



INSURANCE INDUSTRY:

Promoting Risk Management, Continuity, AND Resilience!

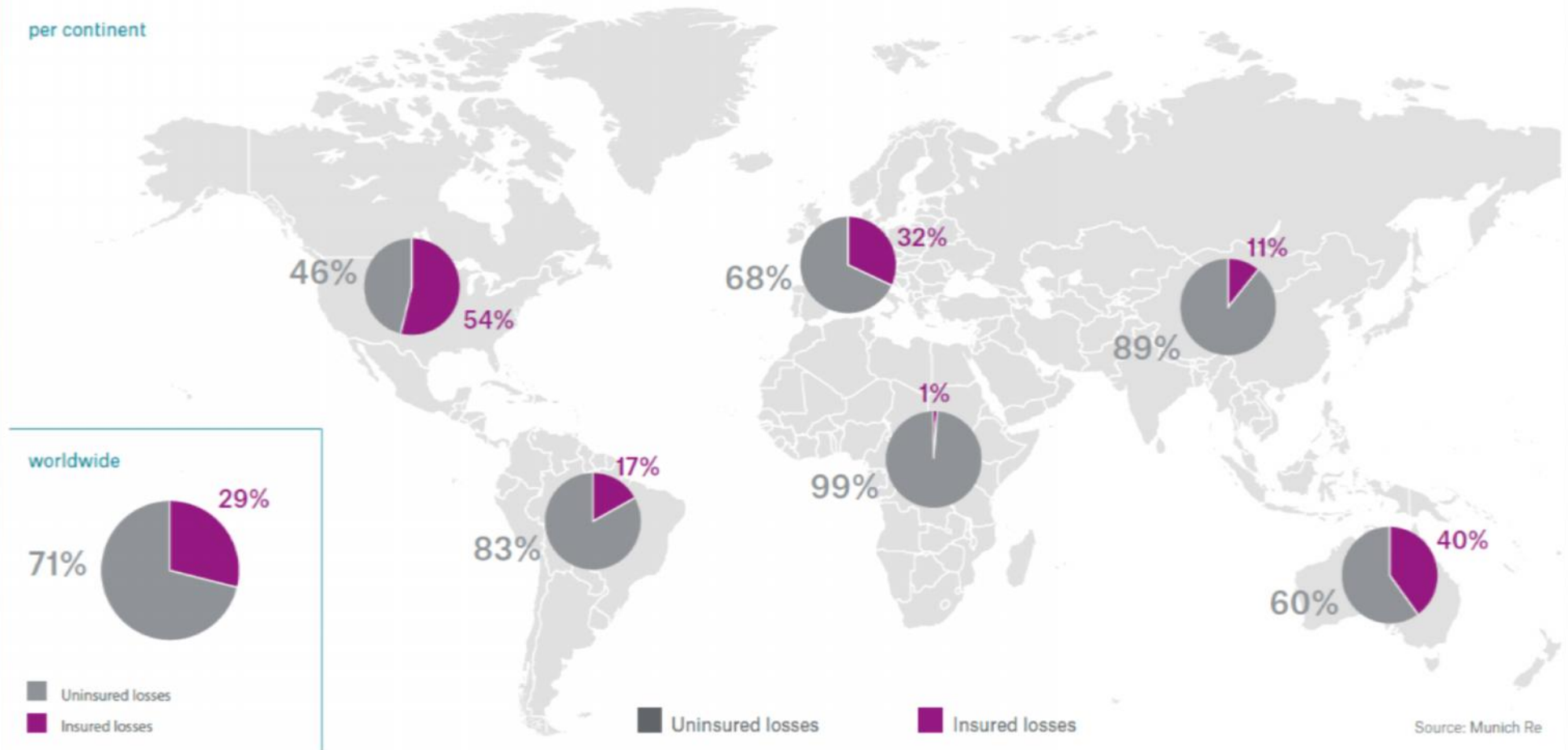
Ramya Sunad, CPCU
Chuck Mowery, CPCU

- 
- **Insured vs. Uninsured Losses**
 - **Catastrophic Loss Impact on the Insurance Industry**
 - **Achieving Continuity – Build Resilience!**
 - **Today's Tools**

