The Year of the CAT – HIM (Harvey-Irma-Maria)

Olympus Risk Conference

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In 26 days, Hurricanes Harvey, Irma, and Maria, two powerful earthquakes and wildfires devastated Texas, Florida, the Caribbean, Mexico and California.

Estimated Insured Losses:
- Harvey: $30B
- Irma: $32B
- Maria: $30B
- Mexico: $2B
- California: $9B

Source: Munich Re NatCat 2017
H.I.M. Losses Net of Reinsurance (US$)

- LLOYDS: $4.8B
- Swiss Re: $3.6B
- Munich RE: $3.2B
- AIG: $3.0B
- CHUBB: $2.7B
- XL CATLIN: $1.7B
- ZURICH: $1.3B
- Allianz: $1.0B
- $0.7B
- $0.5B
Cat Losses—Modeled vs Actual

The Engineering Difference!
The majority of **natural hazard** loss is preventable.
Science: Research Campus

NatHaz Standards & Mapping

FM Global
Solutions To Keep The Water Away
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Loss Preparedness Checklist

- ✓ Have I have analyzed my loss potential, identifying critical equipment, facilities and processes?
- ✓ Do I know my company’s loss history and how to use such knowledge to assist in preparing for potential future loss?
- ✓ Do I have a list of individuals inside my company to call in case of a loss?
- ✓ Do I know who at FM Global to call to report a loss?
- ✓ Do I know the procedures for loss-handling and claim submission?
- ✓ Are our emergency response procedures up-to-date and available to those with a need to know?
- ✓ Do I have a procedure in place to collect appropriate records and duplicates of vital information necessary to support a potential claim?
- ✓ Have I reviewed my policy coverage with FM Global’s claims professionals, and do I fully understand how it will apply in case of loss?
- ✓ Do I know the procedures for obtaining advance and partial loss payments?
4 Harvey
August 2017
Estimated Rainfall
8/25/17 – 8/29/17
We know where locations are!!
Flood losses experienced by FM Global clients who met our guidelines cost almost 5x less than those that did not.
FM Global clients completed physical improvements and reduced their loss exposure by an average of $23 million.
Goals

- Visit each loss
- Assist with the recovery process
- Stay until the loss is stabilized
- Make advance payments
Harvey

Challenge #1 – Get Boots on the ground!

- Assembled 30 adjusters for Harvey
- Where to send???
- Initial staging in Dallas
- Adjusters first sent to San Antonio,
- Then Houston,
- Then came the rub....
Wind losses experienced by FM Global clients who met our guidelines cost almost 4x less than those who did not.
FM Global clients completed nearly 1,300 wind recommendations
FM Global clients completed physical improvements and reduced their loss exposure by an average of $22 million.
26 days
606 clients
2,499 loss locations
68 FM Global Adjusters
1,300 field days
We’re willing to make advance payments and accelerate final payments:

Harvey:
$900,000 advance payment made within 11 days of the loss

Maria:
Retail client with multiple stores across Puerto Rico. Two advance payments totaling $6,000,000 in the first 30 days

Loss adjustment process continues 3, 6, even 12 months to conclude a loss.
After a loss is settled, ensure that the relationship with our Clients is as strong or stronger.
Are you in the path of the next hurricane?
Are you in the path of the next hurricane? or flood?
Are you in the path of the next hurricane? or flood? or earthquake? or wildfire?