

Joint UNECE-UNCTAD Workshop:

Climate Change Impacts on International Transport Networks

08 September 2010, Geneva

Insurance Risk in a Changing Climate

Presentation by

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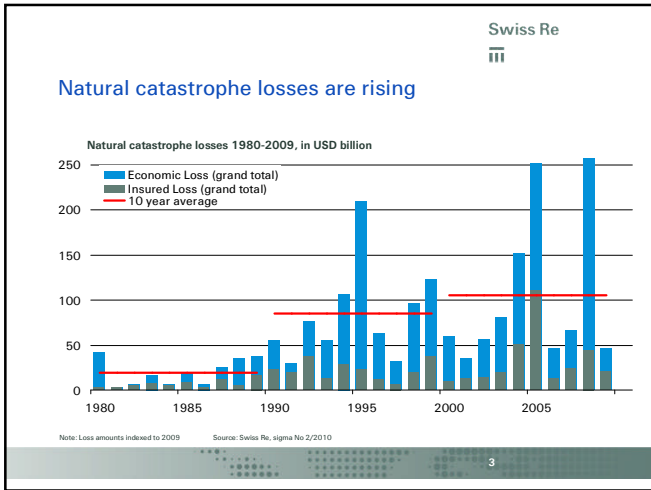
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Marine Insurance

- roots go back to Babylonian times
- oldest known reinsurance treaty is from 1347, covering a ship and its goods against loss
- solidarity in the form of risk spreading is the basic principle of insurance and reinsurance
- cargo and hull are normally insured, as well as parts of the infrastructure
- marine insurance is normally an all risk cover
- consequential losses can arise in business interruption for industry production



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Rising natural catastrophe losses: Climate change is not the key driver yet

- Climate change results in rising intensity of storms, forest fires, droughts, flooding and heat waves in many regions
- Accumulation of assets in exposed areas:
 - Example Ocean Drive in Miami, Florida:

1926 2000

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Transport sector will also experience higher losses

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Swiss Re Studies on Climate Change Effects

The effects of climate change: Storm damage in Europe on the rise

Climate change is affecting storm damage in Europe. A recent study by Swiss Re shows that the frequency and intensity of storms is increasing. This is leading to higher damage to buildings and infrastructure. The study also found that the cost of rebuilding is rising due to higher material and labor costs.

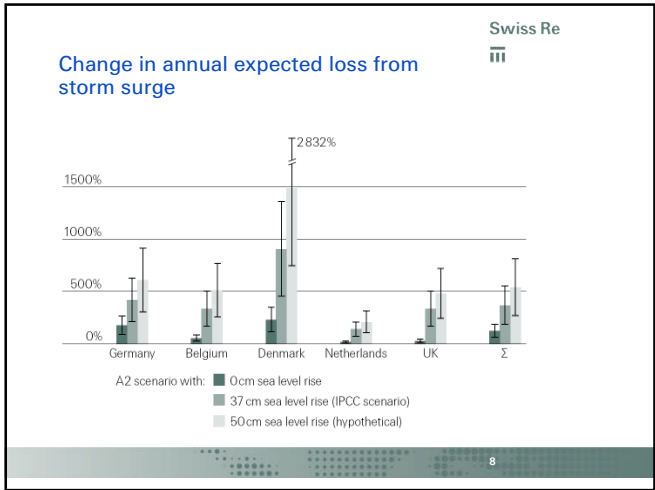
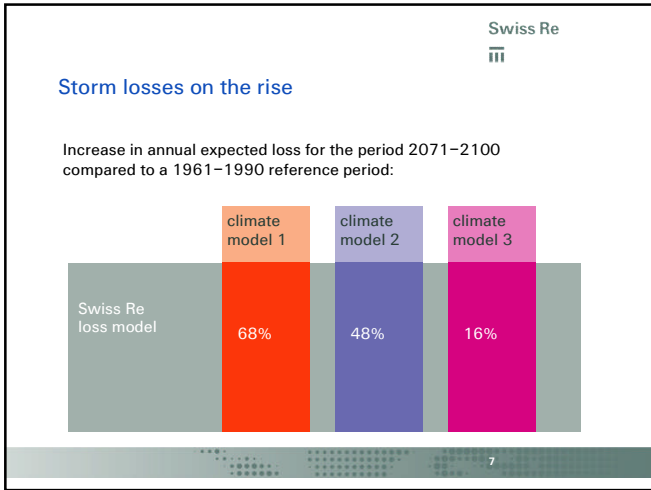
Focus report

The effects of climate change: An increase in coastal flood damage in Northern Europe

Climate change is affecting coastal flood damage in Northern Europe. A recent study by Swiss Re shows that the frequency and intensity of storms is increasing. This is leading to higher damage to buildings and infrastructure. The study also found that the cost of rebuilding is rising due to higher material and labor costs.

