

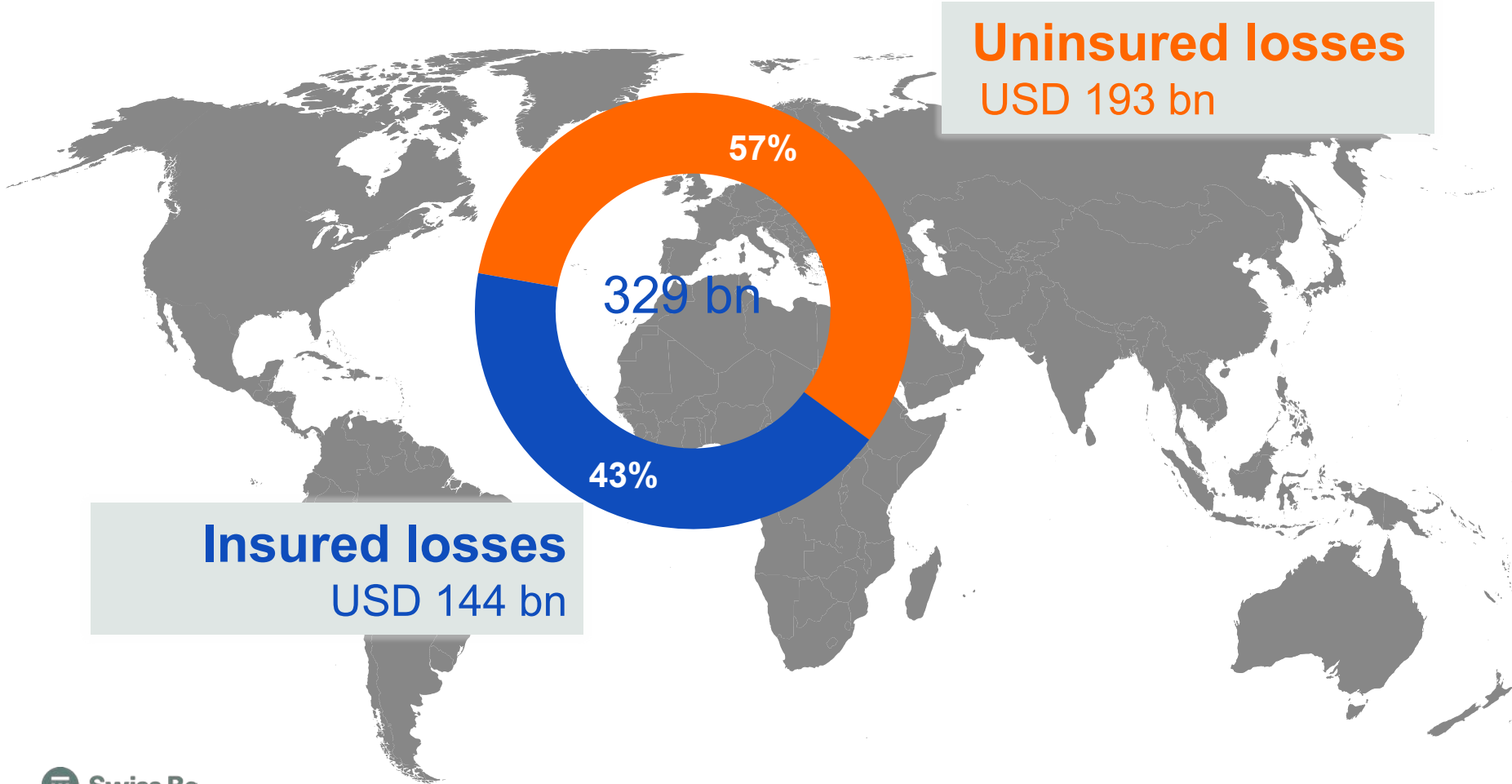
# The natural catastrophe protection gap

