

NEXT GENERATION BI: EVOLUTION & INNOVATIONS

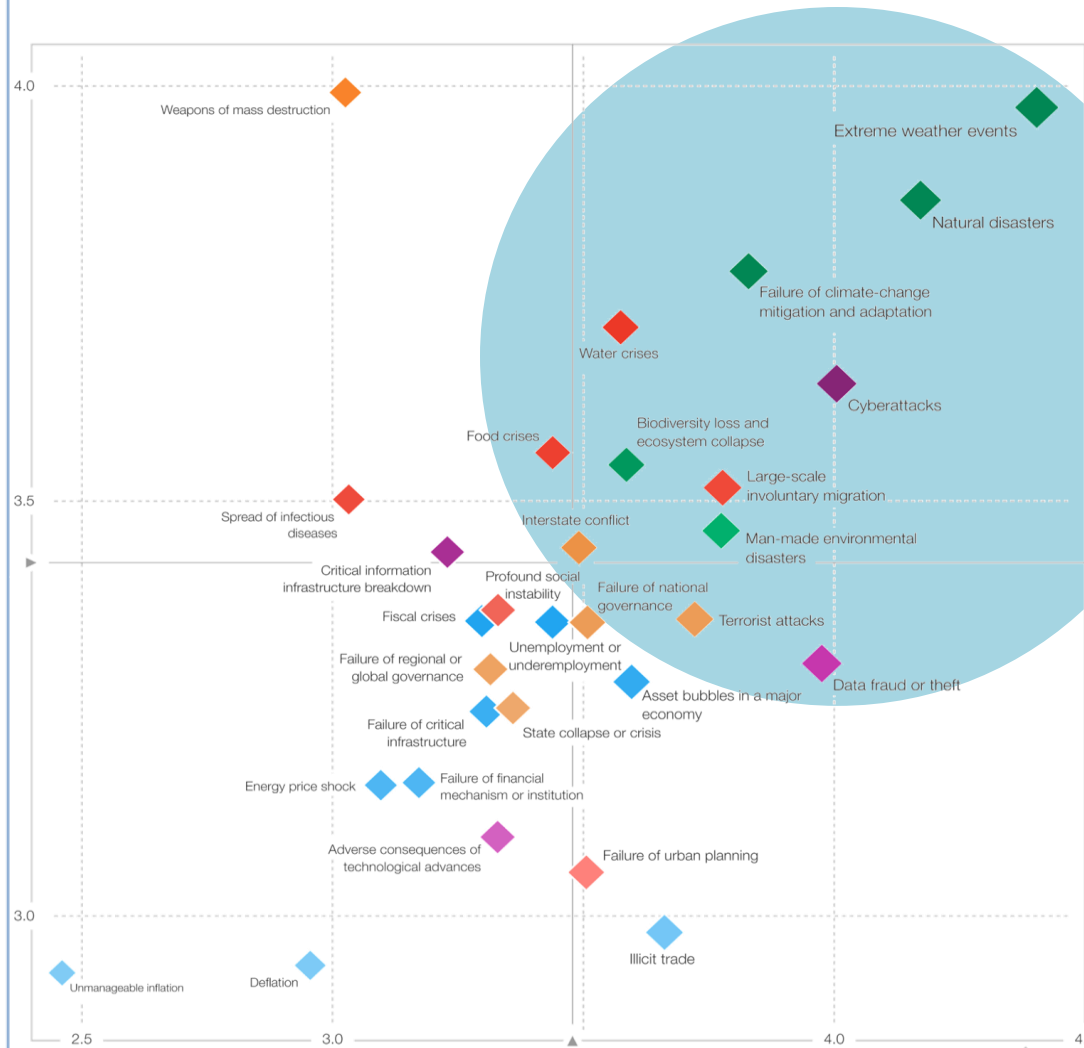
Michael Yip
VP Risk Management
DFW International Airport
16 January 2019

