

NAIC Winter Meeting, December 7, 2019 Austin, TX

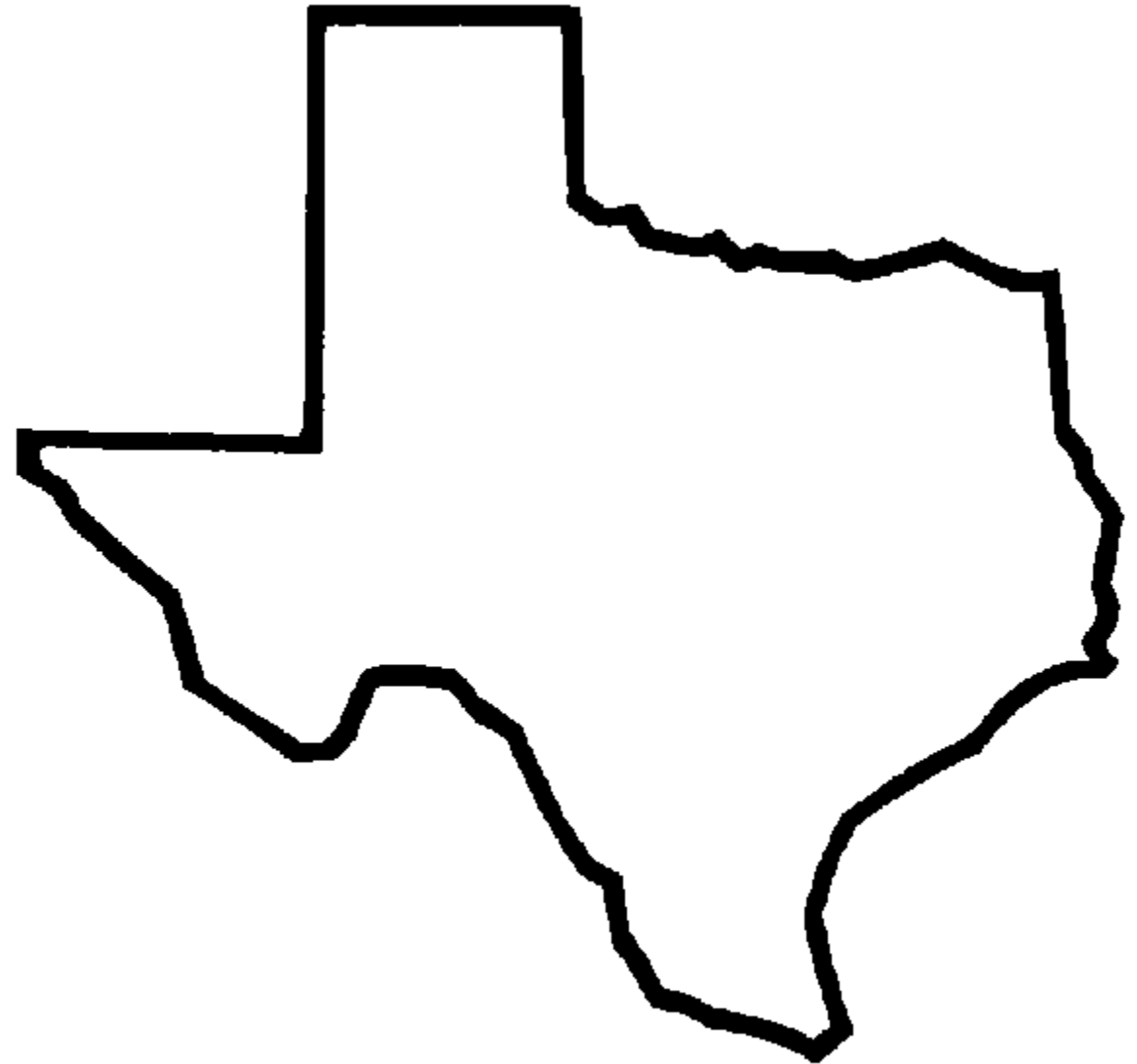
# Translating Resilience Research

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*Culverhouse*  
College of Business

