

# 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](http://www.lloyds.com)

## Los Angeles, US

Average GDP growth rate: 1.21%

Average annual GDP: \$828.24bn\*

Total GDP@Risk: \$90.32bn

Share of Average annual GDP: 10.91%

### GDP@Risk ranking

Global: 6 Regional: 2 National: 2

### GDP@Risk by threat type

Threat	GDP@Risk	Share of Total GDP@Risk
Market crash	\$19.27bn	21.33%
Earthquake	\$18.25bn	20.21%
Flood	\$13.29bn	14.71%
Oil price shock	\$12.06bn	13.35%
Cyber attack	\$10.79bn	11.95%
Human pandemic	\$6.33bn	7.00%
Drought	\$3.84bn	4.25%
Wind storm	\$1.52bn	1.68%
Solar storm	\$1.49bn	1.65%
Power outage	\$1.28bn	1.41%
Plant epidemic	\$0.83bn	0.92%
Tsunami	\$0.53bn	0.59%
Sovereign default	\$0.42bn	0.47%
Heatwave	\$0.38bn	0.42%
Terrorism	\$0.05bn	0.06%
Freeze	\$0.00bn	0.00%
Nuclear accident	\$0.00bn	0.00%
Volcano	\$0.00bn	0.00%

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### Insight

Los Angeles has high economic value like many North American and Western European cities, but it also has high economic exposure to both Manmade and Natural threats. Its Total GDP@Risk is 2<sup>nd</sup> only to New York's in the US and is 6<sup>th</sup> globally, with its potential losses split fairly evenly between Manmade (\$43.87bn, 48.57%) and Natural (\$46.45bn, 51.43%) threats.

Market crash (for which it ranks 9<sup>th</sup> globally), Oil price shock (4<sup>th</sup>) and Cyber attack (2<sup>nd</sup>) contribute almost half of its economic exposure to Manmade threats (3<sup>rd</sup>), while Flood (3<sup>rd</sup>), Drought (2<sup>nd</sup>), Tsunami (5<sup>th</sup>), Heatwave (8<sup>th</sup>) and Human pandemic (21<sup>st</sup>) are among its most significant Natural threats.

California governor Jerry Brown declared a state of emergency in January 2015 as the region entered its fourth year of drought. The following May the State Water Resources Control Board adopted an emergency regulation requiring an immediate 25% reduction in overall potable urban water use statewide. The drought has been accompanied by record temperatures.

What differentiates Los Angeles' GDP@Risk profile from that of most other US cities is its risk from Earthquake (7<sup>th</sup>). In 1994, a temblor of magnitude 6.7 killed 57 people and caused \$20bn in damage. According to the US Geological Society, the Los Angeles area has a greater than two-thirds chance of a similar or larger event by 2038.

Cyber attack and Human pandemic account for the majority of Los Angeles' exposure to Emerging threats (\$19.44bn, 21.52%), for which it ranks 7<sup>th</sup> globally, while the city also has the 4<sup>th</sup> highest exposure to Solar storm.

### Sources:

<http://ca.gov/drought/>

<http://pubs.usgs.gov/fs/2008/3027/fs2008-3027.pdf>