ENSURING BUSINESS RESILIENCE

for Natural Disasters

Fueled by climate change, natural disasters continue to grow in number and intensity.



¹ IN U.S. DOLLARS

Increasing Impact on Communities and Companies

Rapid growth and unsustainable development practices amplify disasters' impact on communities and companies.

FOR MULTINATIONALS WITH ASSETS IN DEVELOPING COUNTRIES:

These areas often lack capabilities to handle large-scale disasters

WEAK BUILDING CODES OR INFRASTRUCTURE VULNERABILITIES

INCREASING FINANCIAL IMPACT OF NATURAL HAZARDS

Commercial facilities, equipment and technology are becoming more costly and difficult to replace



INSURANCE MAY NOT FULLY COVER ALL LOSSES, SUCH AS EXTENDED BUSINESS INTERRUPTION AND LOSS OF MARKET SHARE

GROWING CONCENTRATIONS OF RISK

Increasingly complex global supply chains and "lean manufacturing" practices are more vulnerable to disruptions



INCOMPLETE KNOWLEDGE OF NATURAL HAZARD EXPOSURE AND FACILITY RESILIENCE

Most companies do not know how resilient their facilities truly are



BUILDING CODES ARE DESIGNED TO PROTECT LIVES, NOT ASSETS

INACCURACIES OF SOFTWARE ANALYSIS AND CATASTROPHE MODELING

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Without accurate structural and site-specific data, loss exposure and insurance coverage may be seriously under- or over-estimated

Business Interruption (BI)

Disruption of operations that leads to a loss of revenue

(5) MACHINERY

BREAKDOWN

TOP CAUSES OF BUSINESS INTERRUPTION

ERROR

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 $(\mathbf{4})$ Cyber

INCIDENTS

Average BI property insurance claim is m \$2 million — 36% hig the average direct p

insurance claim is more than \$2 million — 36% higher than the average direct property damage loss.

3 SUPPLIER

INCIDENTS



FIRE AND

EXPLOSION

Improve your Business Resilience:

Plan for business continuity and disaster recovery

UNDERSTAND THE RISK

Site-specific assessment ensures accurate data for informed business decisions regarding risk.

Facility risk is quantified through:



NATURAL HAZARDS



VULNERABILITY OF INFRASTRUCTURE

RECOVERY AND RESPONSE PLANS OF BUSINESS OWNERS SURVEYED SAID THEY HAVE NO BUSINESS CONTINUITY PLAN IN PLACE

48%



EXTERNAL FACTORS

MITIGATE THE RISK



Mitigate life safety risks and improve business resilience



Invest on a cost-benefit analysis of possible measures

SET THE DISASTER PLAN

Successful recovery depends on a holistic approach to risk.



For more information on ensuring business resilience for natural disasters, download our white paper.

Download the white paper

SOURCES:

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TÜV SÜD offers site-specific, engineering-based natural hazards analysis to help companies manage their risks.