Alabama Center for Insurance  
Information and Research



# Alabama Center for Insurance Information and Research



*Culverhouse*  
College of Business

**Alabama Center for Insurance  
Information and Research**

- Created to solve insurance and risk management problems with research and education

# Issues relevant to insurance regulation

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Producer licensing and  
continuing education



Rate & product filings



Consumer education

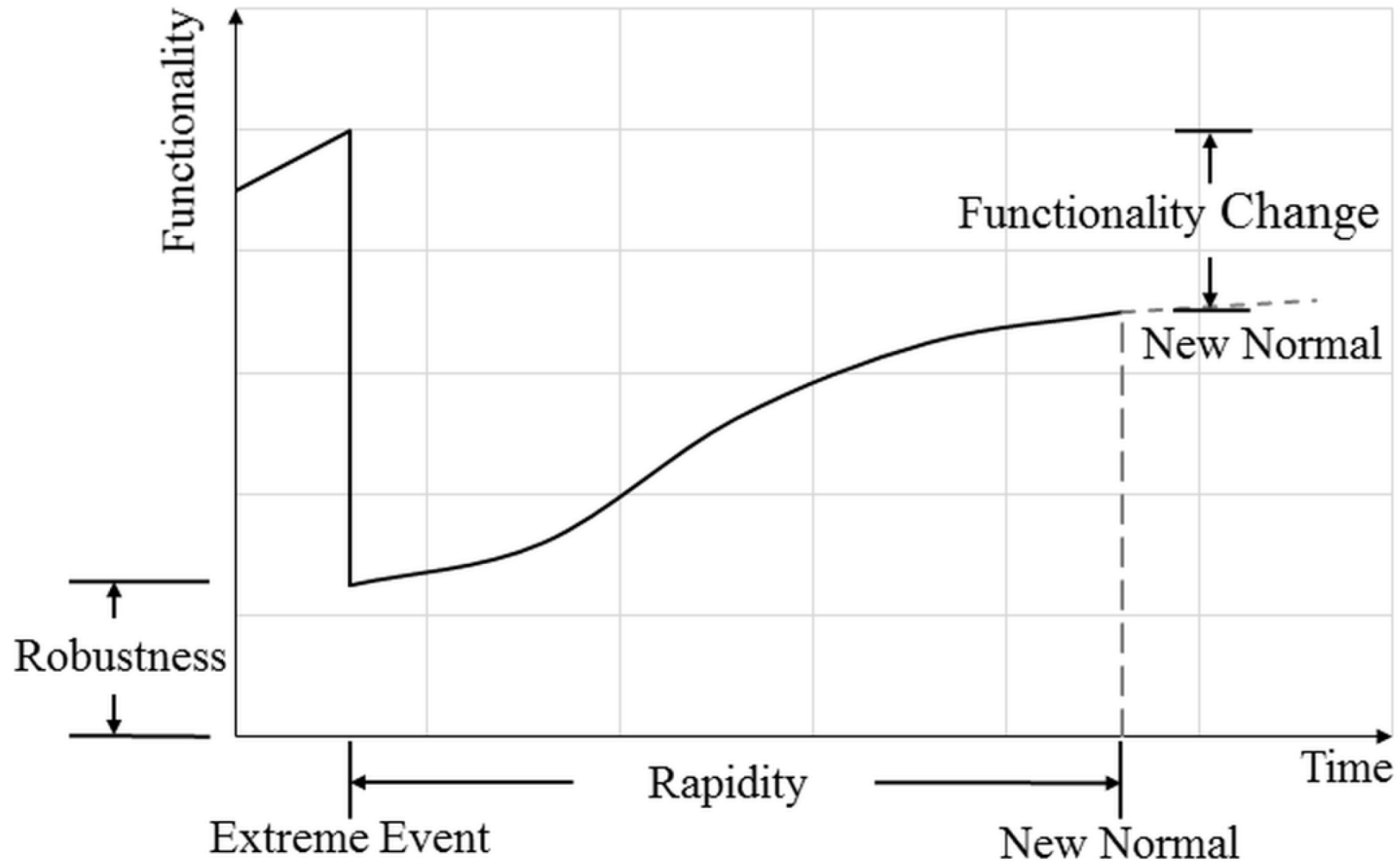
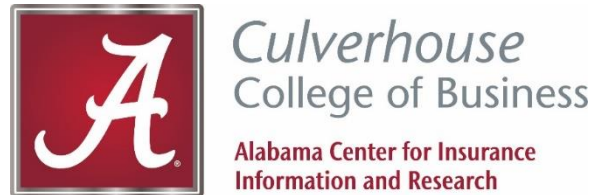