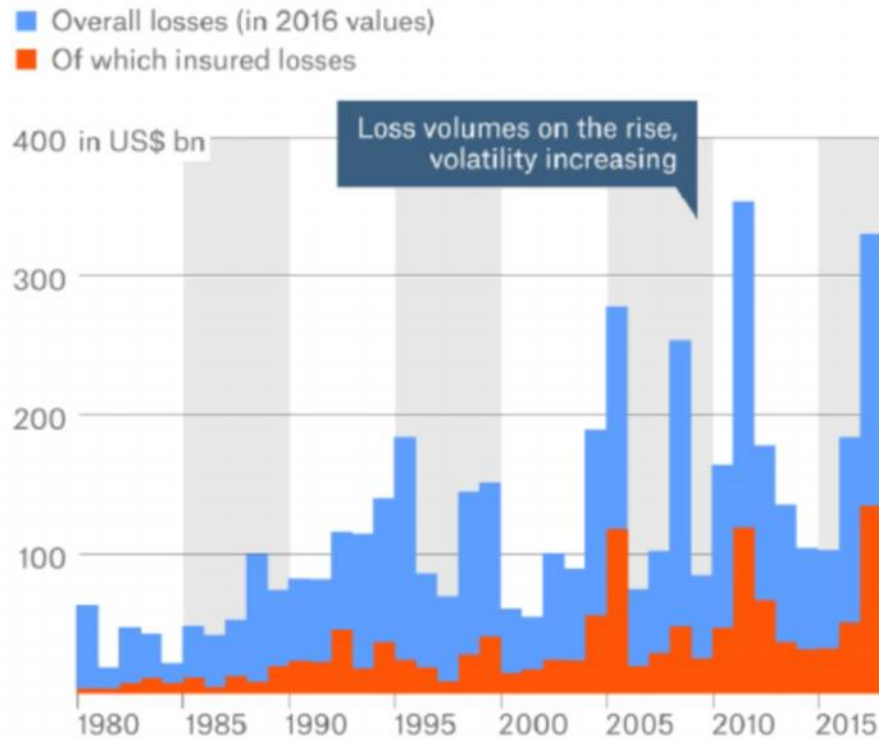
Loss events 2016

Insured/uninsured losses as a percentage of overall losses

per continent



Overall and insured losses 1980-2017

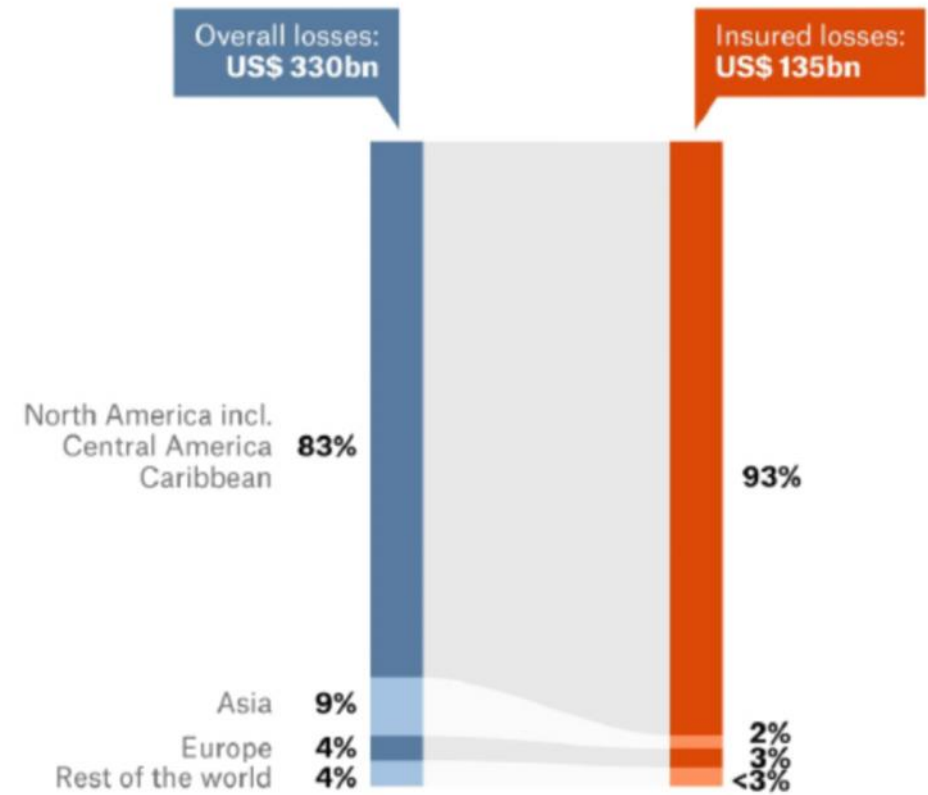


Munich Re

Source: Munich Re NatCatSERVICE

Losses from natural catastrophes 1980-2017: Volatility of loss volumes is increasing

