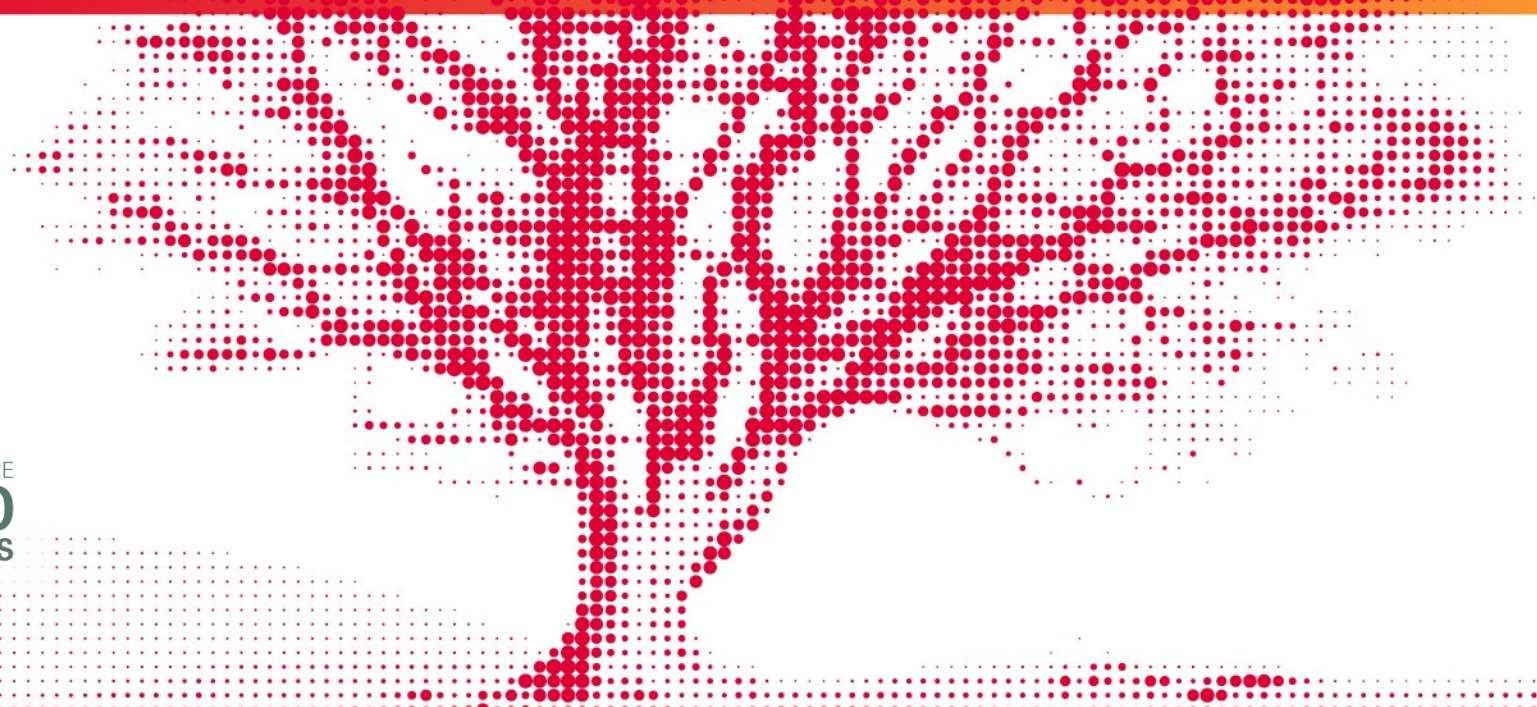


Reinsurance

Jyoti Majumdar, 15 May 2014, Swiss Reinsurance Company

SWISS RE
150
YEARS



Flavour only

Reinsurance

Cat models

4 Box principle

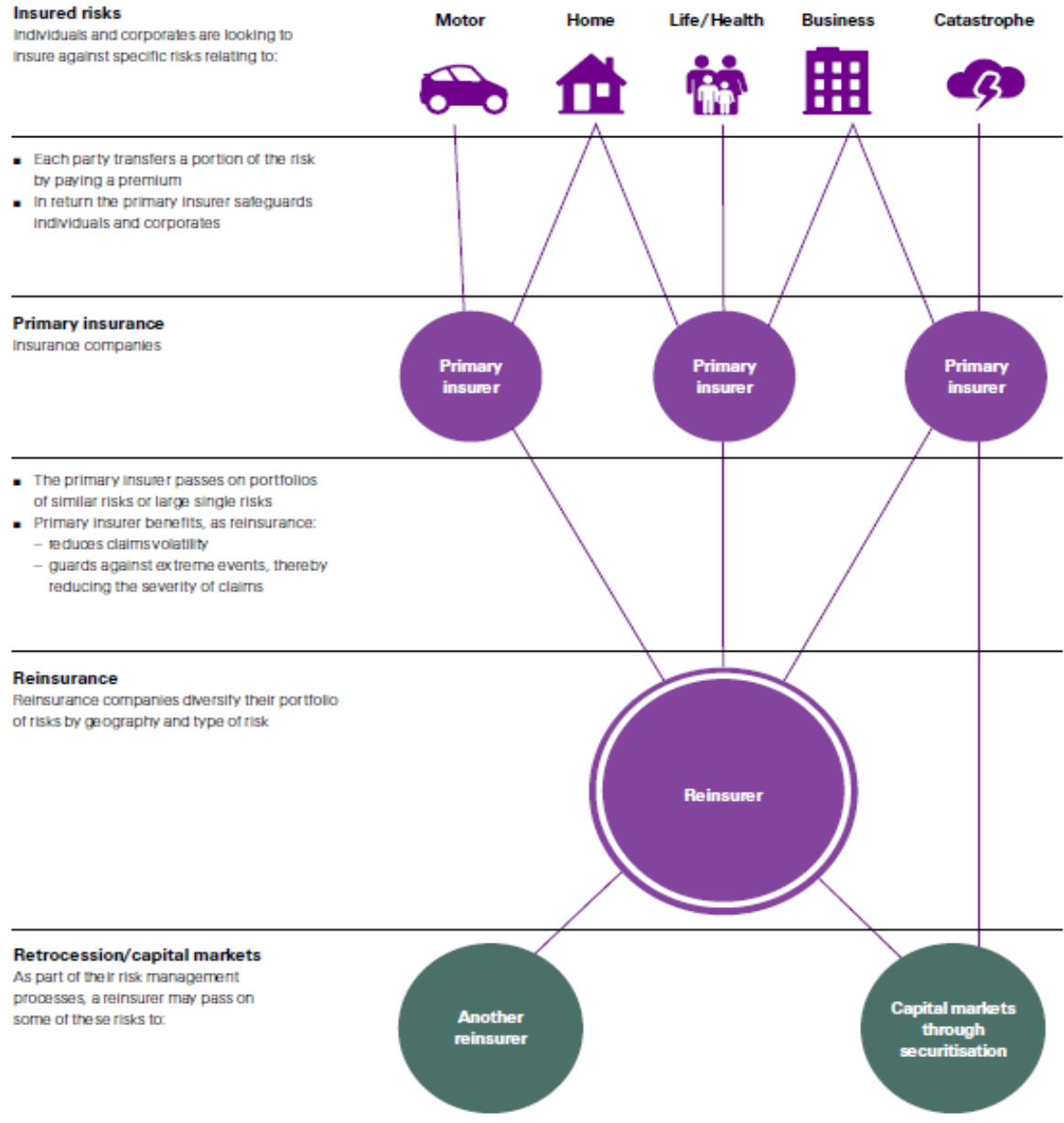
Climate change

Swiss Re, ECA, Sigma

What's on your mind?

