

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

Washington, DC, US

Average GDP growth rate: 1.36%

Average annual GDP: \$346.54bn*

Total GDP@Risk: \$26.60bn

Share of Average annual GDP: 7.68%

GDP@Risk ranking

Global: 47 Regional: 6 National: 6

GDP@Risk by threat type

Threat	GDP@Risk	Share of Total GDP@Risk
Market crash	\$8.05bn	30.27%
Oil price shock	\$5.05bn	18.97%
Cyber attack	\$4.51bn	16.96%
Human pandemic	\$2.67bn	10.05%
Flood	\$1.17bn	4.40%
Wind storm	\$0.95bn	3.59%
Freeze	\$0.75bn	2.83%
Drought	\$0.68bn	2.55%
Solar storm	\$0.68bn	2.54%
Power outage	\$0.53bn	2.01%
Nuclear accident	\$0.46bn	1.72%
Heatwave	\$0.38bn	1.43%
Plant epidemic	\$0.35bn	1.31%
Terrorism	\$0.19bn	0.72%
Sovereign default	\$0.18bn	0.66%
Earthquake	\$0.00bn	0.00%
Tsunami	\$0.00bn	0.00%
Volcano	\$0.00bn	0.00%

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Insight

Washington, DC's threat profile is weighted towards Manmade threats (\$18.97bn, 71.30%), as befits the seat of power of the world's largest economy by GDP. Market crash, Oil price shock and Cyber attack account for more than two-thirds of its total potential economic losses.

Market crash represents the single biggest economic exposure, but this is only 32nd globally, reflecting the fact that although its exposure is large, it is not a main US financial centre. The impact of Oil price shock is 21st largest, even though the US has become one of the world's biggest oil and gas producers as a result of recent hydraulic fracturing and the shale boom.

The city is one of the most economically exposed to Cyber attack (13th) and Solar storm (19th) in the Index, highlighting the value of the city's IT infrastructure to its wealth. However, at 7th globally, its highest-ranking Manmade threat by GDP@Risk is Nuclear accident. Washington, DC is within 100 miles of five nuclear power plants - including the iconic Three Mile Island, scene of the US's most serious nuclear incident in 1979.

Among its Natural threats (\$7.64bn, 28.70%), Human pandemic is the most significant in financial terms - the city has one of the highest population densities in the US. Flood and Wind storm could also be costly, while the city is ranked 7th in the world for its exposure to both Heatwave and Freeze. Emerging threats (\$8.21bn, 30.86%) represent around a third of total GDP@Risk.

Sources:

http://money.cnn.com/news/specials/nuclear_power_plants_locations/

<http://www.governing.com/gov-data/population-density-census-data-map.html>