

Zurich shares lessons from extreme weather events: what disasters teach us about resilience

- **Extreme weather events are among the most likely causes of disasters**
- **Every dollar spent on disaster resilience saves five dollars in future losses**
- **Post-Event Review Capability analysis helps to identify opportunities to reduce risk and build long-term resilience**

Zurich, June 7, 2018 – Risk-awareness and knowledge are the first steps in mitigating the impact of disasters. With that in mind, Zurich Insurance Group (Zurich) is sharing what it has learned about how individuals, businesses and communities can [increase resilience to disasters](#). As one of the world’s leading insurers, the Group believes it is appropriate to think about a holistic approach to risk, and also ways to address it prior to a disaster. This is appropriate especially now as the Atlantic hurricane season gets underway, and many countries may also face heightened risks of destructive seasonal floods.

According to [the Global Risks Report 2018](#), extreme weather events are at the top of the list in terms of global risks most likely to occur, and when they occur, they can be devastating. Instances of extreme weather events might also be increasing, with September 2017 the most intense month for Atlantic storms on record.

It is important to address the risks before a disaster strikes. Alison Martin, Zurich Group Chief Risk Officer and member of the Executive Committee, notes: “We know that every dollar spent on reducing risks and their impacts before a disaster saves five dollars in future losses. That means it’s five times more expensive to be unprepared. Building resilience is money well spent, and more importantly – it saves lives.”

Zurich’s experience and extensive research can provide valuable insights to help mitigate risks from weather-related catastrophes. Using Zurich’s Post-Event Review Capability (PERC) methodology, the Group has found there are often striking similarities among different types of hazards no matter where they occur. And nearly all disasters – floods,

fires, windstorms or other events – share common traits in the impact they have on lives, property and communities. They can thus teach valuable lessons no matter what type of risks they might bring.

Zurich has led 12 PERC studies. Each one analyzes the response to natural events that turned into a disaster. The countries where the PERCs were conducted included Austria, Bosnia and Herzegovina, Croatia, the Czech Republic, Germany, Morocco, Nepal, Peru, Serbia, Switzerland, the UK and the U.S. These investigations identify critical gaps and promising opportunities, particularly around actions aimed at reducing risk and building long-term resilience.

Businesses can take actions based on these insights. For example, in 2010 a serious flood caused USD 155 million of losses to a plant of Bombardier in Bautzen, Germany. Situated near the Spree River, such flooding could easily affect the plant once again. Bombardier, with help from Zurich's risk engineering experts, began making changes to protect the site. When the Spree flooded again in 2013, the flooding caused extensive damage in the region. But Bombardier's plant was unscathed, protected by integral flood risk solutions.

“Of course, proper insurance coverage will speed recovery by providing funds quickly to aid in rebuilding. However, one of the central lessons from the PERC studies is that businesses play a key role in building communities' resilience to large natural events so they do not turn into a social disaster. Providing equipment, access to food and water, assisting with cleanup and offering paid time off for employees to help rebuilding can go a long way toward supporting a community and creating a culture of assistance,” Ms. Martin said.

Zurich encourages all interested parties to apply the methodology that can also contribute to the repository of publicly available material on resilience around the world.



Further information

[Extreme weather events: How hard lessons strengthen resilience against the next big event.](#)

PERC studies and a manual that serves as a guide for conducting PERCs are available [here](#).

Zurich Insurance Group (Zurich) is a leading multi-line insurer that serves its customers in global and local markets. With about 53,000 employees, it provides a wide range of property and casualty, and life insurance products and services in more than 210 countries and territories. Zurich's customers include individuals, small businesses, and mid-sized and large companies, as well as multinational corporations. The Group is headquartered in Zurich, Switzerland, where it was founded in 1872. The holding company, Zurich Insurance Group Ltd (ZURN), is listed on the SIX Swiss Exchange and has a level I American Depositary Receipt (ZURVY) program, which is traded over-the-counter on OTCQX. Further information about Zurich is available at www.zurich.com.

Contact

Zurich Insurance Group Ltd

Austrasse 46, 8045 Zurich, Switzerland

www.zurich.com

SIX Swiss Exchange/SMI: ZURN, Valor: 001107539

Media Relations

Neil Gordon-Henderson, Pavel Osipyants

phone +41 (0)44 625 21 00

twitter [@Zurich](#)

media@zurich.com