Alabama Center for Insurance Information and Research

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

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
Research Question

How can small businesses be more resilient to natural disasters?
<table>
<thead>
<tr>
<th>Description</th>
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<tbody>
<tr>
<td>2.6 million businesses</td>
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<tr>
<td>4.7 million employees</td>
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<td>45.6% of private workforce</td>
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Wind and flood insurance?

Large Businesses
- Yes: 84%
- No: 16%

Small Businesses
- Yes: 68%
- No: 32%
Emergency cash?

Large Businesses
- Yes: 61%
- No: 39%

Small Businesses
- Yes: 51%
- No: 49%
Available credit?

**Large Businesses**
- Yes: 63%
- No: 37%

**Small Businesses**
- Yes: 38%
- No: 62%
Written emergency plan?

Large Businesses
- Yes: 61%
- No: 39%

Small Businesses
- Yes: 38%
- No: 62%
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

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