

## **Academic cooperation with Wharton and IIASA to empower the flood resilience program of Zurich**

Zurich, July 23, 2013 – Zurich Insurance Group (Zurich) announced today a multi-year academic cooperation with the International Institute for Applied Systems Analysis (IIASA) in Austria and the Wharton Risk Management and Decision Processes Center (Wharton) in the United States to support Zurich’s flood resilience program. Together with these institutions, Zurich will identify and address research gaps on flood resilience and community based disaster risk reduction, demonstrate the benefits of pre-event risk reduction over post-event disaster relief and will improve public dialogue around the disaster resilience.

In recent years, flood-related disasters have had tremendous social and economic impact around the world – from the UK, Germany, and the United States to Thailand, China, and numerous other countries. Floods affect more people globally than any other type of disaster. The floods of May and June 2013 in Central and Eastern Europe turned out to be the worst in the region [in more than a decade](#). A [recent survey](#) presented by Zurich has shown that while businesses are aware of the challenges they face, most have not yet developed a holistic approach to protect themselves from these risks. The survey findings indicate that there are considerable opportunities for improvement.

In order to help fill this gap, Zurich has launched a multi-year flood resilience program to help strengthen the resilience of communities against floods and to develop and disseminate knowledge and expertise on flood resilience. The academic cooperation has been developed in close alignment with the objectives of the [strategic alliance with the International Federation of Red Cross and Red Crescent Societies](#) (IFRC) in order to complement and strengthen the work undertaken in the alliance with IFRC.



The cooperation with Wharton and IIASA will build upon the complementary strengths of the two world-class institutions that have a strong history of outstanding research. The new initiative allows for broadening the scope of the research in a truly interdisciplinary approach while at the same time benefiting from synergies. This collaboration will bring together over 15 researchers at IIASA and Wharton.

Thomas Sepp, Chief Claims Officer of Zurich's General Insurance business, comments: "Moving forward with our flood resilience program we need to understand where we can have the most meaningful impact, considering Zurich's core competencies of insurance and risk management. We must define what methodologies and tools can support decision making on how best to invest funds for disaster risk management and also which barriers should be avoided in adopting such measures. Therefore, the key deliverable of the joint research efforts will be in understanding, influencing, supporting and disseminating the development of good practices on enhancing flood resilience and the role of insurance in public policy".

Erwann Michel-Kerjan, Managing Director of the Wharton Risk Management and Decision Processes Center, who will lead this effort at Wharton, comments: "Our team is delighted to be joining forces with Zurich and IIASA on these critical issues. The series of recent large-scale floods around the world has shown that we have entered a new era of catastrophes. Building resilience is key. But how? Our joint effort aims at identifying and addressing knowledge gaps on flood resilience and community-based disaster risk reduction. We will quantify the benefits of pre-event risk reduction over post-event disaster relief, improve understanding of obstacles to more effective physical and financial resilience to floods in order to design appropriate alternative solutions and good practices. Improving public dialogue and market solutions around flood resilience and disaster resilience will also be key. We are grateful to have this strong and vital collaboration with Zurich."

Reinhard Mechler, Senior Research Scholar, who is the lead investigator for IIASA, says: "The collaboration will apply systems' science in order to inform enhanced flood resilience strategies and break new ground by applying advanced modelling techniques



that truly respond to stakeholder requests and needs. The research will be innovative in the design of robust, user-accepted and -friendly policy support that can prove to be instrumental in reaching consensus among stakeholders holding divergent views. The research collaboration is equally innovative bringing together research institutes with the private sector and key action partners that focus on project implementation. We anticipate that the work and findings will significantly help those at risk, local and national policymakers, civil society, the private sector and donors to better devise flood resilience strategies that can be implemented in highly vulnerable developing and OECD localities.”

During the collaboration, additional joint communications will be coordinated on new findings as appropriate.

#### **Note to Editors**

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### **About IIASA**

The International Institute for Applied Systems Analysis (IIASA) is a scientific research institute located in Laxenburg, near Vienna, Austria. Founded in 1972, IIASA conducts policy-oriented research into problems of a global nature that are too large or too complex to be solved by a single country or academic discipline. IIASA has been shaping the international research agenda on many pressing global issues, such as on climate change, the transformation of the global energy system, the future of food and water supply and distribution, and disaster risk management. IIASA is funded by its National Member Organizations in Africa, Asia, Europe, the Americas and Oceania. Its research is independent and completely unconstrained by political or national self-interest. [www.iiasa.ac.at](http://www.iiasa.ac.at)

### **About the Wharton School (Philadelphia, USA)**

Founded in 1881 as the first collegiate business school, the Wharton School of the University of Pennsylvania is recognized globally for intellectual leadership and ongoing innovation across every major discipline of business education. With a broad global community and one of the most published business school faculties, Wharton creates ongoing economic and social value around the world. The School has 5,000 [undergraduate](#), [MBA](#), [executive MBA](#), and [doctoral](#) students; more than 9,000 annual participants in [executive education programs](#); and a powerful [alumni network](#) of more than 92,000 graduates.

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