Figure 1-2. Resilience curve with system robustness and rapidity displayed (adapted from Cimellaro et al. (2010)).

# Risk Management and Recovery of Small Businesses: Evidence from Hurricane Harvey



Ben Collier, Temple University || Lars Powell, University of Alabama || Marc Ragin, University of Georgia



**Terry College of Business**  
**UNIVERSITY OF GEORGIA**

# Research Question

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How can small  
businesses be more  
resilient to natural  
disasters?



# Process



Interviews



Focus groups



Randomized Survey



Small  
businesses  
in Texas

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2.6 million businesses

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4.7 million employees

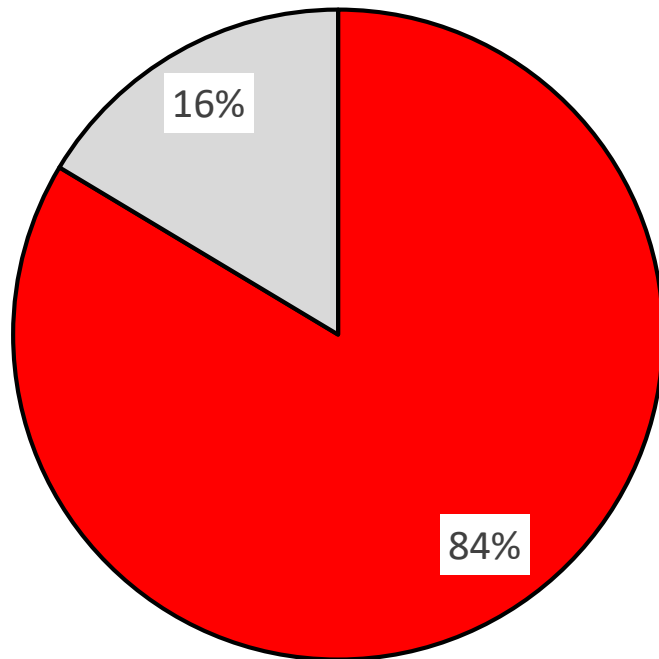
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45.6% of private  
workforce



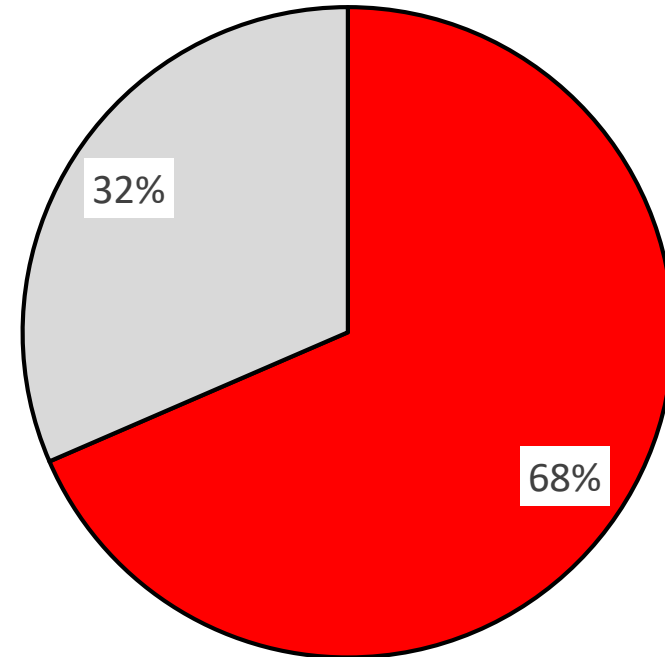
# Wind and flood insurance?