Reinsurance

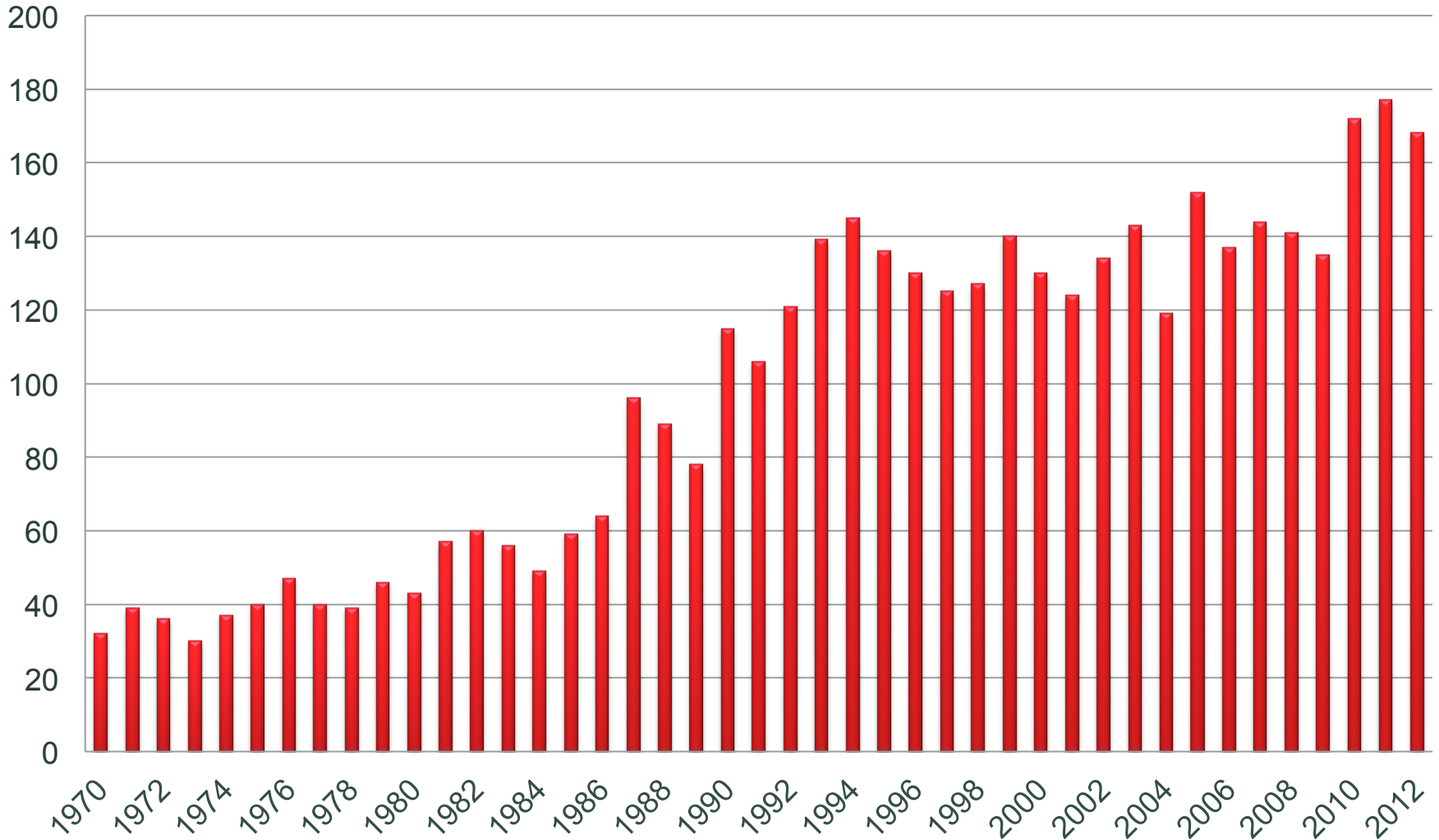
How risks are transferred in insurance and reinsurance



Reinsurance

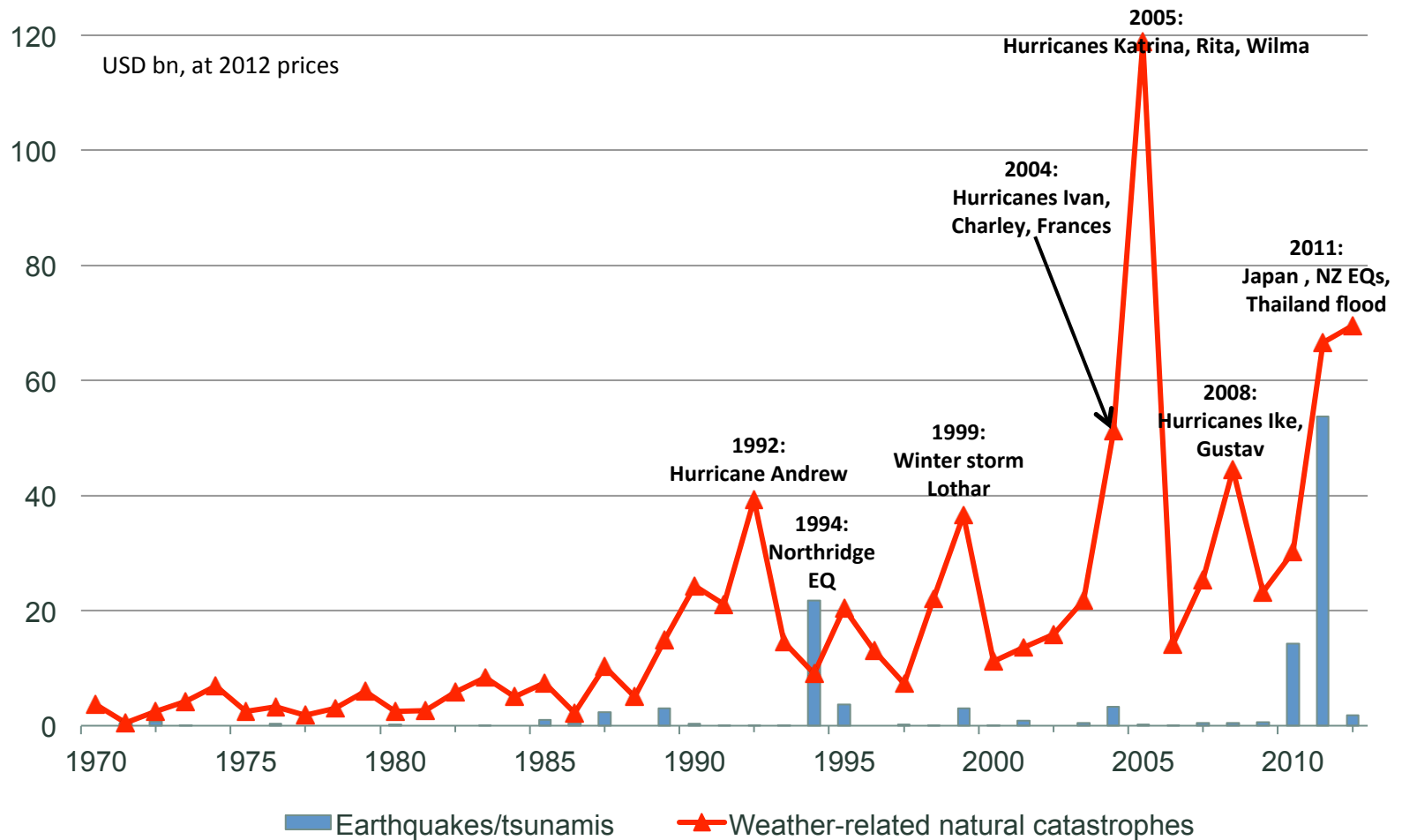
- Helps insurers to manage their risks
 - Absorbing some of the their losses
- Stabilises insurance company's results
 - Enables growth and innovation to continue
- Invest large sum of money in financial markets
 - Contributes significantly to the real economy

