



Helping Portugal cope with floods

Where communities face flood risk, Zurich can make a difference.

In the final hours of October 2015, a powerful storm and heavy rains pounded the Algarve region. Flood waters rose quickly, threatening residents and businesses in communities along Portugal's south coast. By Sunday morning, November 1, it was clear that some of the worst-affected areas faced a major disaster.

Responders assisted people in badly-hit cities including Albufeira, Loulé and Portimão. Insurers, too, were quick to help, including Zurich, which has served customers in Portugal since 1918.

Early on November 1, Zurich's employees and agents were already helping customers. Algarve area manager Vitor Gonçalves contacted business customers to ensure they were safe, assuring them of Zurich's support. Zurich's emergency response team, helped by adjuster Real Peritos and brokers, went into the field as customers began reporting damage and filing claims. For Zurich, claims totaled about EUR 1 million: 76 cases were closed by the end of November. The rest were settled by the end of 2015.

Portugal's minister of internal administration, Calvão da Silva, called the disaster "a lesson in life. Especially for those who didn't have any insurance – they learned something," he said.

The damage caused by the floods covered by insurance was more than EUR 14 million. Perhaps not high in relative terms but sufficient to have a big impact on the region. "Because Algarve is a region where the climate is very mild, people tend to underestimate floods or other weather events, so the insurance penetration is low," according to Rui Gil, chief claims officer for Zurich Portugal. Events like these raise awareness, especially with regard to insurance – and protection measures, he says.

While insurance can play a key role in reducing the impact of floods once they happen, insurers can do even more for communities, including in Portugal, by helping businesses and families to reduce risk. "We continue to raise awareness around the importance of prevention as the best way to lessen the consequences of a disaster," Rui Gil says. "Prevention is always the best way to protect our assets."

As an insurer, Zurich believes assisting customers goes beyond paying claims. We can also work with our customers and the communities they live in to help them better understand and lower risks. Risk 'mitigation' is more effective than repeated relief and clean-up efforts every time a flood happens. Studies suggest that making communities less vulnerable can actually reduce the costs associated with floods and other risks over time.



We will work to raise risk awareness in all of the countries where we are present, believing this is an essential part of what an insurer should do. Read more here: <https://www.zurich.com/en/corporate-responsibility/flood-resilience>

Floods affect more people than any other type of natural hazard and cause some of the largest economic, social and humanitarian losses. In 2013 Zurich launched a global program to enhance flood resilience. Based on a five-year commitment, it includes an initial investment of USD 35.6 million by the Z Zurich Foundation, a private foundation financed through Zurich's contributions