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November 2018

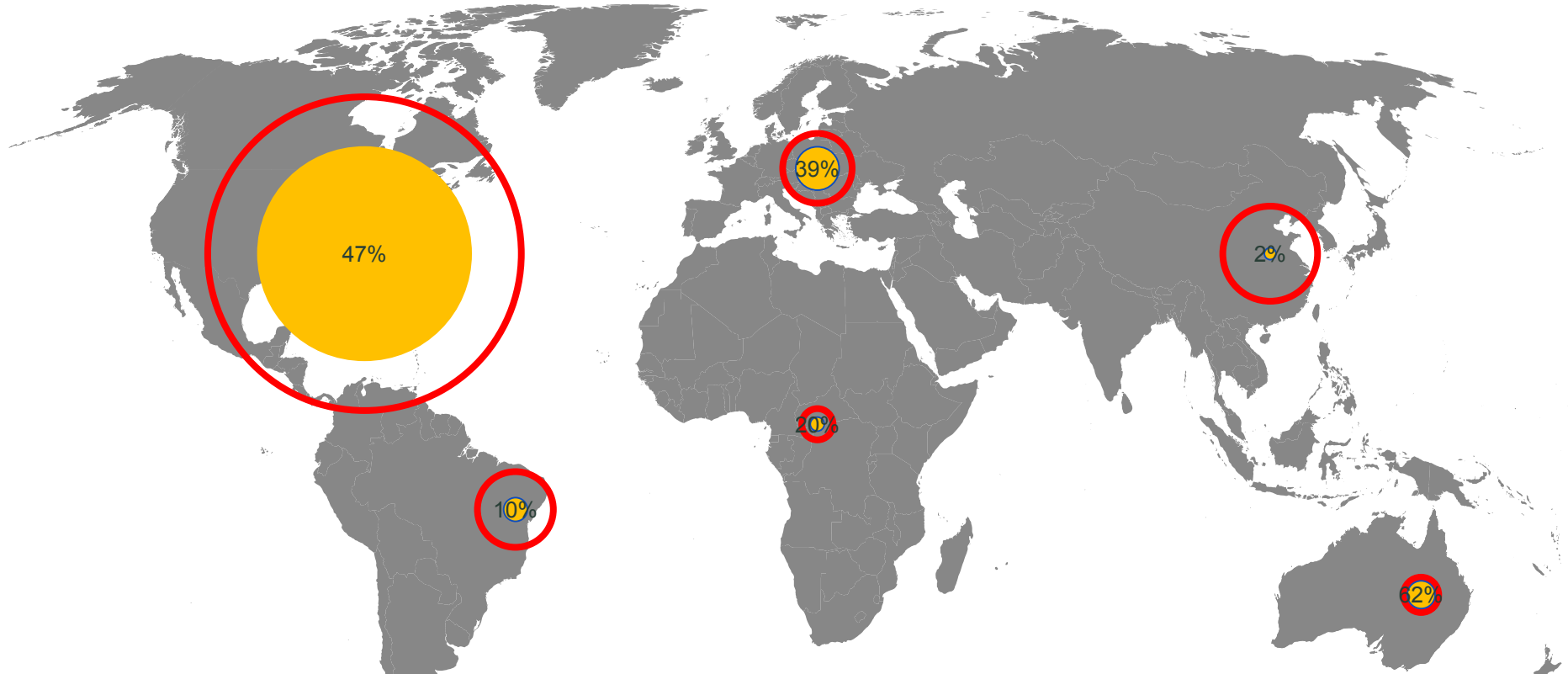
sigma  
**50**  
YEARS



Global cat losses totaled USD 337 billion in 2017,  
