Disaster Risk Reduction - Dialogue

Views and expectations from the stakeholders – (Re-)Insurance World

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Our Mozambique Flood Warning Project

Modules
Contents

– Basics

– Investments (3 examples)

– Needs
Basics
Hurricane Katrina Losses
August 2005

Losses
US$ 125,000,000,000 covered US$ 65,000,000,000
1,280 dead in New Orleans
Earthquake Sichuan, China
12 May 2008

Losses
US$ 85,000,000,000 covered US$ 300,000,000
70,000 dead
Property insurance premiums
(non-life including health) per person and per year
“Market” or “No Market”
Natural Disasters
Disaster Risk Reduction is important

- Natural Disasters strongly affect the insurance industry
  Climate change is aggravating the risk situation

- Disaster Risk Reduction has a high priority

- The issue is complex and the stakeholder expectations
  are immense (clients, stock markets etc.)
Disaster Risk Reduction
Three examples
Three Examples

- The Globe of Natural Hazards
- The Global Earthquake Model (GEM)
- The Munich Climate Insurance Initiative (MCII)

All examples are public domain and serve Disaster Risk Reduction
Globe of Natural Hazards 2009 – Products
DVD – Globus der Naturgefahren / Globe of Natural Hazards

Globus der Naturgefahren – Globe of Natural Hazards

Version 2009

Global, regional and local –
Naturgefahren und Klimaeffekte auf einen Blick

Global, regional, local –
Natural hazards and climate effects at a glance
Knowledge in a state of flux

All global hazard maps have been updated
Globe of Natural Hazards 2009

What is new?

Hazard pointer

Power function supplies quick information on situation regarding natural hazards and climate change for any location on earth.
Target groups in dialogue

Risk communication creates risk transparency
Global Earthquake Model

Rui Pinho
Secretary General, GEM Foundation
The common goal is the reduction of earthquake risk worldwide, by converting knowledge into action.

- Assess and monitor risk globally, especially in less well served regions, and following a uniform approach
- Raise risk awareness
- Stimulate risk mitigation
- Save lives, reduce losses and distribute the financial burden better
An internationally sanctioned program initiated by the OECD, aiming to build an independent, open standard to calculate and communicate earthquake risk around the world

- Dynamic: an (updatable) model, not a map
- Global: cover also less developed/monitored areas (uniform standards)
- Open Access: a (transparent) tool to use for everybody
- Public-Private Partnership: combining the strengths (and objectives) of both sectors
PUBLIC FOUNDERS

GERMANY: GFZ Helmholtz Centre Potsdam
ITALY: Department of civil protection
SINGAPORE: Nanyang Technological University
SWITZERLAND: Swiss Federal Institute of Technology Zurich
TURKEY: Bogazici University
BELGIUM: Belgium Science Policy
PRIVATE FOUNDERS

Münchener Rück Munich Re Group  
5 Mill. €

ZURICH  
Zurich Financial Services  
3 Mill. €

AIR WORLDWIDE  
1 Mill. €

Willis  
1 Mill. €

EUCENTRE  
European Centre for Training and Research in Earthquake Engineering  
1.6 Mill. €
SUBMISSION BY THE MUNICH CLIMATE INSURANCE INITIATIVE (MCII)

Insurance Instruments for Adapting to Climate Risks
A proposal for the Bali Action Plan¹, Version 2.0

30 September 2008


Keywords: Risk management, Insurance, climate adaptation, climate change, risk, Bali Action plan, post-2012 adaptation regime, risk reduction and prevention, risk transfer
Insurance and Adaptation in the Copenhagen Agreed Outcome

1. Risk management: A toolkit for assessing and managing climate change

2. Insurance instruments, together with risk reduction, facilitate adaptation

3. Insurance mechanisms can incentivize risk management, reduce long-term indirect losses, and build resilience vis-a-vis weather-related risks

UNFCCC post-2012 Adaptation Strategy

Risk management: A toolkit for assessing and managing climate change

Insurance instruments, together with risk reduction, facilitate adaptation

Insurance mechanisms can incentivize risk management, reduce long-term indirect losses, and build resilience vis-a-vis weather-related risks

MR Forum, 15.9.2009
The two-tiered insurance pillar

- Meets the principles set out by the UNFCCC
- Provides assistance to the most vulnerable, and
- Includes private market participation.

Rough estimated annual costs: $10 bn

MR Forum, 15.9.2009
Needs
Re(Insurance) Needs

- Give disaster risk reduction a face and a home
  catchwords: CSR, success stories, efficiency

- Be a strong PPP partner
  catchwords: added value, coaching, longer-term engagement
Conclusions

– The global urging issues can only be solved in strong partnerships

– Make use of existing knowledge

– Offer tangible added value
Disaster Risk Reduction - Dialogue
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THANK YOU

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