Insurance perspective on resilience

Shawn Lawson
Operation Engineer Manager
Washington Operations
FM Global

- Mono line property insurance company
- Mutual ownership
- Engineering based underwriting
- Majority of loss is preventable
Who we insure

- Electric utilities
- Water companies
- Voice and Data providers
Resilience

- Effects the utility
- Utility end user
- Effects the community
3 Takeaways

- Hazards that effect risk quality (resilience)
- Mitigation options
- Benefits of a good risk quality (incentives)
Resilience = Risk quality

- Fire
- Flood
- Wind
- Collapse
- Earthquake
- Freeze
- Equipment Hazards
Fire

- Non-combustible construction
- Automatic Sprinkler
- Automatic shut off of fuel supplies
Flood

- Build outside the flood zone
- Build above the flood elevation
- Decrease the exposure
Flood Mitigation
Flood mitigation options
Wind

- Roof mounted equipment
- Roof and roof covering
- Walls, Windows and doors
Wind
Failure starts with flashing or in corners

63% increase

153% increase
Uplift testing
Equipment Hazards
Equipment hazard mitigation

- Preventative maintenance
- Testing regimen
- Operator training
Incentives

- Membership credit
- Insurance pricing driven by two factors
  - Market Conditions
  - Risk Quality
- The better a building's risk profile, the interest you will get from the marketplace
- Reinsurance costs
- Resilient utilities support a resilient community
Thank you