

# TSUNAMI

Linking Insurance and Science

**Minutes of the Seventh Management Board Meeting  
Held at Sackville House, courtesy of Sedgwick  
15:30 to 18:00 on Tuesday 22 September 1998**

<b>Attendees</b>	:	Simon Jennings	-	Benfield Greig
		David Simmons	-	Benfield Greig
		Dougal Goodman	-	British Antarctic Survey (Chairman)
		Paul Brand	-	Catlin
		Andrew Dlugolecki	-	CGU
		Peter Taylor	-	DP Mann
		Gemma Hawes	-	HM Treasury (part-time)
		Lance Garrard	-	Sedgwick
		Jonathan Norman	-	Sedgwick
		James Orr	-	TSUNAMI (Secretary)
		Simon Groves	-	Wren
<b>Apologies</b>	:	Nick Golden	-	Royal & SunAlliance
		David Stark	-	Sedgwick

Dougal Goodman opened by thanking Sedgwick for hosting the meeting.

Dougal Goodman also thanked Len Alliston of CGU for his support to date and welcomed Andrew Dlugolecki as the new CGU representative on the TSUNAMI Board. Andrew is responsible for reinsurance, actuarial support and general insurance development within CGU.

**1. Confirmation of Sixth Management Board Minutes**

Accepted without amendment.

**2. Announcements of Opportunity**

It was confirmed that the four announcements of opportunity covering UK Flood, Teleconnections, Tsunamis and Uninsured Losses had been finalised. These announcements had been placed on the TSUNAMI Web Site, along with an application form and explanatory booklet. A mail-shot would be sent later in the week to bring these announcements to the attention of targetted UK university departments and research institutions.

Dougal Goodman confirmed that he would ask Professor Julian Hunt, former director of the Met.Office, to chair a Scientific Advisory Committee, which would help assess proposals that were submitted to TSUNAMI. The Board supported this move.

It was agreed that a Technical Advisory Committee would be established, with technical staff from the consortium companies, and that this would advise the Board on the commercial and technical merit of research proposals. The Board members were asked to send details of nominated representatives to the James Orr.

**Action - Consortium Board Members**

**3. Project Director's Report**

- a) Financial Position TSU/98/30

James Orr confirmed that the direct expenses were broadly in line with those assumed in deriving the cash call schedule for the initiative. He also explained that some £163,000 of the original budget of £960,000 remained uncommitted to applied research or other activities of the initiative.

- b) Facilitation Meetings TSU/98/26

An invitation was made to all Board members to arrange facilitation meetings with the Project Director to discuss the role of TSUNAMI and research & development (R&D) within their own organisations. These meetings will be arranged over the coming months.

**Action - James Orr**

- c) Performance Measures TSU/98/27

It was suggested that targetted questionnaires should be sent to individuals within both the consortium companies and the general insurance market. This would gauge the level of awareness and understanding of TSUNAMI, as well as the general attitude towards R&D within the industry.

The questionnaires would provide a standard against which future progress could be measured. A proposed questionnaire and sampling process is to be developed and sent to the Board Members.

**Action - Dougal Goodman and James Orr**

The number of visitors to the Web Site was also suggested as a measure of success for the initiative.

**4. Tropical Cyclones Forecasting Project**

- a) Presentations

Presentations were given on the project by Lance Garrard (R&D Manager) of Sedgwick Re, Dr Mark Saunders of University College London, Dr Chris Thorncroft of the University of Reading and Alyson Bedford of the Met.Office.

It was explained how the project aimed to better the predictions of other researchers in the public domain. This superiority would be in terms of the skill of the predictions, their geographical scope and the resolution of the results. The predictions would also be presented in a format that could be used readily by insurers.

It was confirmed that the budget for Stage 2 of the project would be some £128,000 plus VAT and that the likely annual running costs for providing predictions beyond the end of Stage 2 (lasting twenty-one months) was some £43,000 plus VAT.

b) Discussion of move to Stage 2 of Project

The Board was asked for its approval of the move to Stage 2 of the project. This was supported by Benfield Greig, Sedgwick, Catlin and Wren. DP Mann confirmed their support, subject to internal approval. CGU and Royal & SunAlliance are to give their decisions in the next two weeks. Dougal Goodman confirmed the support of the DTI (through HM Treasury).

c) Legal Issues

Dougal Goodman explained that the Natural Environment Research Council had acted as agent for the consortium companies in commissioning the project with the Met.Office. He thanked NERC for their support.