Loss events worldwide 2017 Unusual high catastrophe losses in North America

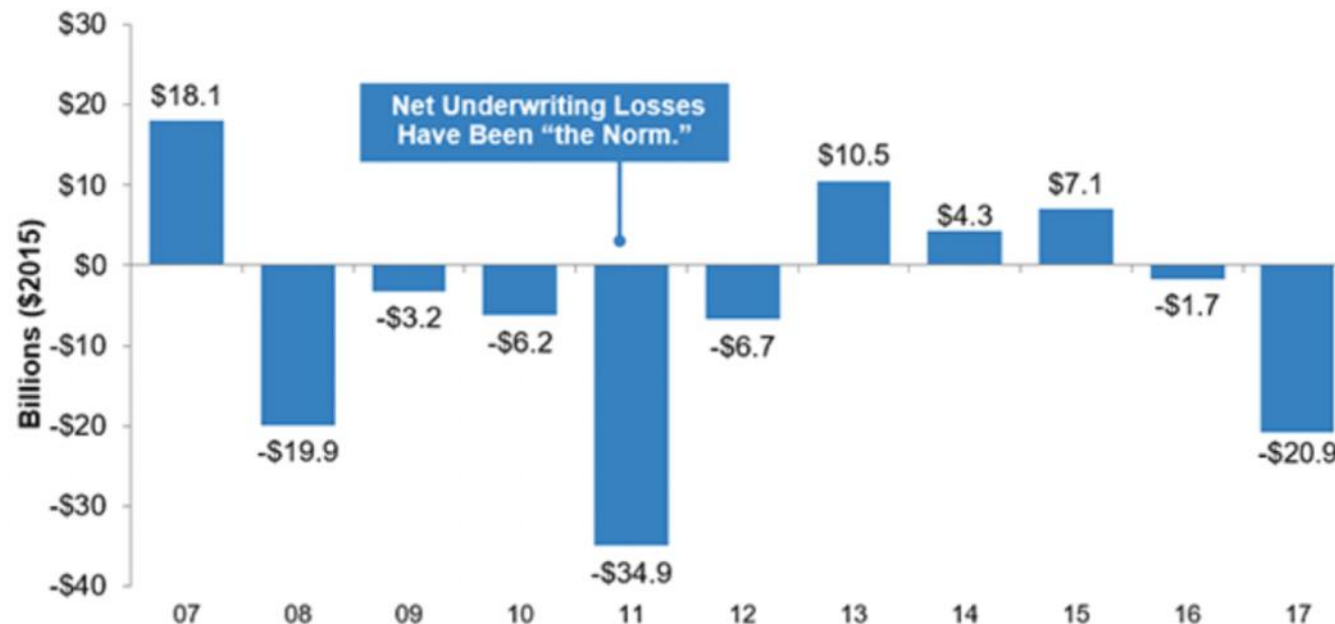


Munich Re

Source: Munich Re NatCatSERVICE

Both overall and insured losses in North America were unusually high in 2017

Net Underwriting Gains & Losses, First Three Quarters, 2007-2017



The first nine months of 2013/14/15 were welcome respites from comparable periods in 2008/09/10/11/12.
The longer-term trend is for more – not fewer – costly events.



*Estimates through 12/31/15 in 2015 dollars.
Sources: Property Claims Service, a Verisk Analytics business; A.M. Best; Insurance Information Institute.

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P/C Industry Net Income After Taxes, First Three Quarters, 2007-2017