with 57% uninsured

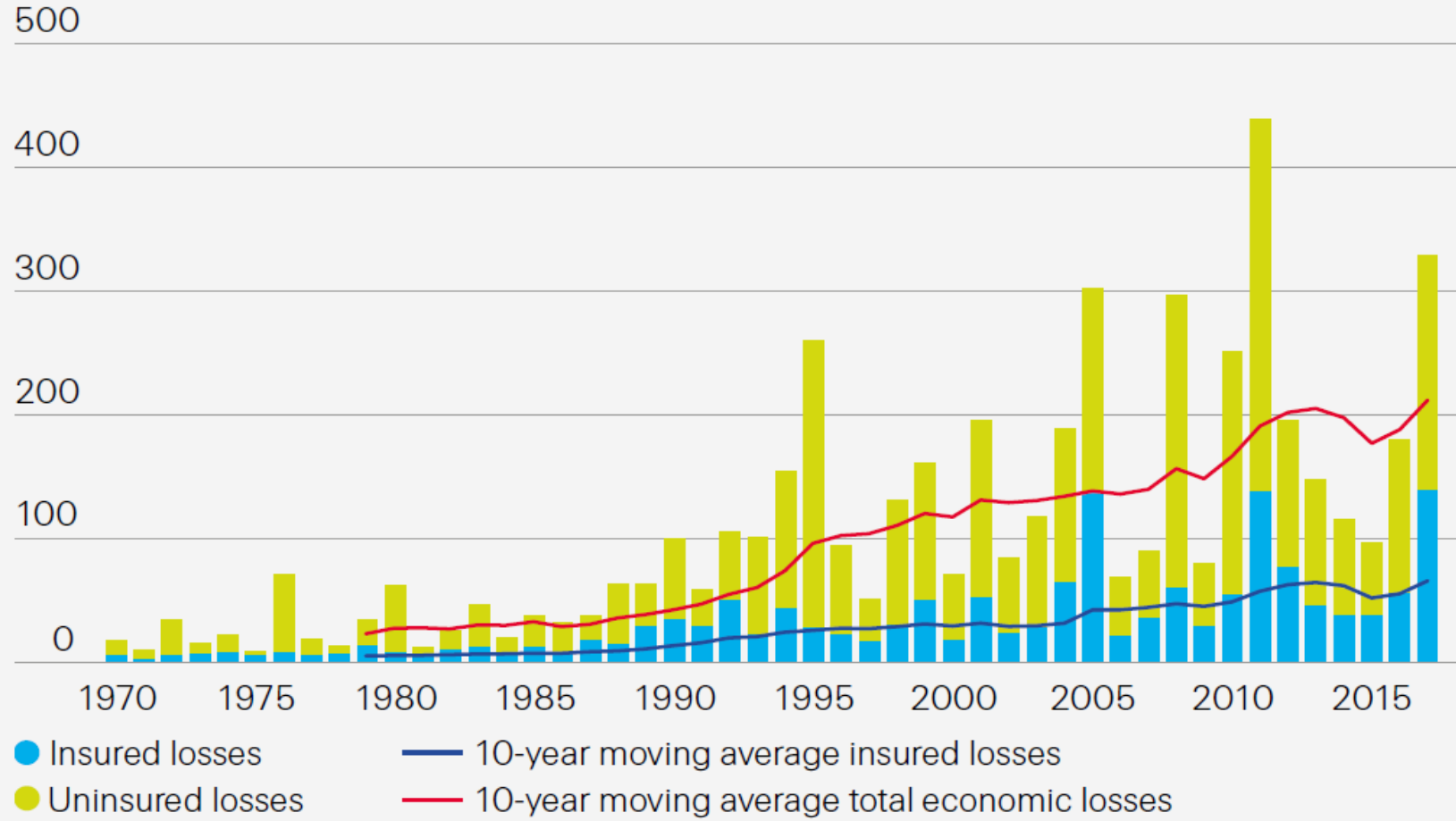


# North America faced the highest economic and insured losses in 2017

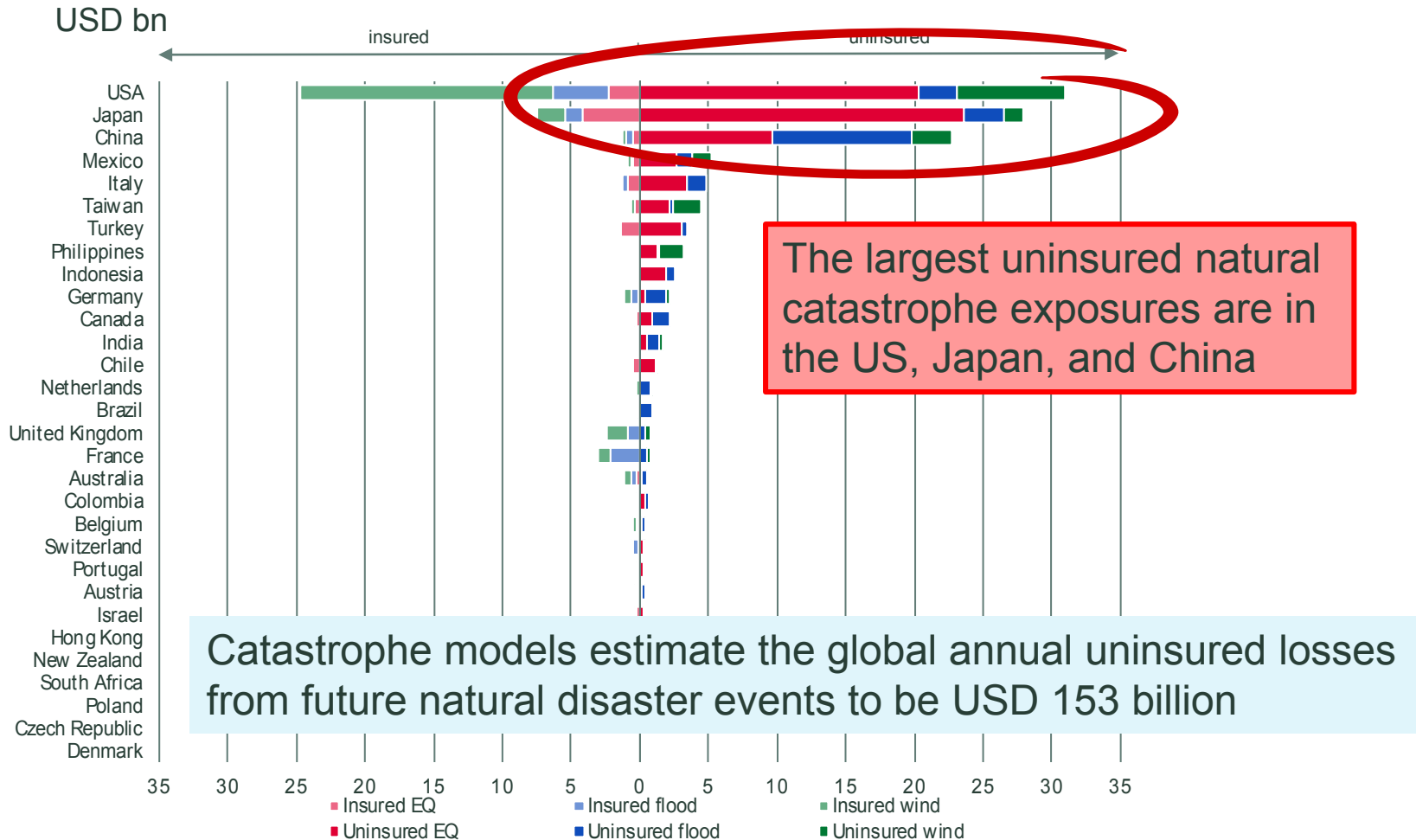


An active hurricane season in the North Atlantic, and a series of wildfire, thunderstorm and severe rainfall events pushed global catastrophe claims to their highest level ever recorded in a single year.

