



Disaster Relief: Rebuilding with Resilience

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Natural Disasters and Credit Strength: Key Considerations

- Probability
 - Types of Natural Disasters a Community is Exposed to
 - Earthquake
 - Tsunami
 - Hurricane
 - Flooding
 - Tornado
 - Extreme Heat
- Materiality
 - "Value at risk" within a property tax base
 - Potential disruptions in other pledged revenue streams
 - Abatement clauses or other legal provisions that require a facility to be available to the issuer

Natural Disasters and Credit Strength:

- At the individual transaction level, BAM's underwriting process incorporates multiple public and private data sources to help quantify a given bond issue's exposure to natural disaster risk
 - FEMA National Risk Index
 - ICE / RisQ Database
 - Private contractor reports on specific pledged facilities
 - Aerial surveys and drone footage
- At the portfolio level, BAM applies risk limits to manage exposure to “wide scale” disasters
 - State
 - MSA
 - Specific disaster zones
 - Earthquake-susceptible areas
 - Hurricane landing zones