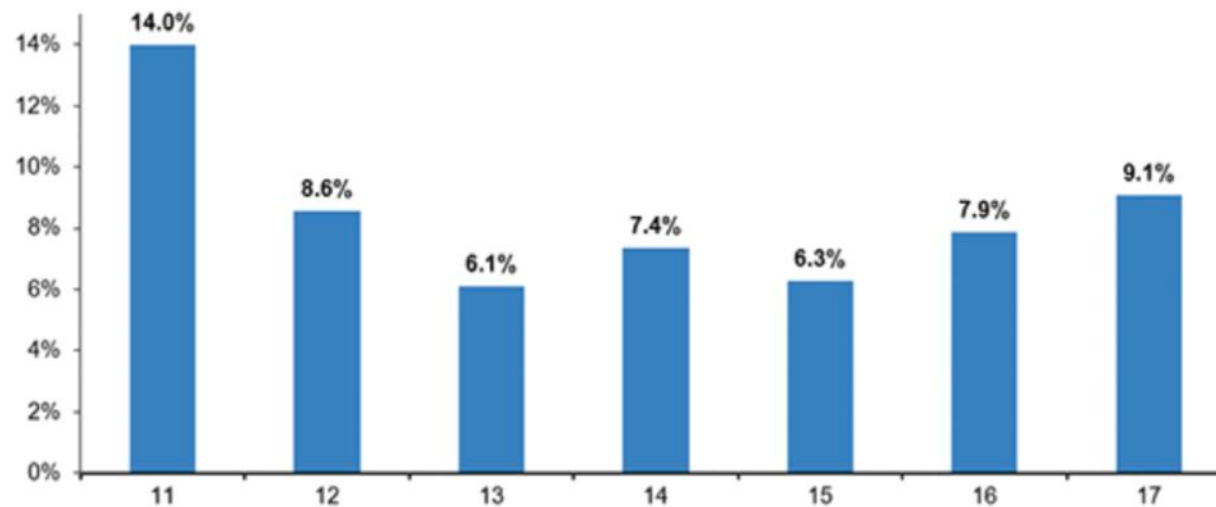
Sources: A.M. Best, ISO, a Verisk Analytics company; Insurance Information Institute.

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Net Income After Taxes (\$ billions)



CAT Claims as a Percent of Total Claims,* 1st Halves, 2011-2017



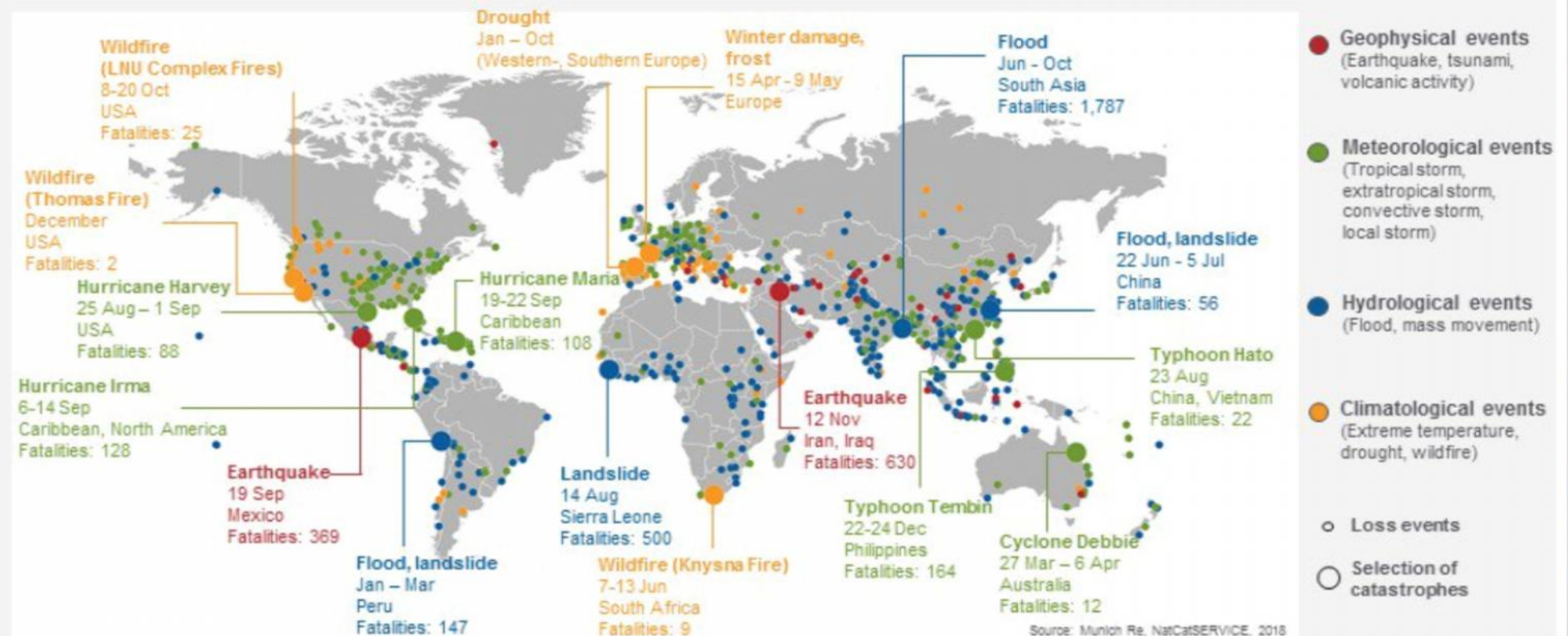
CAT claims are normally a small part of total claims in the first half, but that did hold true in 2011 and 2017. Moreover, although it's a small sample, the trend seems to be constant other than the remarkably violent first half of 2011.



