

Making historic loss data comparable over time and place

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When utilizing historic loss data for present day risk assessment, it is necessary to make the data comparable over time and place. To achieve this, the assessment of costs from natural hazard events requires consistent and homogeneous methodologies for loss estimation as well as a robust treatment of loss data to estimate and/or reduce distorting effects due to a temporal bias in the reporting of small-scale loss events. Here we introduce Munich Re's NatCatSERVICE loss database and present a novel methodology of peril-specific normalization of the historic losses (to account for socio-economic growth of assets over time), and we introduce a metric of severity classification (called CatClass) that allows for a global comparison of impact severity across countries of different stages of economic development.