# Over the past 50 years, the growth of economic losses has outpaced the growth of insured losses



# Catastrophe modeling provides expected insured and uninsured losses from natural catastrophes

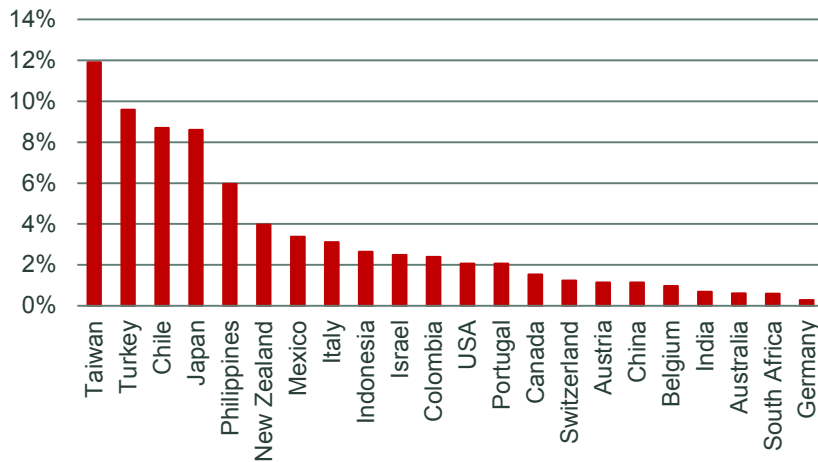


# Many other economies are highly exposed as a % of GDP

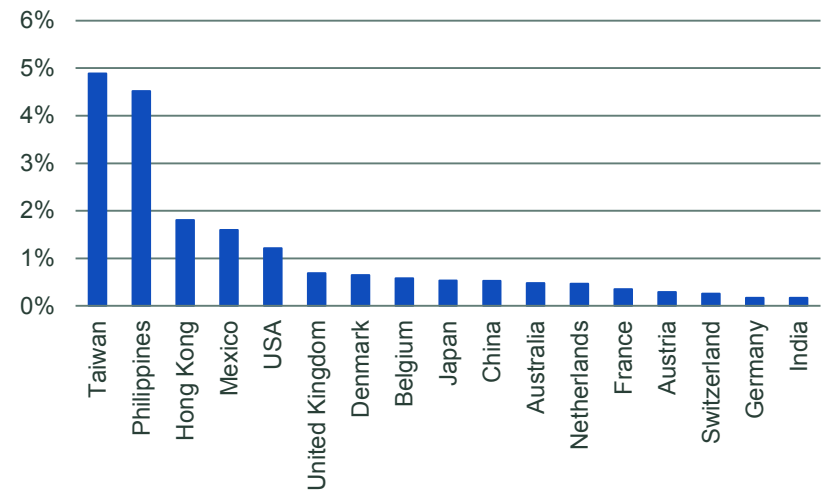
Although the US is highest in terms of absolute uninsured value exposed...

- Smaller countries and emerging markets are likely to lose significant portions of GDP due to major catastrophes.
- Urbanization in emerging markets has contributed to higher property concentrations in risky areas.

