



Globe of Natural Hazard - A new assessment tool for risk managers

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A large number of tropical cyclones and the earthquake in Sichuan made 2008 one of the most devastating years on record. Throughout the world, more than 220,000 people died as a result of natural catastrophes this year. Overall losses totaled some US\$ 200bn (2007: US\$ 82bn). Insured losses in 2008 rose to US\$ 45bn, about 50% higher than in the previous year. Mainly driven by high losses from weather-related natural catastrophes, 2008 was – on the basis of figures adjusted for inflation – even the third most expensive year on record for the insurance industry, exceeded only by the hurricane year of 2005 and by 1995, the year of the Kobe earthquake.

Munich Re, a worldwide operating reinsurance company, is a world leader in terms of investigating risks from natural hazards of all kinds. 2008 has again shown the insurance industry how important it is to analyse risks like natural hazards and climate change in all their facets and to manage the insurance business accordingly.

An excellent example of the wealth of knowledge Munich Re has developed in natural hazard assessment is the DVD "Globe of Natural Hazards". It combines the geoscientific data and findings Munich Re has accumulated over a period of 35 years. First devised as a wall-map in 1978, the product has established itself as a standard work for the identification, exposure assessment and risk management of natural hazards. Over 80,000 copies of the CD-ROM version of 2000 have been provided to clients – a mark achieved by no other service product in Munich Re's history. Since the beginning of 2009, the fully updated fourth-generation version has been available. The bilingual DVD (German and English) shows natural hazards and climate effects at a glance: the global maps are presented on a 3D globe, underlaid with satellite images. The hazard complexes of hail, tornado and winter storms have been completely revised and flood incorporated as a new hazard. Users can intuitively home in on and enlarge any location on earth, and an extensive location database makes searching easy. The knowledge modules for historical catastrophes, megacities and change processes can be linked with each other and displayed on the maps. Completely new is the integration of the topic of climate change: various depictions of climate effects and projections show in which regions of the world risk situations have to be reckoned with in future. Thanks to its comprehensive information, the globe is an important tool for identifying risk locations worldwide and evaluating them from a geoscientific perspective. Thus, the transparency of insurance portfolios can be increased and legal requirements can be met.

Munich Re's multi-discipline Geo Risks team combines a wealth of global experience and contacts. Clients benefit from a first-class natural hazard consultancy service and valuable support for introducing and implementing geographical information technology systems. The team can also provide the knowledge and technology to help clients plan and set up in-house solutions tailored to different classes of business in this innovative field of underwriting. With the new DVD "Globe of Natural Hazards" risk managers, scientists, lecturers and the public have access to Munich Re's natural hazard knowledge. The Globe of Natural Hazards is a natural hazard risk management tool that is easy to use and understand. Earth's exposure to extreme natural hazards will continue to increase. To overcome these challenges the insurance industry will need accurate and competent information.