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GLOBAL RISK LANDSCAPE

The Global Risk Landscape - 2018



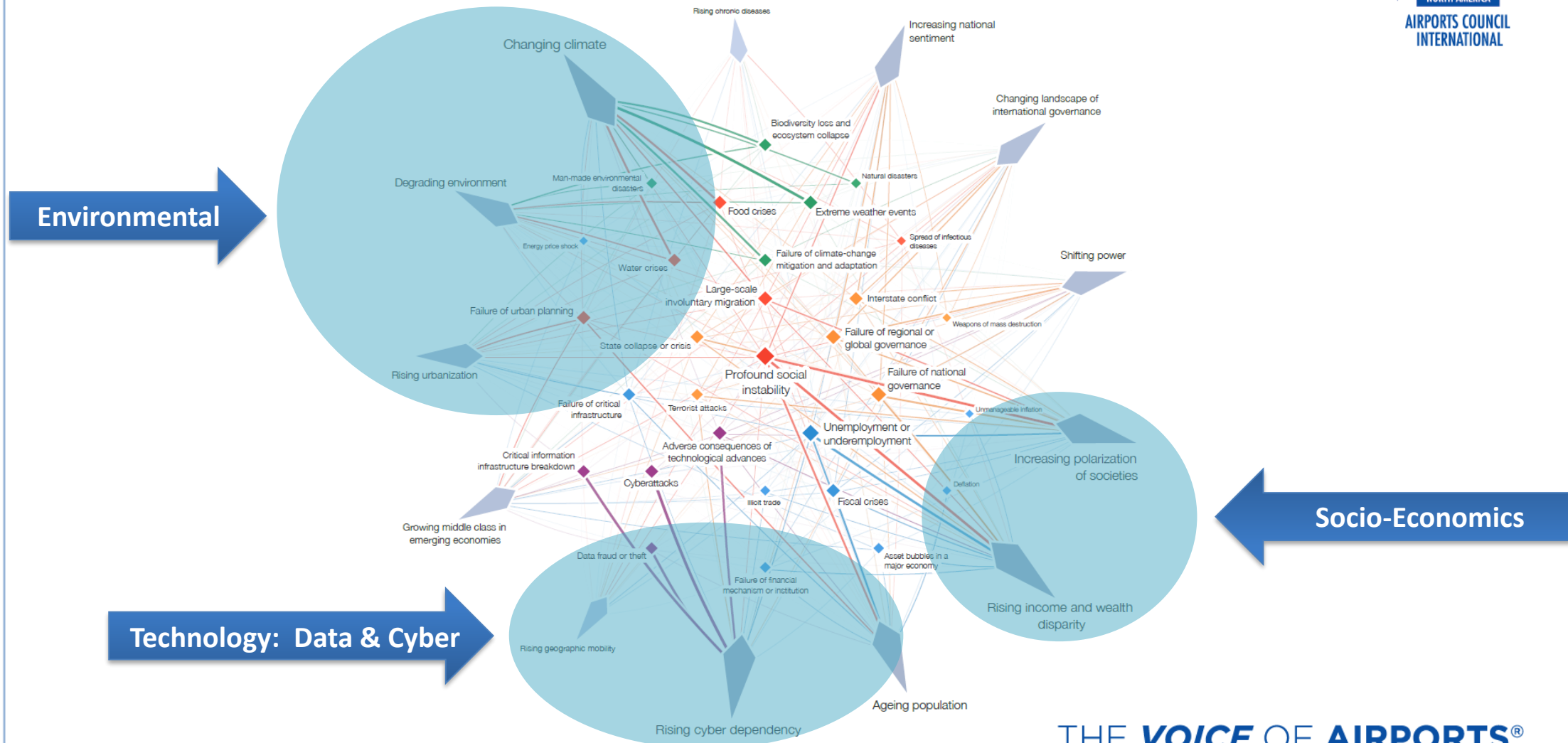
Top 10 Global Risks

- Extreme Weather Events
- Natural Disasters
- Failure of Climate-Change Mitigation & Adaptation
- Water Crisis
- Cyberattacks
- Biodiversity Loss & Ecosystem Collapse
- Large-Scale Involuntary Migration
- Man-Made Environmental Disasters
- Terrorist Attacks
- Data Fraud or Theft

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Source: World Economic Forum Global Risks Perception Survey 2017–2018.

The Risk Trends – Interconnections & Disruptors



Source: World Economic Forum Global Risks Perception Survey 2017–2018.

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INNOVATIONS & PARADIGM SHIFTS

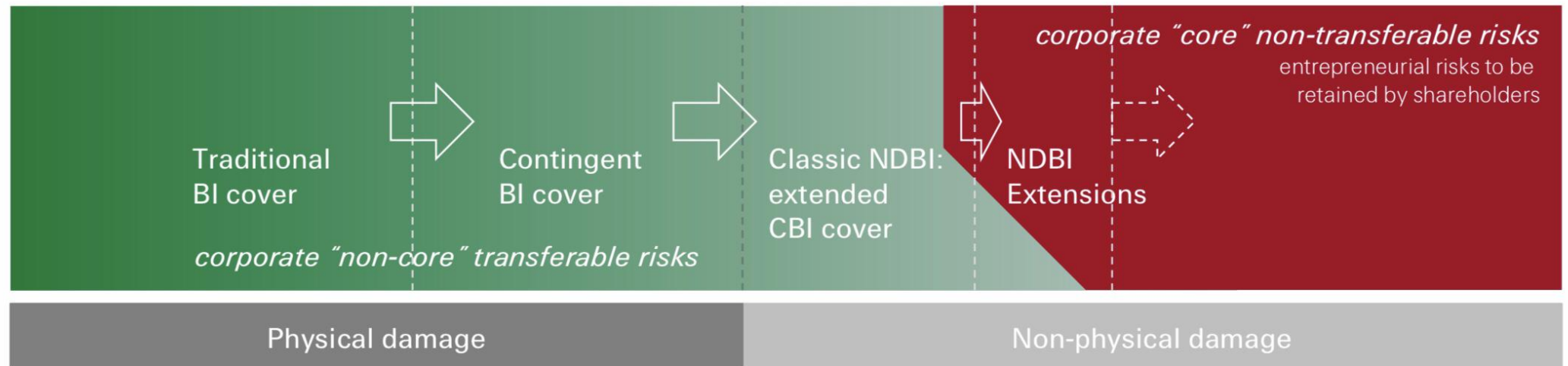
Evolution of Business Interruption

EVOLUTION OF BUSINESS INTERRUPTION

- Losses material to earnings and/or viability of business operations
- Indirect loss vs direct loss
- Paradigm shift:
 - No damage to insured (physical) property
 - Excluded perils under traditional insurance
 - Enterprise view of risks: disruptors & enablers
 - Fortuitous loss

