

Insurance part 2: Future Storms

Tuesday, 3 November 2015
10:30-12:00, Room I

- Precipitation extremes: applications for insurance (Mischa Croci-Maspoli, MeteoSwiss)
- Climate Services development: experiences from the Euporias project (Carlo Buontempo, UK MetOffice)
- Risk management and insurance (David Bresch, Swiss-Re/ETH, by Skype at 11:00)

DRAFT ABSTRACT

The role of insurance (and re-insurance) companies is to reduce the financial impact of weather related hazards to individuals, companies, and governments. For insurers, likelihoods and future trends of specific weather extremes are essential ingredients in the estimation of damage risk due to such events. Next to the likelihood of the event, the scale of the hazards (both in space and time) is important, as correlated risks will increase the capital requirements for insurers to cover the larger losses in case the hazard occurs.

Storm location, frequency, and strength show considerable variability over Europe, and trends are therefore difficult to detect. The estimated economic loss by major windstorms between 1970 and 2008 was 141 billion US\$, and, although a positive trend is observed in the registered losses due to these windstorms, an analysis of these data revealed that this trend was mainly caused by societal/demographical factors like exposed capital (exposure), vulnerability, and insurance coverage (Barredo, 2010). Nevertheless, since a large share of the losses due to storms are insured, the insurance sector clearly has a strong interest in detailed information on the frequency, strength and spatial scale of storms both in the past and as projected for the decades to come.