

In This Issue

- **2012: A Year of Weather Extremes**

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2012: A Year of Weather Extremes

At this time of year we typically look back and mull over events of the past year. While only eleven months have passed – they have been noteworthy for risk managers.

According to Swiss RE, “natural and man-made disasters in the second half of 2012 will lead to economic losses of at least \$140 billion (US) and insured losses of \$65 billion”.

Most months saw extreme weather events across Canada that resulted in millions of dollars of property damage. The most expensive occurred in Calgary during August costing \$552 million while in May storms in Ontario only rang up \$260 million in costs. In total, the insured loss costs to date have been \$1.19 billion. And these are only insured losses – there is no hard number on the actual out-of-pocket expenses logged in uninsured losses.

Weather affects, and fascinates, all of us. Storm events such as blizzards, hurricanes, tornados and so on are terrific media events. There is great satisfaction in sitting comfortably in front of your television watching a drenched journalist shout over the din of wind and rain.

Less captivating is media coverage of a drought. Yet the Secretary-General Michel Jarraud of the World Meteorological Organization said recently that “Climate change is projected to increase the frequency, intensity, and duration of droughts, with impacts on many sectors, in particular food, water, and energy”.

Environment Canada senior climatologist David Phillips advises that, whether or not you believe that climate change is occurring, one thing is certain: extreme weather events are occurring more often and are likely to continue to do so. He goes on to say “And it’s not throwing in the towel to say you are adapting to change. It’s recognizing the world is changing and that people who change and adapt to circumstances will come out winners in this.”

With respect to municipal infrastructure damage from weather-related events, Phillips notes that 40 per cent of

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damage from today's extreme weather events are linked to buildings being non-compliant with the current building code.

Canadians need to abandon what Phillips calls "the design, build and neglect" idea surrounding urban infrastructure. He refers to the 2% of the gross domestic product spent on upgrading infrastructure, compared to 4% in the 1950s and 1960s.

According to a recent Insurance Bureau of Canada report, the majority of losses are caused, in part, by Canada's aging sewer infrastructure, which is often incapable of handling the new, higher levels of precipitation. The Institute for Catastrophic Loss Reduction is encouraging municipalities to sign onto its RSVP...for cities program to:

- prevent injuries and deaths caused by natural catastrophe events
- protect public and private property from the impact of such events, and
- create a disaster-resilient economy.

Whatever your opinion on climate change, one thing is certain; weather events are less predictable than ever. It can seem overwhelming to consider methods of responding to climate change. But, it is easier to make changes where we live and work than at a provincial or federal level. Often the greatest benefits to our communities start at the grass roots level. And that is where we need to start to adapt to climate change.

There are a multitude of things we can do. Most of us live in communities' that have already begun the work. Questions to ask yourself are: Did we start soon enough? and Are we moving fast enough?

If you haven't started yet, now is the time. Managing climate change risk is a huge challenge and one risk managers should be involved in.

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