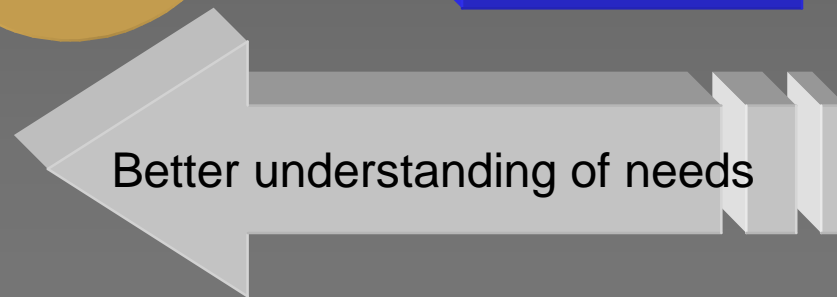
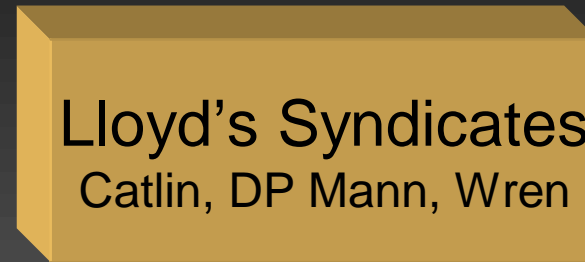
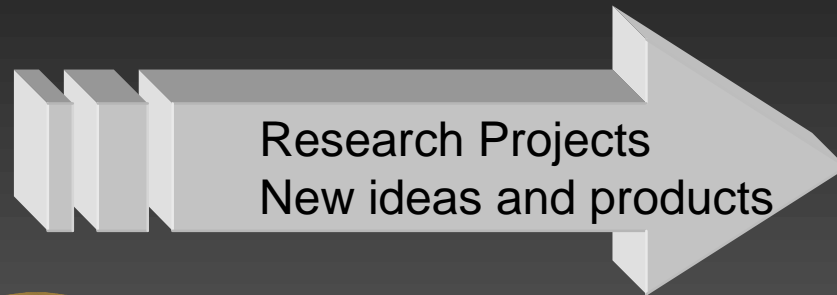




# Linking Science and Insurance to improve Competitiveness





## DTI Objectives

- *Stimulate improvement of competitive position of UK based companies*
- *Strengthen the London Market*
- *Better understanding of how spend by government on science can be better utilised by the insurance industry*
- *Influence the market leaders*
- *Trigger a shift in attitudes towards the benefits of using R&D to improve performance*



## How are we doing?

- *Prioritisation and communication within consortium companies*
- *Application of new extreme value analysis methods*
- *Use of project results - Tropical Cyclone project*
- *Announcement of Opportunities*
  - **Uninsured Losses , Tsunami risks, North West Europe teleconnections, UK Flood**
- *Workshops*
- *Fast Track*
  - **Wind gusting**



## Key Lessons to Date

- *Effect cultural change, encourage collaboration and appreciation of the value of scientific research*
  - **Slow process which requires a great deal of persuasion**
- *Opportunity to lever up research funds by 16 through sharing costs and matching funding from the DTI*
  - **Changing priorities, personnel and company structures have sometimes inhibited collaboration**
- *Promoting a dialogue with the science community*
  - **Cultural gap is wide but a dialogue has begun**



## Short Term

- *Stronger support for internal facilitation*
  - **Articulation of Research and Development Strategies**
- *Better translation of science results into practical tools*
  - **Extreme Statistics Study Group**
- *Maintain awareness to stimulate submission of new proposals*
- *Build relationships with other organisations and consultants to avoid duplication of effort*



# September 1997 Ranking

- 1 Correlations between economic behaviour and insurance loss*
- 2 Seasonal prediction of tropical cyclone activity*
- 3 New mathematical methods for extreme statistical analysis*
- 4 New business creation through better estimation of currently uninsured losses*
- 5 Estimation of risks from flood for the UK*
- 6 Improved analysis of post loss cost development by analysis of changing supply curves*
- 7 Influence of surface temperature of the North Atlantic on extreme climate events*
- 8 Estimation of earthquake or land/seabed slip in the Caribbean Region*
- 9 Earthquake damage estimates for San Francisco and Los Angeles*



# New Projects and Workshops

- *Repeat ranking exercise*
  - **Make stronger link to competitive performance**
  - **Test against Realistic Disaster Scenarios**
- *Mathematical methods*
  - **Non-stationary time series analysis methods**
- *Economic modelling*
- *Next Phase of Tropical Cyclone Project*
  - **Forecasting sea surface temperatures**



# Long Term

- *Do you want to continue to work together?*
- *Form of the joint venture*
  - **Joint Venture as now**
  - **Limited Company**
  - **Company Limited by Guarantee**
- *Pooled resources*
  - **Currently one person plus six months of support**
- *Submit Business Plan to next Board Meeting*





# Summary

- *Evolve to meet consortium member needs*
- *Promote articulation of member Research and Development strategies*
  - **Repeat rank ordering exercise**
- *Take pragmatic approach to take-up of science results*
- *Make fast track work by putting more ideas for projects on the table*
- *Partnership between the industry and the science base*