Natural catastrophes (events) 1970–2012



Source: Swiss Re, *Sigma*

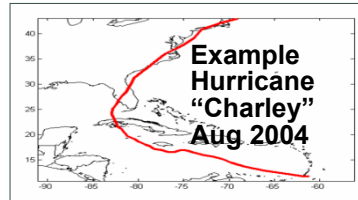
Insured catastrophe losses 1970–2012



Source: Swiss Re, *Sigma*

Cat Modelling : 4 Box Principle

Natural Hazard



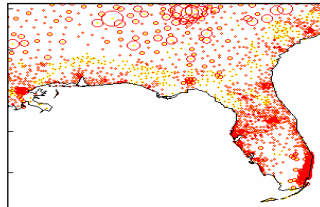
What can happen?

Vulnerability



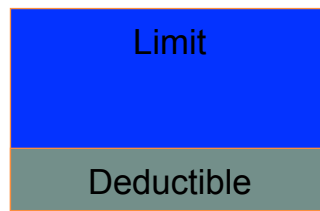
How do the exposed values react?

Distribution of property values



What is affected?

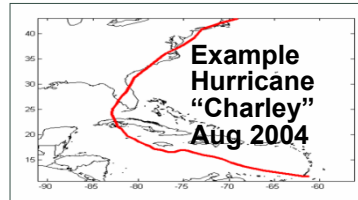
Insurance conditions



How is the exposure covered?

Cat Modelling : 4 Box Principle

Natural Hazard



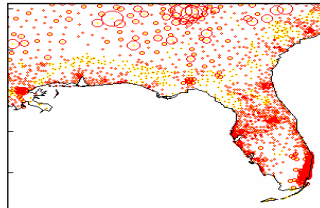
EQ, wind engineering, hydrologist

Vulnerability



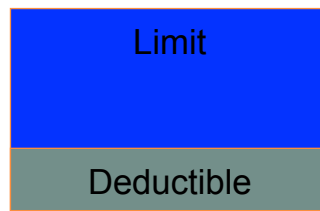
Civil, structural engineering

Distribution of property values



Geoinformatics, cartography

Insurance conditions



Mathematics, statistics, actuarial science

Catastrophe models

- Catastrophe covers are large and complex
- Data is the key
- Multidisciplinary approach is required
- All models are wrong, some of them are useful

Economics of Climate Adaptation

Objectives:

- Provide decision makers with methodology to develop an adaptation strategy
- Unlock global risk transfer markets

Key features:

- Total climate risk approach:
 - today's climate risk,
 - economic development paths
 - climate change trend

Swiss Re's role:

- Lead contributor to the research



Please find the full study at www.swissre.com/climatechange

Contact Information



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