*Both claims totals are net of reinsurance and include Loss Adjustment Expenses
Sources: ISO PCS; Insurance Information Institute calculations.

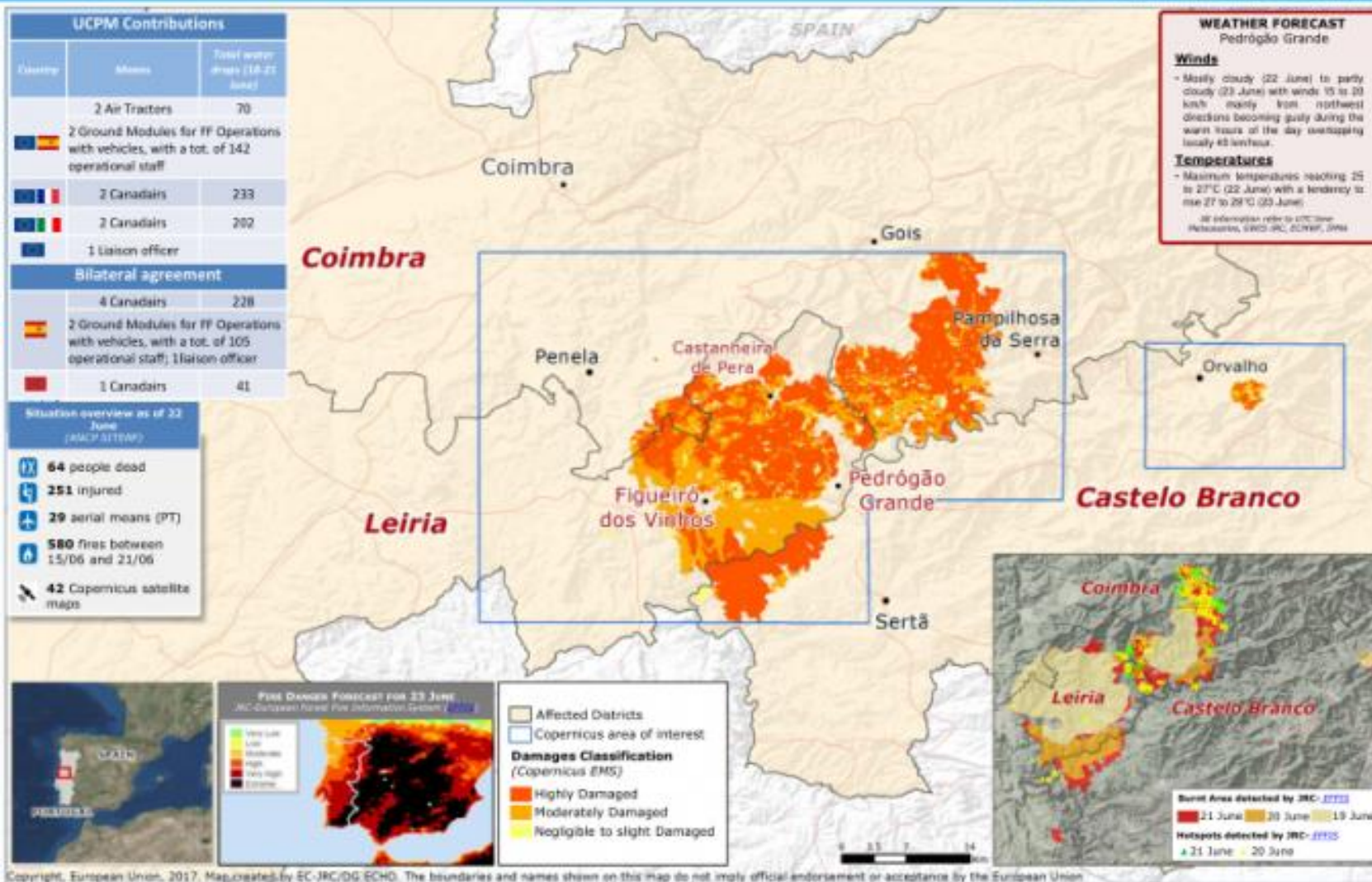
Loss events worldwide 2017

Geographical overview



© 2018 Münchener Rückversicherungs-Gesellschaft, NatCatSERVICE – As at January 2018