Dougal Goodman explained that the negotiation process had highlighted the need for a standard contract for research commissioned by TSUNAMI. He suggested that the contract used for the Tropical Cyclones Forecasting Project should be used as the template for this standard contract. It was agreed that this should be developed with NERC, in consultation with the legal departments of each of the consortium companies.

**Action - James Orr and Board**

Simon Groves suggested that a transfer contract should be developed to relieve NERC of any liabilities that they may face in acting as agents for the consortium.

**5. Projects**

a) Extreme Value Statistics Programme TSU/98/28

The Board's attention was brought to the date of the closed workshop on 26 November, for technical staff, and the senior management dinner on 17 December, in Christ's College, Cambridge. It was suggested that two representatives from each consortium company could come to the senior management dinner.

- b) Foundation for Science and Technology TSU/98/29

The date for the evening discussion and dinner at the Royal Society was confirmed as Tuesday 13 April 1999. Dougal Goodman suggested that this event should be used to raise the profile of the initiative, both within the scientific community and the insurance industry.

- c) Y2K Workshop

James Orr confirmed that the workshop was planned for the morning of 29 October and that a room had been booked at Lloyd's. Presentations were planned from a consultant at AEA Technology, a representative of the credit insurance company NCM (UK), a researcher from the University of Cambridge Department of Computing and a representative of the underwriting community.

Fuller details will be provided once these are known.

**Action - James Orr**

- d) Shape of Uncertainty

James Orr confirmed that a report had been submitted by Mojdeh Keykhah on the original interviews with Lloyd's underwriters. Copies will be sent to Catlin, DP Mann and Wren. He also confirmed that the initial phase of the research had highlighted the importance of the reputation and standing of lead underwriters in the market, as well as the key role played by brokers.

The second phase of the research will make use of a structured questionnaire. The continued support of the Lloyd's Managing Agencies will be required and a request was made for access to broking contacts within the consortium.

**Action - James Orr**

- e) Satellite Risks

Simon Groves confirmed that progress had been delayed by the illness of one of the scientists involved in the project, but that a meeting with Marham Syndicate's technical advisors (TeleSat) was being arranged. David Simmons and Lance Garrard asked for details of the project proposals and that they be involved in the development of the project.

**Action - Simon Groves**

- f) Offshore Platform Risks Index

Paul Brand confirmed that a meeting had been held with Colin Billington of BOMEL and that a revised, reduced budget, project outline had been requested. Dougal Goodman asked James Orr to advise Catlin on the assistance that could be provided by academic researchers in this field.

- g) Newton Institute Risk Management Workshop in August 2000

Dougal Goodman confirmed that this proposal had been submitted to the Isaac Newton Institute for Mathematical Sciences and that it had met with considerable interest. The steering committee of the Newton Institute will consider the proposal in October.

**6. Review of Progress with Gemma Hawes of the Insurance Unit (Policy) of HM Treasury**

Dougal Goodman introduced Gemma Hawes of the Insurance Unit (Policy) of HM Treasury to the Board. Gemma Hawes was present for most of the meeting and expressed her satisfaction with the progress of the initiative.

When asked for the Insurance Unit's views on how the initiative's performance could be measured, Gemma explained that the Unit's interest was in helping the insurance industry to help itself and her view was that the consortium members were best placed to consider such matters.

**7. TSUNAMI Web Site**

Dougal Goodman presented the new TSUNAMI Web Site to the Board and explained that it would be made public next week. The Site includes details of the announcements of opportunity, a form for researchers to register their interest in TSUNAMI and a secure section for management information. Other sections provided links to UK scientific institutions, as well as links to other sites there were relevant to the projects being funded by TSUNAMI.

Peter Taylor asked for a more publicity conscious approach, with pages highlighting the activities of the initiative.

James Orr is to send details of the Web Site's address to members of the Board.

**Action - James Orr**

**8. Any Other Business**

Dougal Goodman explained that Thomas Miller & Co had approached TSUNAMI and had asked if they could join the consortium. The Board acknowledged the request and confirmed that they would consider it carefully before responding.

**9. Date of Next Meeting**

It was suggested that the next meeting should be held in Cambridge on 17 December, before the dinner at Christ's College.