



Global Association of Risk Professionals

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Landmark GARP Risk Institute Study Sheds Light on Physical Climate Risk Assessment Vendors

New report conducted on behalf of the Climate Financial Risk Forum (CFRF) provides critical insights for financial institutions in managing physical climate risk

JERSEY CITY, NJ, November 13, 2025 – The Global Association of Risk Professionals (GARP) has announced the release of a landmark benchmarking climate risk study, the first in-depth, comparative analysis of how leading physical risk data vendors assess climate-related hazards and the damage they cause at the asset level.

Published as part of the CFRF's 2025 outputs, "A Risk Professional's Guide to Physical Risk Assessments: A GARP Benchmarking Study of 13 Vendors" comes during a time of intensified physical climate risks — including flooding, cyclones, and windstorms — and increased regulatory pressure.

The report reveals significant disparities among the risk estimates and outputs of the 13 leading third-party vendors that comprise the study, with some properties identified as highly exposed by certain vendors but not by others. Notably, estimates of vulnerability and damage ratios also show considerable variability, with the report attributing these disparities to such factors as divergent modeling approaches, differences in data, and a lack of standardization of metrics.

"There is no one-size-fits-all approach when it comes to assessing physical climate risk at the asset level," said Jo Paisley, President of GARP Risk Institute. "Our benchmarking study not only highlights the complexity and diversity of current market offerings; it also offers guidance in the form of a practical checklist to help financial institutions perform robust due diligence when selecting vendors and interpreting risk results."

"With the escalation of the physical risks from climate change, this report highlights the urgent need for financial institutions to develop robust internal expertise and engage rigorously with external vendors," said Billy Suid, Chair of the CFRF's Financial Resilience Working Group and Head of Climate Risk at Barclays. "Ultimately, the goal is to equip firms to better manage climate-related risks and skill up to strengthen the resilience of the financial system as a whole."

The study continues GARP Risk Institute's commitment to timely research and thought leadership on the financial risks associated with climate change, including global surveys on

climate and nature risk management, as well as white papers on topics such as biodiversity loss, creating board-level climate dashboards, and more.

GARP also administers the [Sustainability and Climate Risk \(SCR®\) Certificate](#), which continues to meet the growing demand for comprehensive climate risk education.

A summary of “A Risk Professional’s Guide to Physical Risk Assessments: A GARP Benchmarking Study of 13 Vendors” can be found at [garp.org](#), while the [full report](#) is now available as part of the CFRF’s 2025 publications.

About the Global Association of Risk Professionals

The Global Association of Risk Professionals is a non-partisan, not-for-profit membership organization focused on elevating the practice of risk management. GARP offers the leading global certification for risk managers in the Financial Risk Manager (FRM®), as well as the Sustainability and Climate Risk (SCR®) Certificate, Risk and AI (RAI™) Certificate, and ongoing educational opportunities through Continuing Professional Development. Through the GARP Benchmarking Initiative (GBI)® and GARP Risk Institute, GARP sponsors research in risk management and promotes collaboration among practitioners, academics, and regulators.

Founded in 1996 and governed by a Board of Trustees, GARP is headquartered in Jersey City, N.J., with offices in London and Hong Kong. For more information, visit [garp.org](#) or follow GARP on [LinkedIn](#) and [Facebook](#).

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