Emergency Response Coordination Centre (ERCC) | DG ECHO Daily Map | 22/06/2017 Portugal - Forest Fires UPDATE



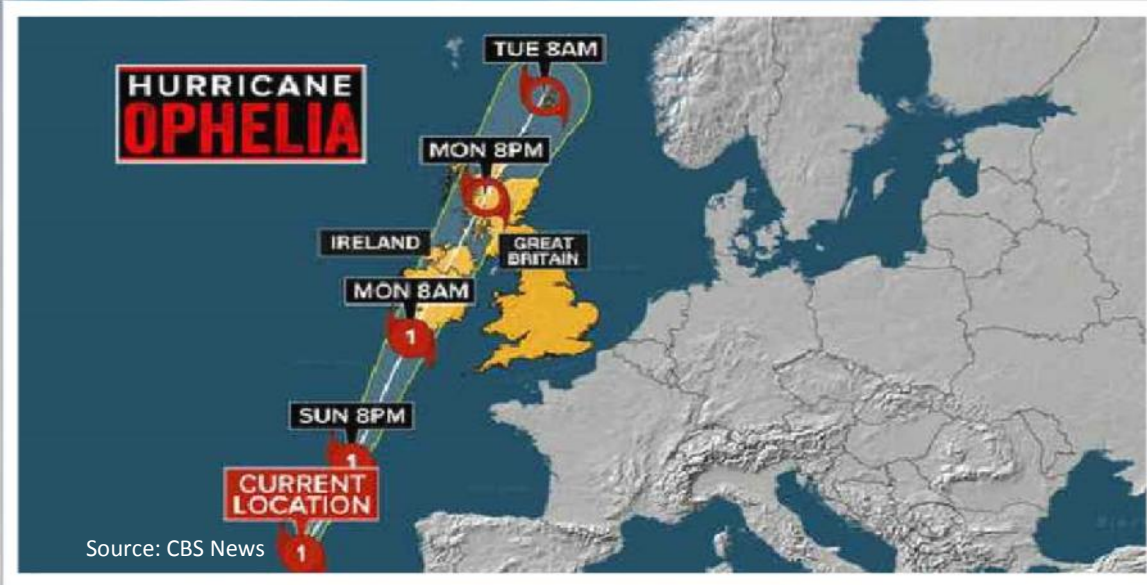
Portugal wildfire:
€200M (\$245M USD)
estimated in insured
losses

Catastrophic Events



Central Mexico Earthquake:
\$13.0B - \$36.7B MXN
(\$0.7B - \$1.96B USD) in
insured losses

UK and Ireland - Hurricane Ophelia:
£53M (\$73M) in insured losses



Catastrophic Events

Resilience isn't just Resistance!

It is the ability to be FLEXIBLE to respond to a sudden impact with a precondition for restoring normal conditions after a disaster

