

Lloyd's City Risk Index 2015-2025

Analysing the economic exposure from 18 threats over ten years from 2015

Understand the risks: www.lloyds.com

Boston, US

Average GDP growth rate: 1.36%

Average annual GDP: \$215.04bn*

Total GDP@Risk: \$16.30bn

Share of Average annual GDP: 7.58%

GDP@Risk ranking

Global: 74 Regional: 10 National: 10

GDP@Risk by threat type

Threat	GDP@Risk	Share of Total GDP@Risk
Market crash	\$5.00bn	30.67%
Oil price shock	\$3.13bn	19.21%
Cyber attack	\$2.80bn	17.18%
Human pandemic	\$1.66bn	10.18%
Flood	\$0.73bn	4.46%
Wind storm	\$0.59bn	3.63%
Freeze	\$0.47bn	2.86%
Solar storm	\$0.45bn	2.77%
Drought	\$0.42bn	2.58%
Power outage	\$0.33bn	2.04%
Nuclear accident	\$0.28bn	1.74%
Plant epidemic	\$0.22bn	1.32%
Sovereign default	\$0.11bn	0.67%
Heatwave	\$0.10bn	0.60%
Terrorism	\$0.01bn	0.08%
Earthquake	\$0.00bn	0.00%
Tsunami	\$0.00bn	0.00%
Volcano	\$0.00bn	0.00%

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Insight

As one of the key financial centres of the world's largest economy by GDP, Boston's threats are dominated by finance-related issues: Market crash, Oil price shock and Cyber attack account for more than two-thirds of its total GDP@Risk, and Manmade threats amount to \$11.67bn (71.58%) of its potential economic exposure. Its highest ranked Manmade threat is Nuclear accident (12th) - it sits within 65km of two nuclear power plants.

Although Terrorism has a relatively low impact on GDP@Risk, it is front of mind in the city after the Boston Marathon bombing in 2013.

Among its Natural threats (\$4.63bn, 28.42%), only Human pandemic contributes more than US\$1bn of exposure. Flood and Wind storm represent the next-biggest potential losses. The city was spared when Superstorm Sandy changed direction and hit New York instead, but a report by the Union of Concerned Scientists notes that Boston's coastal districts are among the most at-risk in the entire country thanks to increased flooding from climate change and sea level rise. The city has so far avoided heavy flooding because storm surges have occurred at low rather than high tide.

Boston has the world's 13th highest GDP@Risk from Freeze, a threat that was demonstrated in 2015, when more than 2.75m of snow fell on the city.

The city's Emerging threats represent almost a third of potential losses (\$5.13bn, 31.46%), largely due to Cyber attack and Human pandemic. However, the reality is that Boston's economic exposure is relatively small for a city of its size. Its Manmade and Emerging threats are middle ranking, and its exposure to Natural threats is outside the top 100.

Sources:

http://www.ucsusa.org/sites/default/files/legacy/assets/documents/global_warming/National-Landmarks-at-Risk-Full-Report.pdf#page=14