



Commercial Risk Advisor

February 2021

FEMA Provides Insight Into Natural Disasters

The Federal Emergency Management Agency (FEMA) has released an online mapping application, the National Risk Index (NRI), that identifies communities most at risk for 18 types of natural disasters, including earthquakes, hurricanes, tornadoes, floods, volcanoes and tsunamis. Based on the calculations of 80 experts over six years, the NRI provides a holistic view of community-level risk nationwide and calculates a baseline relative risk measurement.

Many of the risks FEMA calculated highlight familiar, risky locales, such as Los Angeles. However, one interesting calculation shows that New York and Philadelphia, which aren't usually prone to tornadoes, actually rank far higher for risk. This is because the NRI looks at risk based on expected annual loss, social vulnerability and community resilience. For example, the [NRI](#) looks at:

- How often do disasters strike?
- How many people and how much property are in harm's way?
- How vulnerable is the population socially?
- How well can the area bounce back from a disaster?

High-risk valuations are often garnered by big cities that may be ill-prepared for once-in-a-generation natural disasters. Catastrophes can and do happen, even where not expected. The FEMA NRI application helps broaden the understanding of the risks associated with natural disasters.

It's smart for businesses to have an actionable emergency plan and recovery plan in place, due to any unforeseen disasters. Businesses should also regularly perform a risk assessment to ensure the necessary coverage is in place to protect their business, employees and clients. Contact Abel Insurance Agency today to learn more.

Supply Chain Optimization

The coronavirus (COVID-19) pandemic defined 2020 and brought the importance of the supply chain to light as a result of the many closures and shortages. Businesses are planning for an unpredictable 2021 as well and are looking to strengthen their supply chains to preemptively avoid further disruption.

Until recently, supply chains were largely a quiet business function, operating without much attention. But the frequent shortages and delays of 2020 brought on by the pandemic meant that, going forward, businesses need to reassess their current supply chains to ensure they support business growth and reduced financial risk.

The supply chain can represent about 80% of a company's cost or more for capital intensive businesses. Supply chain management affects cash flow, growth and shareholder value. Businesses need to rethink their supply chains through end-to-end optimization, involving all aspects of the business at all points of the supplier ecosystem.

Businesses can become more resilient by understanding the "what if" scenarios that could cause future disruptions. To mitigate this risk and improve efficiencies within the supply chain, many businesses are accelerating their technology. Businesses can achieve visibility across the supply chain at all touchpoints; identify weaknesses, risks and inefficiencies; and then act using business forecasting, continuous intelligence software, real-time data and 5G for enhanced real-time visibility.

To survive and thrive in a disruptive economy, businesses must exercise resilience and agility, which can be gained through the latest supply chain technology. Contact Abel Insurance Agency for additional supply chain management resources.

Supply Chain Disruptions

There are numerous reasons for supply chain disruptions, including:



A key supplier becomes inoperative.



There are sudden spikes in demand.



Workers can't report to work (e.g., a natural disaster occurs).



The government institutes regulations (e.g., product production slows).