Large Businesses



■ Yes  
■ No

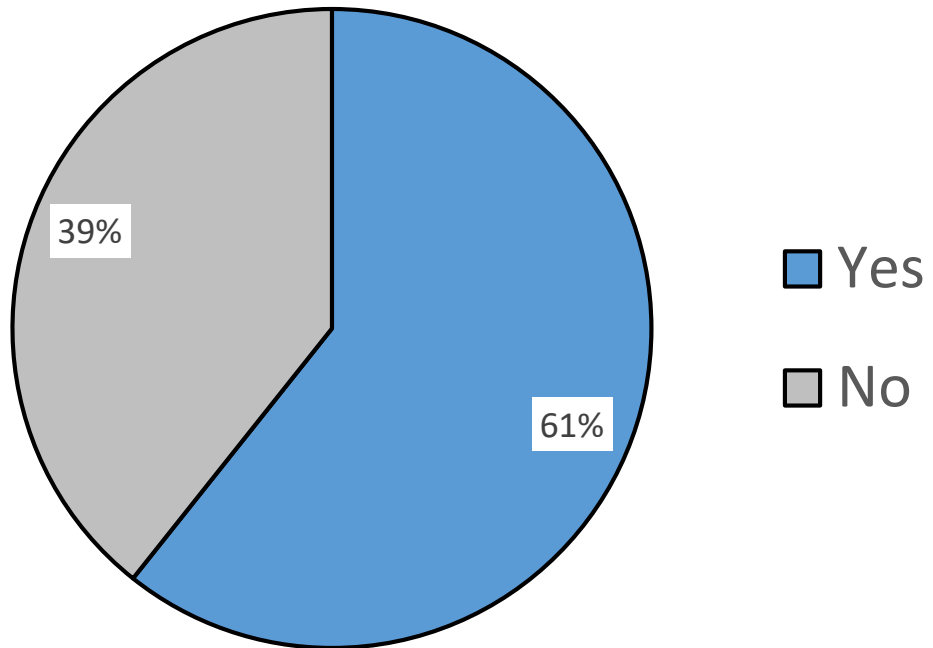
Small Businesses



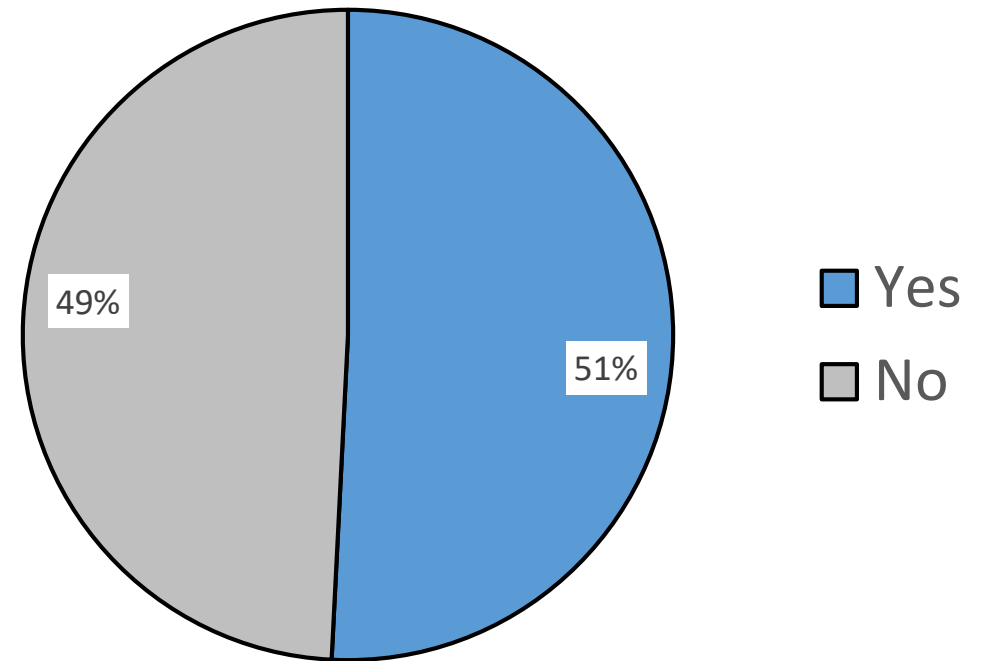
■ Yes  
■ No

