



Actuarial Studies Seminar
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Climate Change and Disaster losses

This talk will briefly introduce Risk Frontiers and then address the rising cost of natural disasters. This issue is important and so too is the human influence on climate. Policy makers should, indeed, pay attention to both issues. But a robust body of research shows very little evidence to support the claim that the rising costs associated with weather and climate events are associated with changes in the frequency or intensity of events themselves. Instead, the research that has sought to explain increasing disaster losses has found that the trend has far more to do with the nature of societal vulnerability to those events. This talk will summarise recent work at Risk Frontiers and overseas that has contributed to this conclusion. Future research may yet reveal a connection between climate change and trends in disaster costs, but at present it is premature to attribute trends in disaster costs to anything other than characteristics of and change in societal vulnerability.

Professor John McAneney is the Director of Risk Frontiers and a Professorial Fellow in the Division of Environmental & Life Sciences at Macquarie University. Risk Frontiers is an industry-funded research centre studying natural hazards and their impact on the insurance sector. Its goal is to better understand and price natural catastrophic exposure to earthquakes, hailstorms, floods, tropical cyclones, bushfire and volcanoes in the Asia-Pacific region. To this end it undertakes industry-relevant scientific research, creates databases and other risk products and develops commercial stochastic catastrophe loss models. It also undertakes consulting assignments for a wide variety of insurance and international reinsurance clients, government and emergency management. John has a PhD from the University of Madison-Wisconsin and has studied Decision-making and Strategy at The Wharton and Chicago Graduate Schools of Business. He is the author of some 80 refereed articles on various aspects of boundary layer physics, natural perils and their influence on communities and insurers.