

Title of case study	An Ounce of Prevention—Linking the Interests of Homeowners, Business, and Insurance Providers
Name of organization(s)	The Travelers Companies, Inc.
Business sector	Financial Services
Region(s) relevant to case study	<input type="checkbox"/> All regions <input type="checkbox"/> Africa and the Arab States <input type="checkbox"/> Asia and the Pacific <input type="checkbox"/> Caribbean and Central America <input type="checkbox"/> Europe <input type="checkbox"/> Least Developed Countries <input checked="" type="checkbox"/> North America <input type="checkbox"/> Polar regions <input type="checkbox"/> Small Island Developing States <input type="checkbox"/> South America
Country(s) relevant to case study	USA (Travelers headquarters)
Adaptation sector(s) relevant to case study	<input type="checkbox"/> Business <input checked="" type="checkbox"/> Education and training <input type="checkbox"/> Food security, agriculture, forestry and fisheries <input type="checkbox"/> Human health <input checked="" type="checkbox"/> Oceans and coastal areas <input checked="" type="checkbox"/> Science, assessment, monitoring and early warning <input type="checkbox"/> Terrestrial ecosystems <input type="checkbox"/> Tourism <input checked="" type="checkbox"/> Transport, infrastructure and human settlements <input type="checkbox"/> Water resources <input type="checkbox"/> Other (please specify):
Adaptation activity	<p>The Travelers Companies, Inc. is one of the largest providers of personal and commercial property and casualty insurance products in the United States, with headquarters in St. Paul, Minnesota, and representatives in every U.S. state, Canada, Ireland, and the U.K.</p> <p>Travelers has consistently focused on the impact of changing climatic conditions in order to provide insurance protection that both addresses customer needs and achieves internal financial objectives. However, following the severe 2004 and 2005 Atlantic hurricane seasons, the company determined that a more cohesive</p>

and integrated approach to climate risk was needed. Travelers formed a number of new internal working groups and expanded the roles of existing groups to address exposure and risk associated with climate change.

Travelers is engaged in initiatives designed to reduce exposures to extreme weather events for itself and its customers. These actions include providing information and price incentives for insured parties to help mitigate personal and commercial losses due to extreme weather events, reassessing its exposure to risk because of changes in climate, and modifying pricing strategies and policy terms and conditions to reflect updated assessments of current and future risks.

Specific actions that Travelers has taken to adapt to climate change include:

- **Reassessing coastal underwriting practices.** The definition of coastal areas has been expanded to include counties farther inland than previously considered and contractual terms of coverage now include more sharing of responsibility for both households and businesses. In general, coastal customers now assume a greater share of risk than before, providing greater incentives for them to engage in loss control and adaptation activities.
- **Updating catastrophe modeling.** Travelers and other insurance companies utilize current modeling techniques to help predict and manage potential catastrophic losses. Estimates of losses in severe weather scenarios are rising due to the anticipation of more frequent and severe hurricanes, growth in coastal development, and rising costs to repair damaged property after a severe event.
- **Offering “Risk Control” services.** Travelers Risk Control Services Group provides assistance with a range of loss mitigation and adaptation techniques. These include monitoring building code standards and regulations in support of building resiliency, providing assistance in disaster preparedness planning, and delivering business continuity training.
- **Redesigning pricing.** Pricing strategies for commercial and personal customers take into account differences such as building age, construction, and loss mitigation efforts, which affect likely losses during extreme weather events due to changes in building codes over time. Travelers continues to evaluate and enhance its

	<p>products through the development of incentives to homeowners and commercial customers who install storm resistant building components such as shutters or fortified roofs that are better able to withstand severe weather events.</p> <ul style="list-style-type: none"> • Engaging in community and government outreach. Travelers engages in industry and broad-based efforts to encourage disaster awareness and preparedness among homeowners and commercial customers. These efforts also focus on providing information to governmental organizations about the benefits of long-term loss mitigation strategies. These include the adoption and enforcement of more robust building codes, enhanced land-use planning, and hurricane preparedness.
Cost-benefit	<p>Travelers recognizes that climate risks are evolving and it is essential to good business to continuously monitor and investigate these risks in order to proactively and appropriately adapt its products and services strategies.</p>
Case study source(s)	<p>Adapting to Climate Change: A Business Approach (Pew Center on Global Climate Change)</p>
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