Focus report

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Economics of climate adaptation – a framework for decision-makers

eca
ECONOMICS OF CLIMATE ADAPTATION

Please find the full study at www.swissre.com/rethinking/climate

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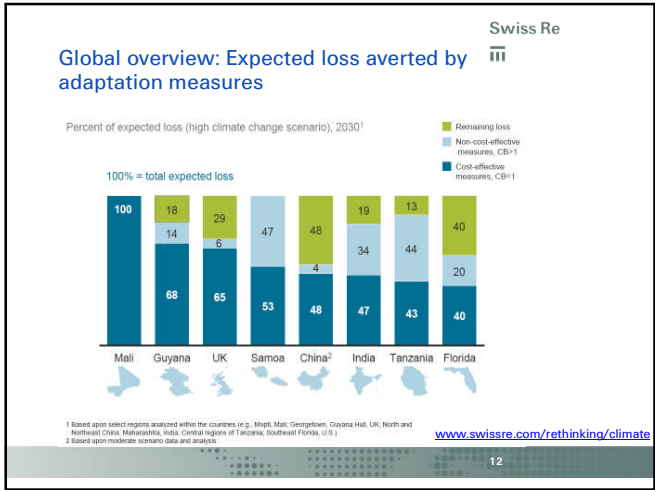
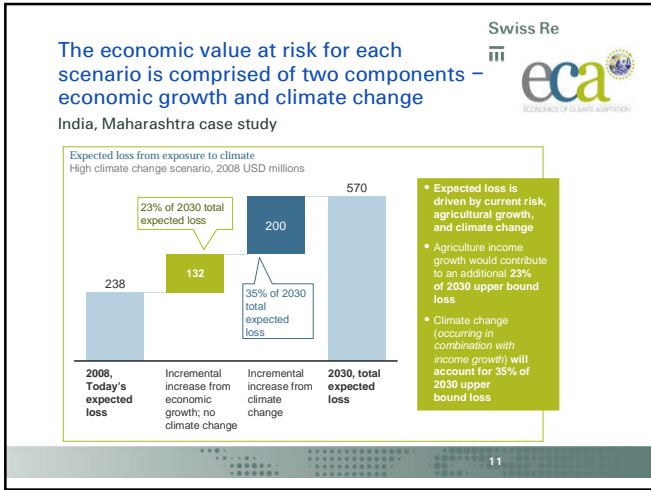
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Economics of climate adaptation (ECA) The working group

Partner consortium:

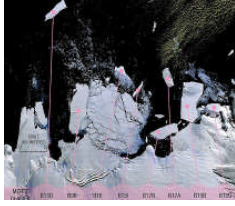
GEF The Global Environment Facility (GEF) is a trust fund partnership among 175 countries, international institutions, non-governmental organizations (NGOs), and the private sector.	Climate Works Climate Works is a newly formed global philanthropic network organized to win the battle against climate change.
UNEP The United Nations Environment Programme (UNEP) is an international inter-governmental organization established by the General Assembly of the United Nations.	Standard Chartered Standard Chartered operates in many of the world's fastest growing markets, and derives over 80 per cent of its profits from the emerging trade corridors of Asia, Africa and the Middle East.
Swiss Re Swiss Re is a leading global reinsurer, was a lead contributor to the research, risk assessment and quantification.	McKinsey & Company McKinsey & Company drove the analytical execution and contributed to the full base.
ROCHELLE FOUNDATION The Rochelle Foundation is a global philanthropic corporation.	The European Commission The European Commission is the executive branch of the EU responsible for proposing legislation, implementing decisions, upholding the Union's treaties.

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Summary

- Swiss Re monitors catastrophes worldwide
- Several studies on climate change effects forecast an increase of losses
- The marine sector and its insurance will also be affected
- Adaptation is essential
- To get adaptation measures accepted, the economic consequences need to be calculated
- Although the time scale of changes is long, we need to start now



Thank you

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