



Managing both weather and climate change risk key to comprehensive risk management strategy, says Weather Risk Management Association

WASHINGTON, DC – (Feb. 11, 2010) – The Weather Risk Management Association (WRMA) is advocating that companies pay equal attention to weather risks that can cause immediate variability in earnings as well as those risks due to climate change which can have longer-term repercussions.

Recent guidance from the Securities and Exchange Commission highlighted disclosing the impact that climate change may have on a business. Yet day-to-day weather variability that affects the bottom line is just as important as any impact from a changing climate.

There's no doubt that a change in long-term climate trends can have a lasting effect on a company's economic well being. However, day-to-day weather variability can lead to financial losses that chip away at the bottom line and by the end of a fiscal year, these losses can be substantial.

For the past 12 years, weather risk management products have been available and many companies have availed themselves of these innovative financial tools. But the majority of companies still tell shareholders that “nothing can be done about the weather” and its impact on earnings. This rationale no longer makes sense.

“Weather risk management products are being used with great success by many businesses in energy, retail, agriculture, construction and transportation,” says Martin Malinow, WRMA president and CEO of Galileo Weather Risk Management Advisors. “These companies are proactively protecting earnings from being negatively affected by day-to-day variability in weather that can really add up over the course of a year.”

WRMA believes that the increased awareness of climate change will also increase awareness in overall weather risk management which will be beneficial to corporate stakeholders.

About WRMA

Founded in 1999, WRMA is an international trade organization dedicated to promoting the industry, both to those within it and to end-users. The weather risk industry offers companies the opportunity to control their financial exposure to weather conditions. WRMA initiates surveys of the industry, advocates the standardization of contracts and other documentation used for transactions and sponsors forums and conferences around the world for members to meet and discuss a range of topics, such as international markets, data collection issues, and tax and legal matters. Visit us at <http://www.wrma.org>

Contacts:

Valerie Cooper, WRMA Executive Director at +1 202-289-3800. Email:
vcooper@kellencompany.com

Shirley Savage, WRMA PR rep, at +1 207-721-0890. E-mail: srsavage@suscom-
maine.net