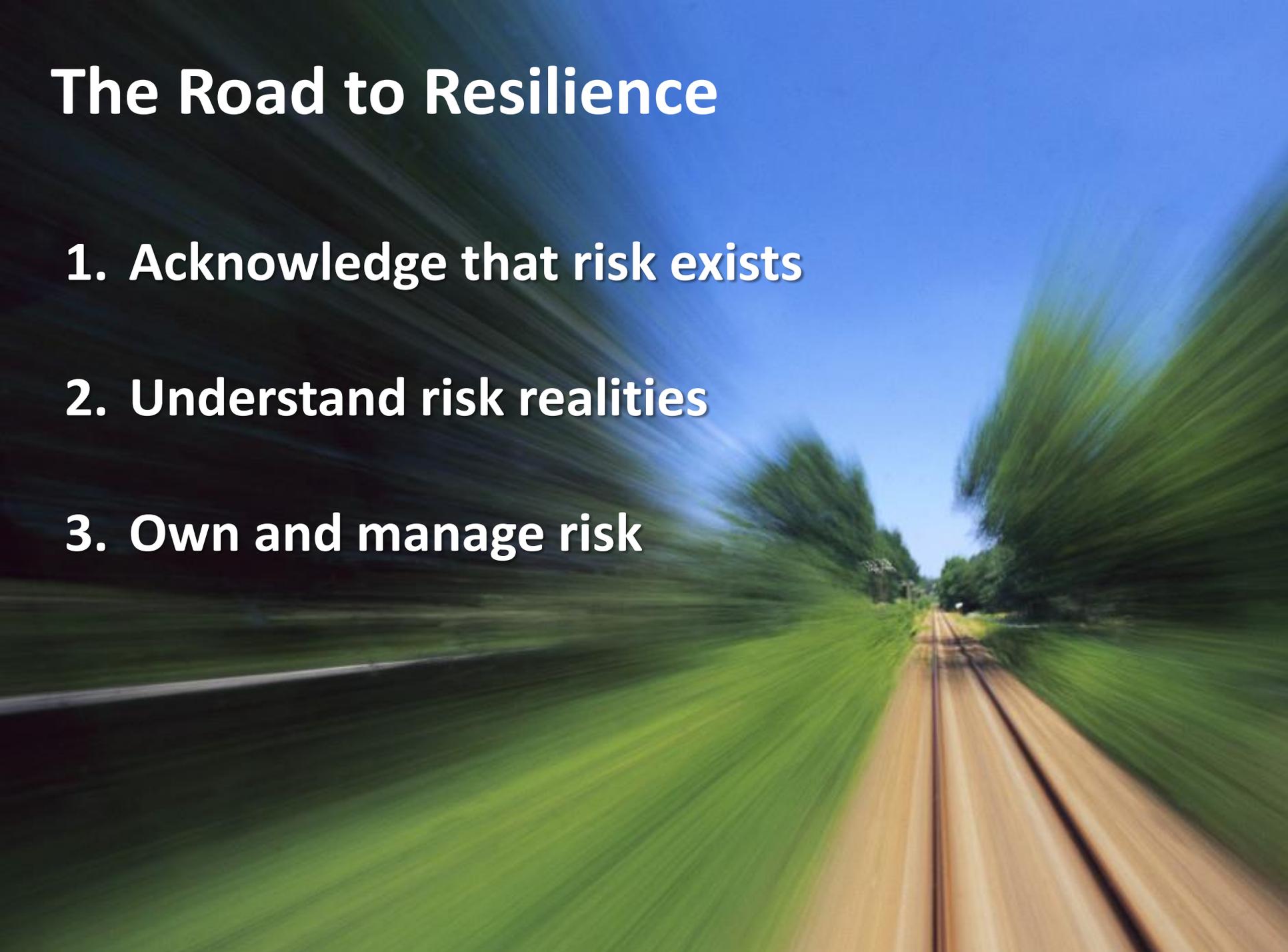


Flood Preparedness

3. Seal

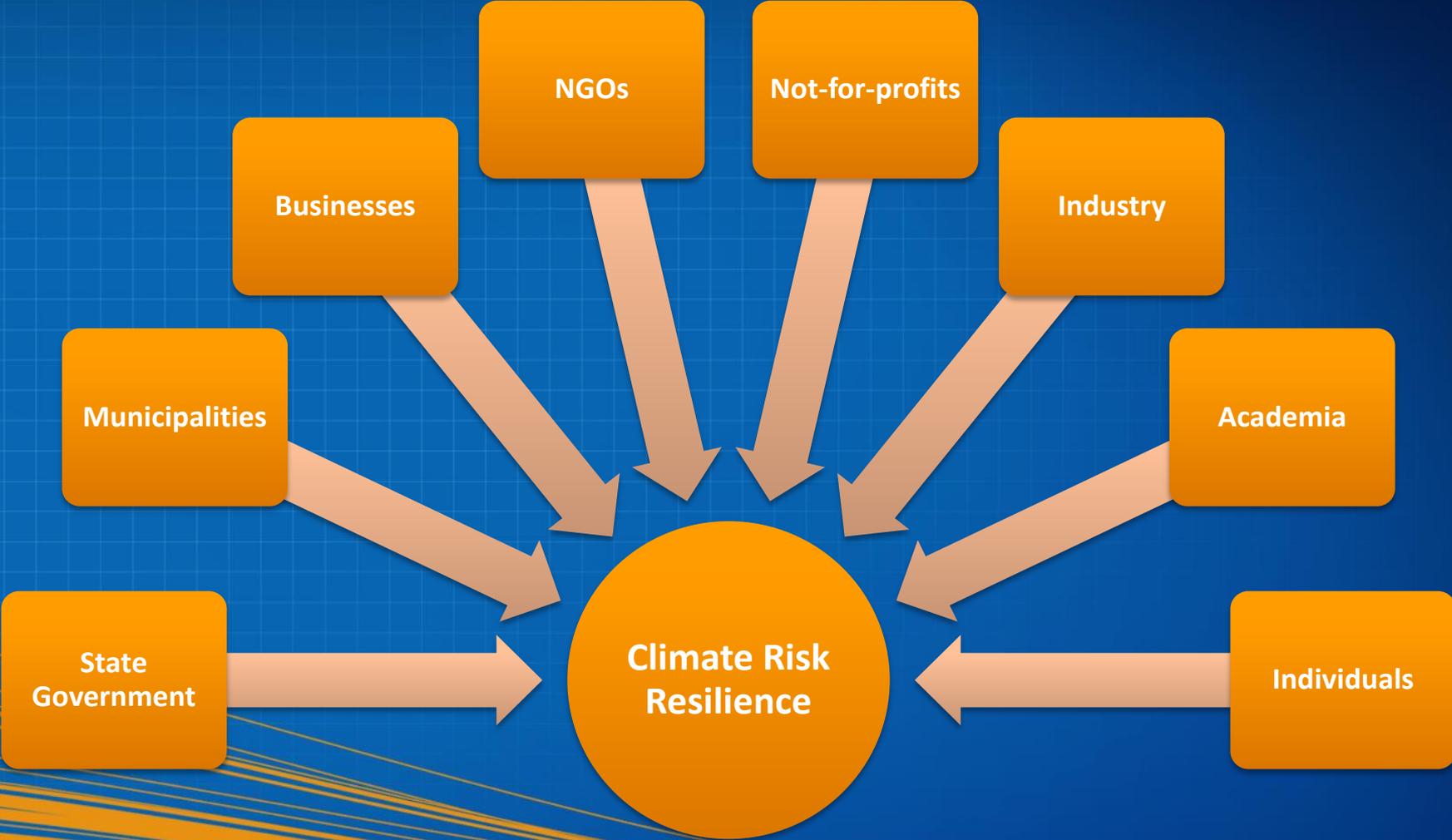


The Road to Resilience



- 1. Acknowledge that risk exists**
- 2. Understand risk realities**
- 3. Own and manage risk**

The Road to Resilience



The Road to Resilience

Fact: We can't stop the storm.

Fiction: We can't control the outcome.

Protect



Respond



Recover

Why?

Resilience will help to protect:

- Public well-being
- Environment
- Infrastructure
- Economic growth
- Opportunity

