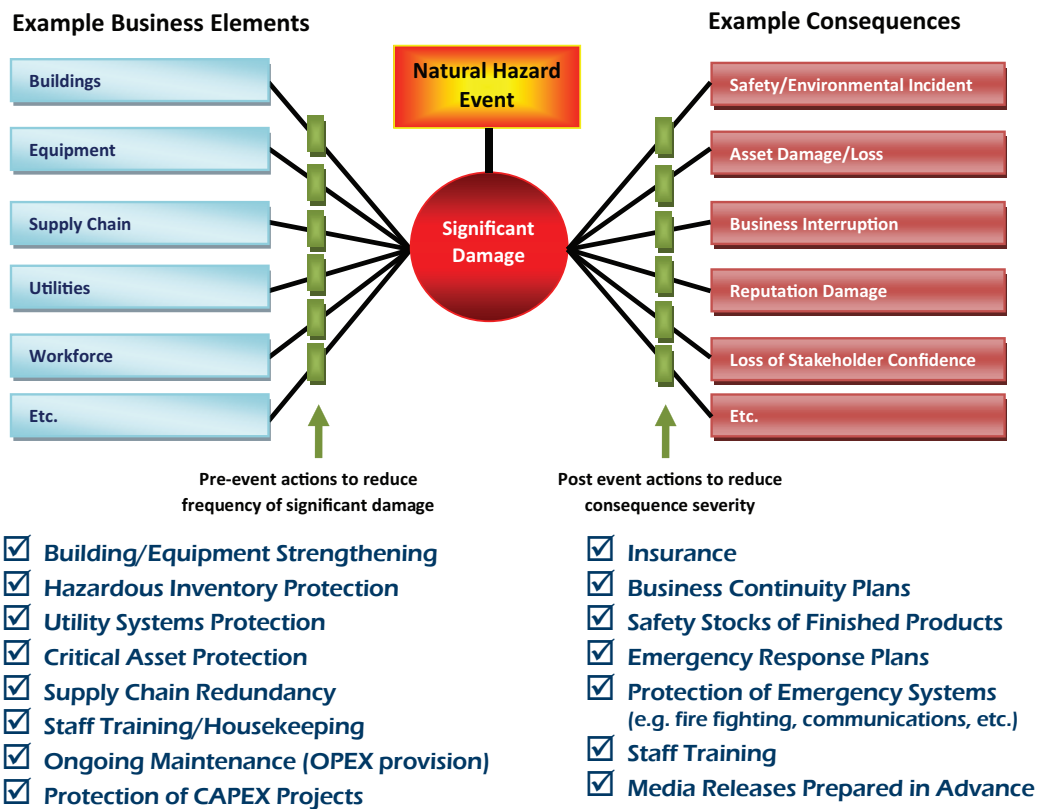


Natural Hazard Risk Management

Loss Prevention Strategy

Natural hazard events may cause damage and business interruption; however, the severity can be controlled by an appropriate risk management strategy. At ABS Consulting, we believe that a cost-effective approach should be a blend of preparedness, response, tolerance and transfer.

It is probably not cost-effective to prevent all damage; however, from an understanding of likely post event scenarios, a loss prevention strategy can be developed which considers both pre and post event mitigation. We visualise this using the "BowTie" concept as depicted below. It is a simple, integrated risk management approach which displays graphically the relationship between business elements, event damage, consequences and risk management actions. This depiction of the possible mitigation actions, supported by a cost-benefit study forms the basis of a cost-effective loss prevention strategy.



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