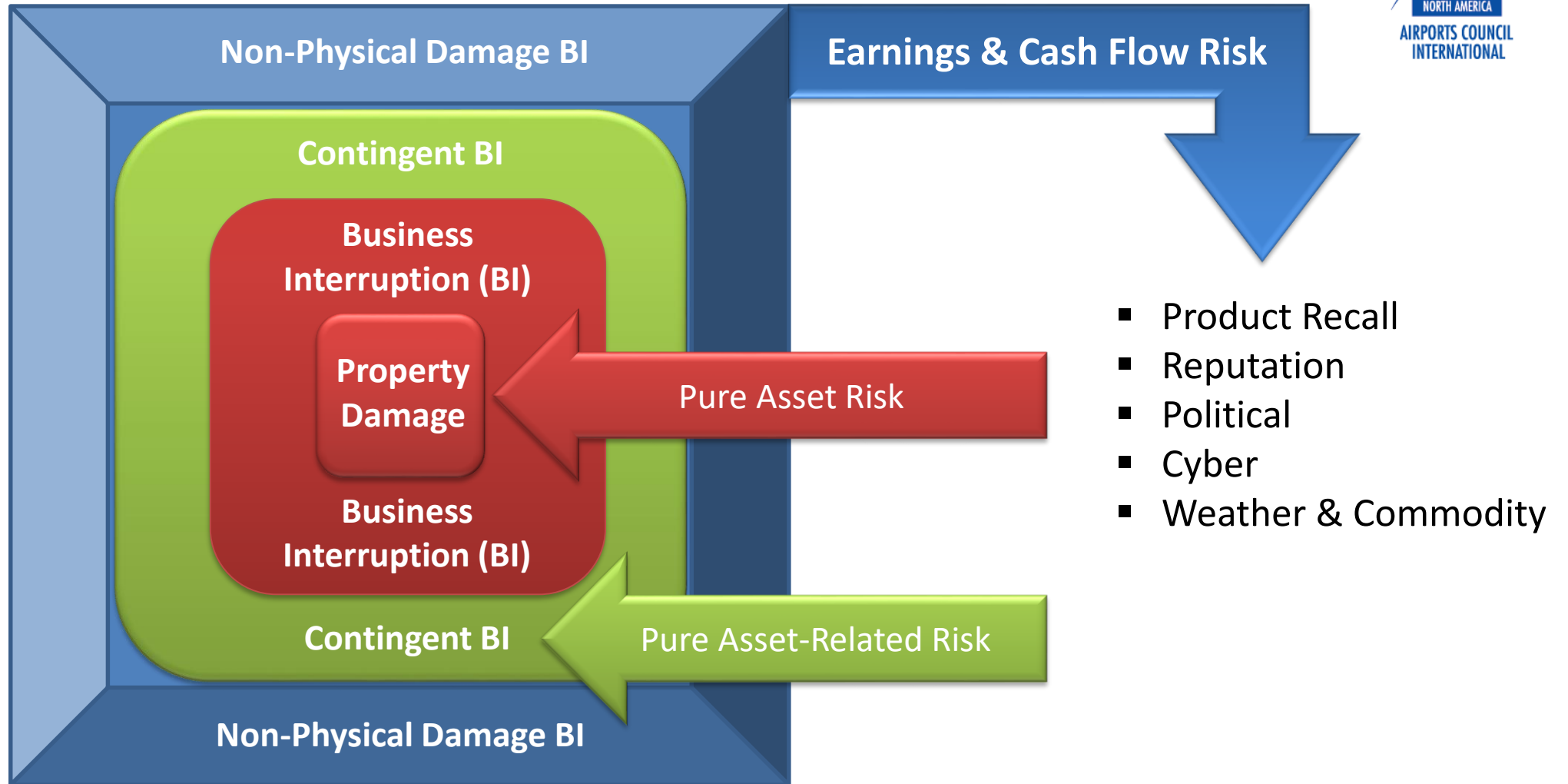
**NON-PHYSICAL DAMAGE BUSINESS INTERRUPTION
(NDBI)**

BI Spectrum



*Source: Swiss Re Corporate Solutions

Evolution of NDBI



**Adapted from: Swiss Re Institute*

EXAMPLES OF NDBI FOCUS

- Flight Traffic
 - Significant changes to the number of flights or passenger traffic can have an impact on hospitality revenues, tourism revenues, or even tax revenues/proceeds.
- Significant Terror Event
 - Indirect financial impact of significant terror event or event(s) in high profile locations.
- Weather Events
 - Excess rain, excess rain days, too little rain, too cold of temperatures, or too hot of temperatures can halt or disrupt operations.

**Source: Swiss Re Corporate Solutions*