

UNINSURED LOSSES PROJECT

AIMS

Increase the understanding of the reasons for uninsured losses, and thereby create a business opportunity (or more) out of the insight gained into the nature and causes of the uninsured element of catastrophic losses.

RESEARCHERS

Ragnar Lofstedt Lecturer, Social Geography Risk Research Group Centre for Environmental Strategy University of Surrey Guildford, Surrey GU2 5XH Joanne Linnerooth-Bayer IIASA, Senior Scientist Project Leader International Institute for Applied Systems Analysis Schlossplatz 1 Laxenburg, Austria

Assisted by Shirin Elahi

Assisted by N. Koko Warner-Merl

PHASE I (April 1999 – October 1999)

Study a number of past catastrophic events to identify the available information, and quantify the total loss and its insured element. On the basis of this research, to provide plans for detailed case studies.

Proposed Catastrophes:

- Hurricane Andrew (USA) 1992
- Northridge Earthquakes in Southern California (USA) 1994
- *Hurricane Georges, flooding (Caribbean) 1998*
- Great Hanshin earthquake in Kobe (Japan) 1995
- Thunderstorms with hail damage (USA) 1998
- Cold spell with ice and snow (Canada) 1998
- Wind, hail and flooding (Midwest floods) (USA) 1995
- Storms and floods in North of Europe (Europe) 1993 and 1995
- Floods in Poland, Czech Republic (Eastern Europe) 1997
- Upper Midwest floods (USA) 1997
- Upper Midwest floods (USA) 1993
- UK Floods (Europe) 1998
- Italian Earthquake (Europe) 1997
- Hungarian floods (Eastern Europe) 1999
- China Floods (Asia) 1998



UNINSURED LOSSES PROJECT

PHASE II (October 1999 – March 2000)

For a selected number of past catastrophic events, compare how losses from natural disasters are absorbed by individuals, businesses, (local and central) governments and lending organisations, across selected hazards and countries.

Understand why a large proportion of these losses has been uninsured, by examining factors affecting the insurability of the risks (correlated losses, predictability, moral hazard, adverse selection, etc.). Also categorise different public policy contexts (e.g. public guaranty funds, mandatory insurance requirements, rate-setting rules, availability of alternative financing). Show if and how these factors may have influenced the insurability of the risks.

Show how public legislation, public policies and other public/private post-disaster actions affect the extent and spread of the losses in the event of a subsequent disaster.

PHASE III (March 2000 – April 2000)

Draw conclusions from the case studies and assess whether the case studies and other types of scientific input can assist in the insurance of uninsured risks.

PHASE IV (April 2000 – September 2000)

Reporting, dissemination and public promotion.

COSTS

Surrey University grant	25,346
IIASA Research grant	25,049
Total	50,395