Resilience is non-static, adaptive, flexible and constantly evolving

Prepare

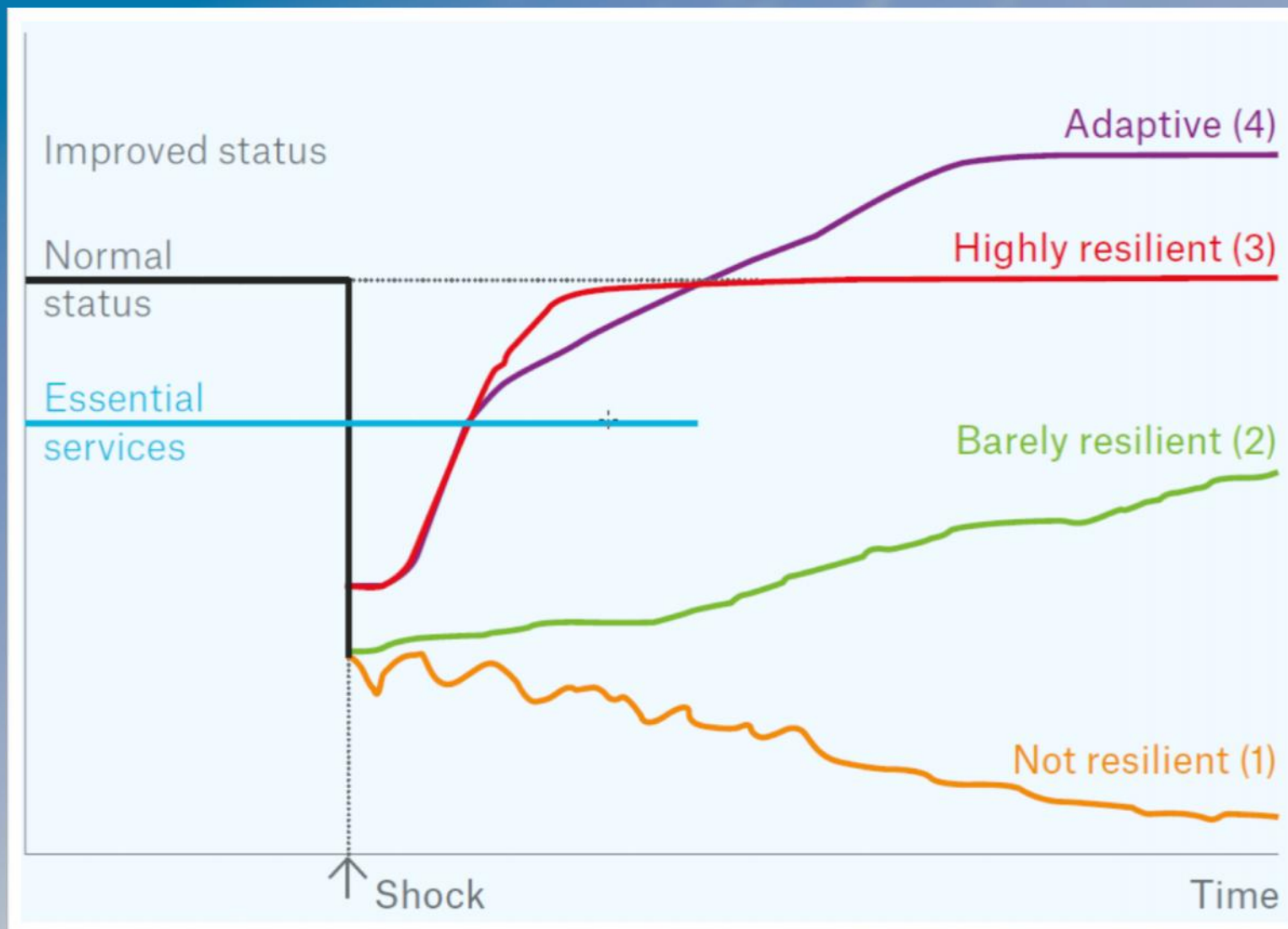
Prevent

Protect



Respond Recover

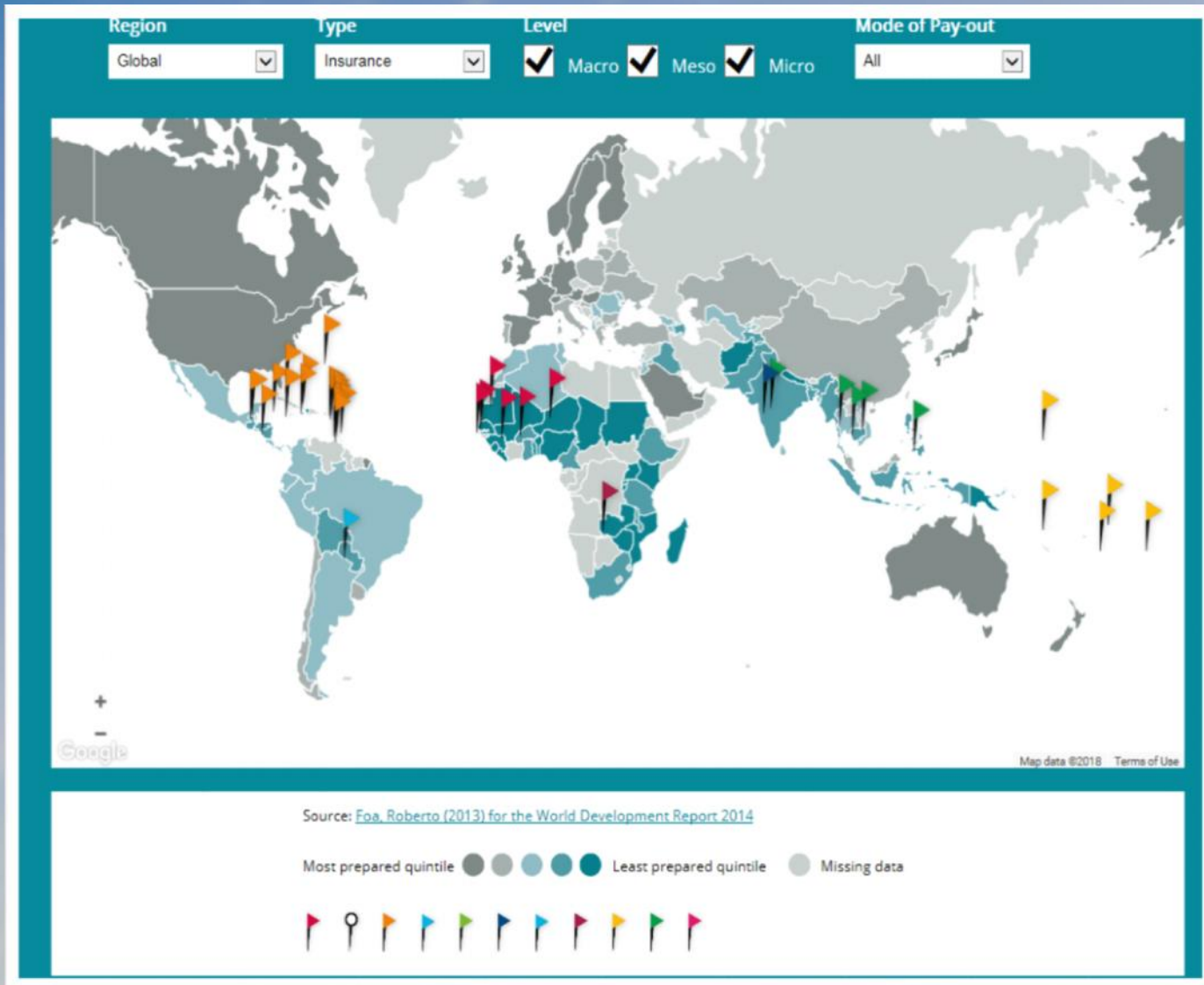
RESILIENCE!



*Munich Re TOPICS GEO 2016

- 
- **100 Resilient Cities**
 - **City of Pittsburg, USA**
 - **City of Bristol, UK**
 - **United Nations Office of Disaster Risk Reduction (UNISDR)**
 - **They Coordinate, campaign, advocate and inform**
 - **Work World over**
 - **Work with: regional organizations, countries, parliaments, media, children & youth and science/technology research organizations**
 - **2012 drought in the USA, US agricultural insurance program**
 - **Public – Private Partnership**
 - **G7**
 - **InsuResilience - Climate Insurance initiative**

- ✓ Munich Security Conference
- ✓ Green Climate Fund
- ✓ Aid and Development in Africa
- ✓ Warsaw International Mechanism
- ✓ Loss and Damage Management



➤ **What happens when WE—insurance professionals—treat Resilience as more than just a Buzzword?**

- ✓ **We Mitigate better; impact frequency & severity**
- ✓ **We manage the exposure better**

➤ **How can WE have an impact?**

➤ **Who is “WE”?**

- ✓ **Underwriting**
- ✓ **Claims**
- ✓ **Sales**
- ✓ **Marketing**
- ✓ **Liaison between private/public sectors**

The historic information backed by scientific research show that well-functioning financial and insurance markets provide a market-wide positive stimulus.

Today's Tools: Are You Geo-Intelligent?



- ✓ What is the impact of visualization of CAT Losses?
- ✓ What is the future?
- ✓ What is your takeaway in managing the 2017 Wildfires?
- ✓ Asked Today, what would you do differently?



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Thank you !

Reference:

[100 Resilient Cities](#)

[UNISDR](#)

[UNISDR IDDR](#)

[InsuResilience](#)

[USDA Drought Program](#)