# Emergency cash?

## Large Businesses

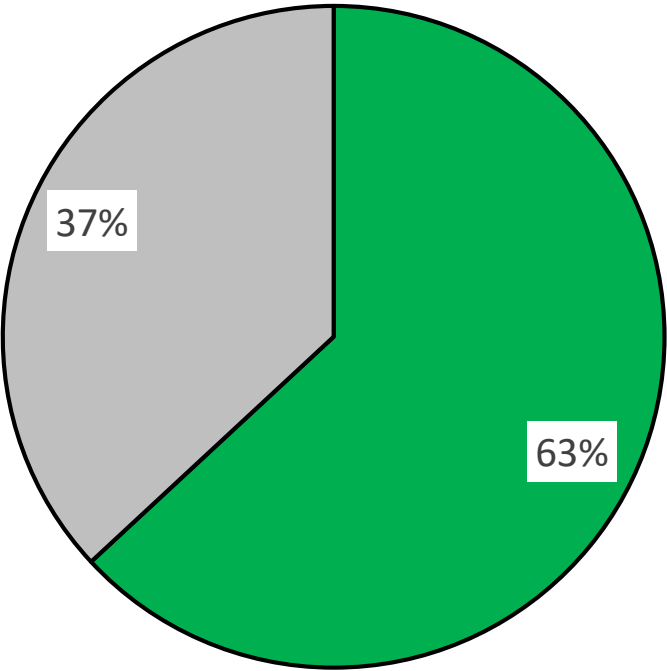


## Small Businesses



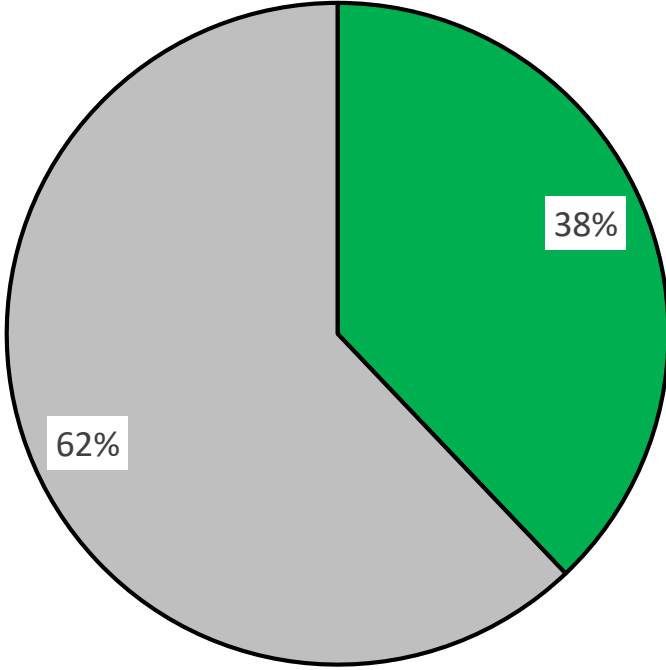
# Available credit?

