

# BUILDING RESILIENCE TO NATURAL CATASTROPHES PROPERTY RISKS ARISING FROM EXTREME WEATHER



Increases in the frequency and severity of extreme weather events has had a devastating effect on local populations, property and critical infrastructure. Although predicting the scope and scale of the possible changes is proving difficult to model precisely, adapting to the changes and improving resilience will be essential.

In the World Economic Forum's *Global Risks Report 2013* our attention is drawn to the fact that the earth's resilience is being tested by rising global temperatures and extreme weather events that are likely to become even more frequent and severe in the coming decades. The inability of nature systems to resist such changes is becoming more evident. The *Global Risks Report* characterises the risk of a general failure of climate change adaptation along with a persistent inability to stem rising greenhouse gas emissions as significant, and likely to materialise within the coming decade.

Marsh has joined the United Nations Disaster Risk Reduction Private Sector Partnership to support work aimed at enhancing national and local resilience to disasters. The Partnership supports the UN Strategy for Disaster Risk Reduction (UNISDR) and seeks to raise awareness of risk management and contingency planning by working with leading organisations in the private sector. As a member of the UNISDR, Marsh has signed a "Statement of Commitment" which pledges the company's support to UNISDR's fundamental principles of: "achieving a substantive reduction in disaster losses and building resilient nations and communities as an essential condition for sustainable development". Marsh has contributed to the resilience debate by sharing information, contributing to discussion papers, and presenting and attending conferences and workshops organised by the UNISDR to promote our views on city and national resiliency.

Marsh is working with the UN as both a "city member", assisting cities to become more resilient, and as a "city adviser" sharing our views on best practice in relation to natural catastrophe risk management and risk transfer. This includes highlighting the importance of having insurance to assist the recovery of a city after a natural catastrophe event. Our campaign on property sustainability is vital to ensuring that reinstatement after a loss is conducted in an environmentally friendly and resilient manner.



## MARSH AS A CITY MEMBER

- Contributions to the community:
  - Case studies about loss and response.
  - Business Emergency Response Group (BERG) — part of Business In The Community (BITC).
  - Industry and claims response to UK flooding.
  - Finding a solution to UK flood insurance issues, working with the Government and the Association of British Insurers.

## MARSH AS AN ADVISER

- Risk management.
- NAT CAT Pack – best practice in relation to natural catastrophe (NAT CAT) risk management and risk transfer.
- Loss data collation.
- Business continuity planning and management.
- Environmental impact studies.
- Supply chain risk management.
- Claims support.
- Insurance expertise:
  - Property and business interruption insurance.
  - Product development and innovation.
  - Property sustainability (green buildings and resilient repairs clauses).
  - NAT CAT insurance placements.
  - Narrow the gap between insured and total losses.



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