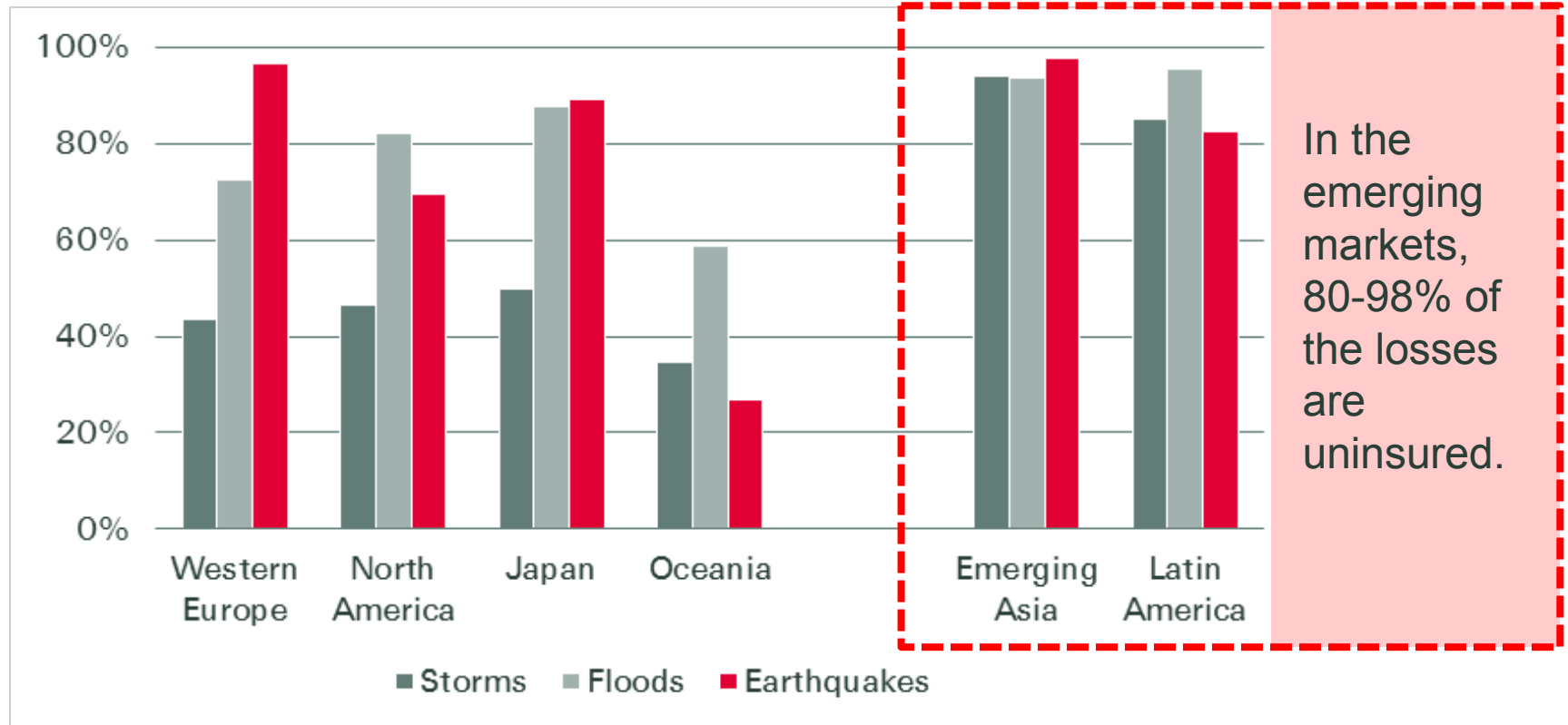
One-in-100 year earthquake loss scenarios (% of GDP)



One-in-100 year storm loss scenarios (% of GDP)



# Natural catastrophe protection gap by region and peril, 1975-2014



- Average uninsured portions have been around 55% for windstorms, 86% for floods, and 90% for earthquakes.



# How can we close the underinsurance gap?



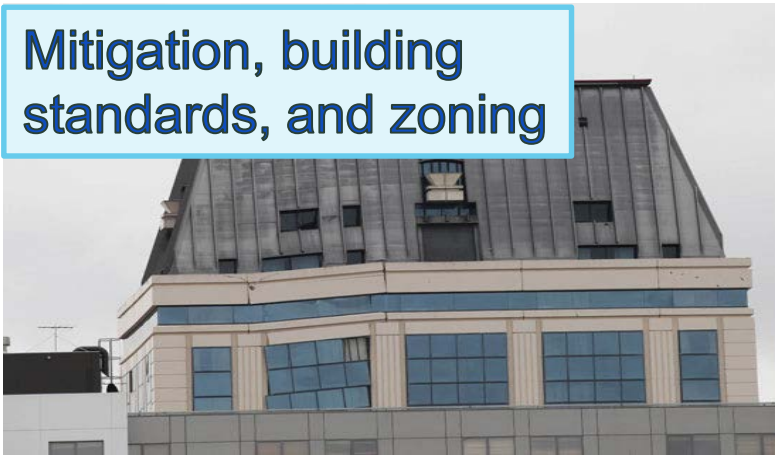
**Public/private  
collaboration**



**Increase access and  
distribution**



**Improve product  
design**



**Mitigation, building  
standards, and zoning**



# The role of regulation



Continue data sharing efforts and compact-level innovation.



Expanding access will require better standard definitions for parametric products and the required proof of loss.



Improving product design is not only about Tech.



Regulation should not be seen as the main barrier.



Distribution models are changing – carriers and distribution no longer the same.

Thank you

