Great Natural Disasters 1950 - 2000
Far exceeding 100 deaths and/or US$ 100m in claims

Economic and insured losses with trends

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# Great Weather Disasters 1950 - 2000

## Decade comparison

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</thead>
<tbody>
<tr>
<td><strong>Number</strong></td>
<td>13</td>
<td>16</td>
<td>29</td>
<td>44</td>
<td>72</td>
<td>69</td>
<td>4.3</td>
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<tr>
<td><strong>Economic losses</strong></td>
<td>39.8</td>
<td>52.3</td>
<td>76.7</td>
<td>121.8</td>
<td>410.0</td>
<td>383.0</td>
<td>7.3</td>
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<tr>
<td><strong>Insured losses</strong></td>
<td>0</td>
<td>6.9</td>
<td>11.1</td>
<td>22.2</td>
<td>95.2</td>
<td>81.1</td>
<td>11.7</td>
</tr>
</tbody>
</table>

Losses in US$ billion - 2000 values

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The **frequency** and **size** of losses due to natural disasters are **increasing dramatically** all over the world.

The reasons

- Rise in population
- Better standard of living
- Concentration of people and values in large conurbations
- Settlement in and industrialization of extremely exposed regions
- Susceptibility of modern societies and technologies to natural hazards
- Increasing insurance density
- Change in environmental conditions (climate change)
How can the insurance industry prepare for the increasing catastrophe risk?

- Adequate pricing
- Loss prevention
- Liability limits
- Accumulation control
- Reinsurance, retrocession
- Substantial deductibles, based on the respective exposure
- Improved claims settlement
- Exclusion of certain hazards
- Exclusion of particularly exposed areas
Insurance and Natural Hazards
Carrier of the burden/liabilities

Future option
Summary

- Losses due to climate change are increasing and will be even much higher in the future.
- The financial sector is very flexible and has many options for coping.
- The financial sector needs a clear regulatory framework (Kyoto). Longterm, the international community must create a powerful global climate change response – for example, contraction and convergence.
- Who will finally carry the burden?