Large Businesses



■ Yes  
■ No

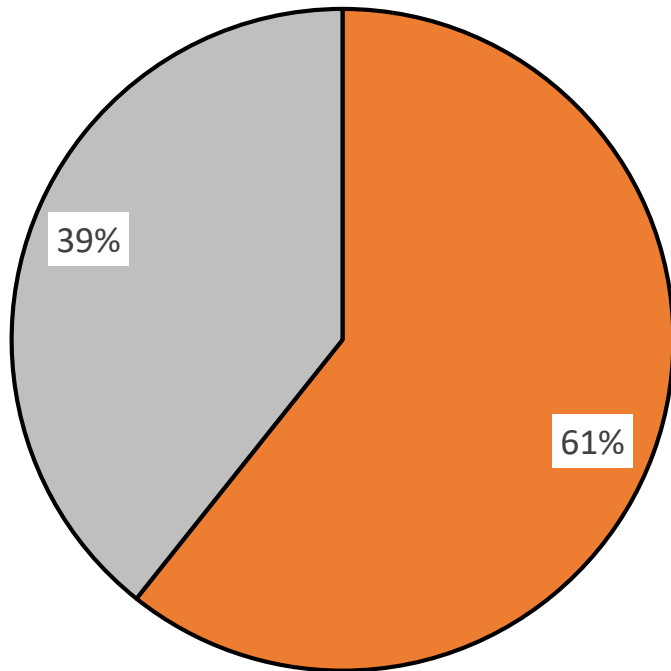
Small Businesses



■ Yes  
■ No

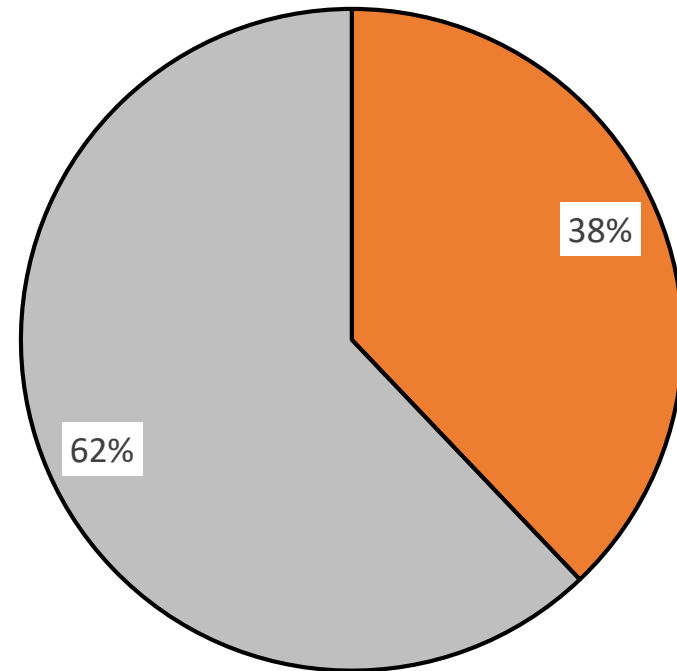
# Written emergency plan?

Large Businesses



Yes  
No

Small Businesses



Yes  
No

# Small business exposures



WIND



WATER



FIRE



# Contingent exposures

- Family-owned exterminator
- ZERO property damage
- Revenue ↓ 50% for > 1 year
- Coverage?
- Mitigation?
- Risk reduction?



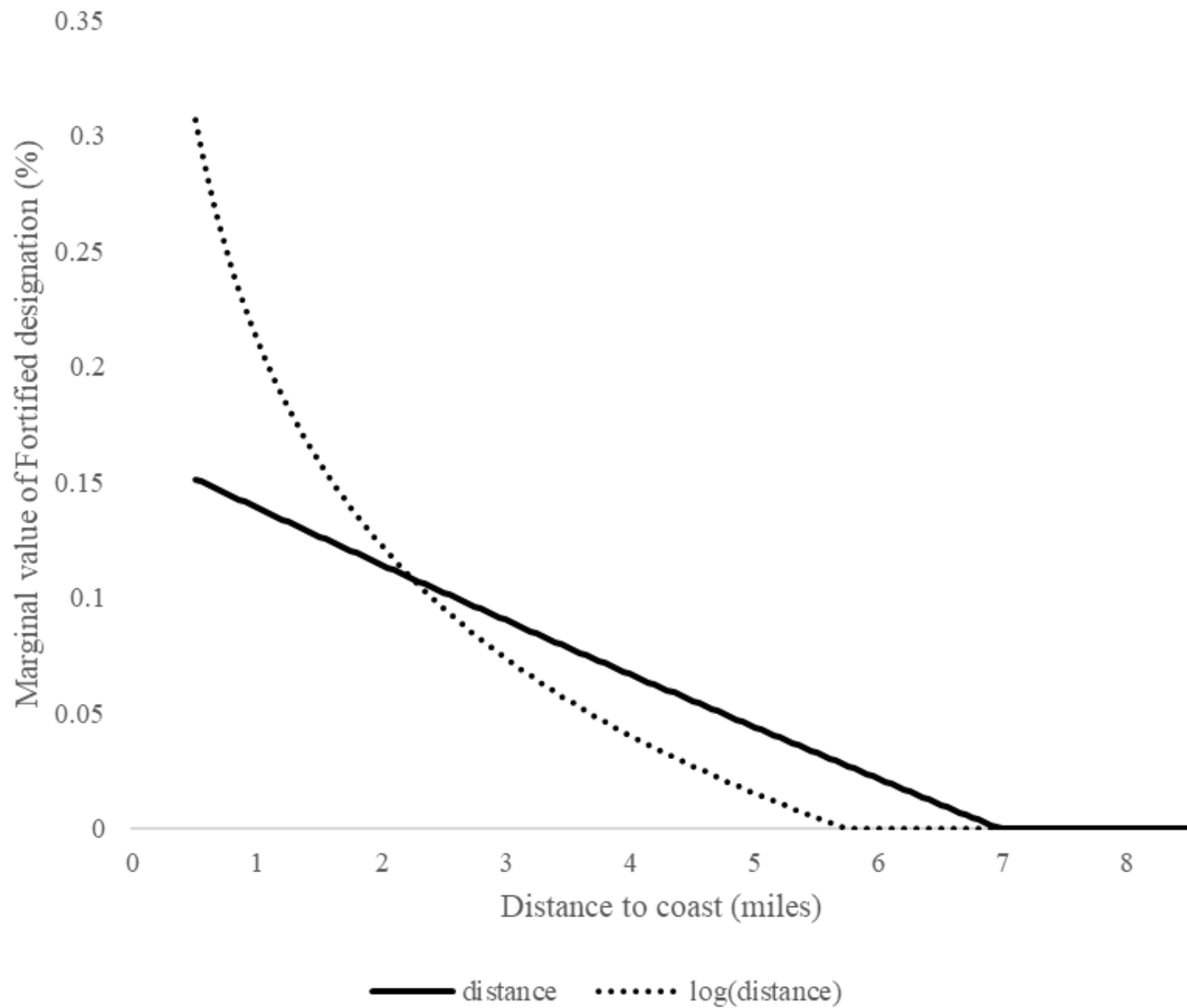






IBHS FORTIFIED™  
demonstration video

<https://ibhs.org/wind/residential-fortified-demonstrations/>



# Risk Reduction

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Diversification





What would you do if a hurricane destroyed half of your customers for 18 months?

# Issues relevant to insurance regulation

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- Producer licensing and continuing education
- Rate & product filings
- Consumer education