

PRICING FOR CLIMATE RISK

Mark Leplastrier

Executive Manager, Natural Perils

Investor Day

11 April 2018

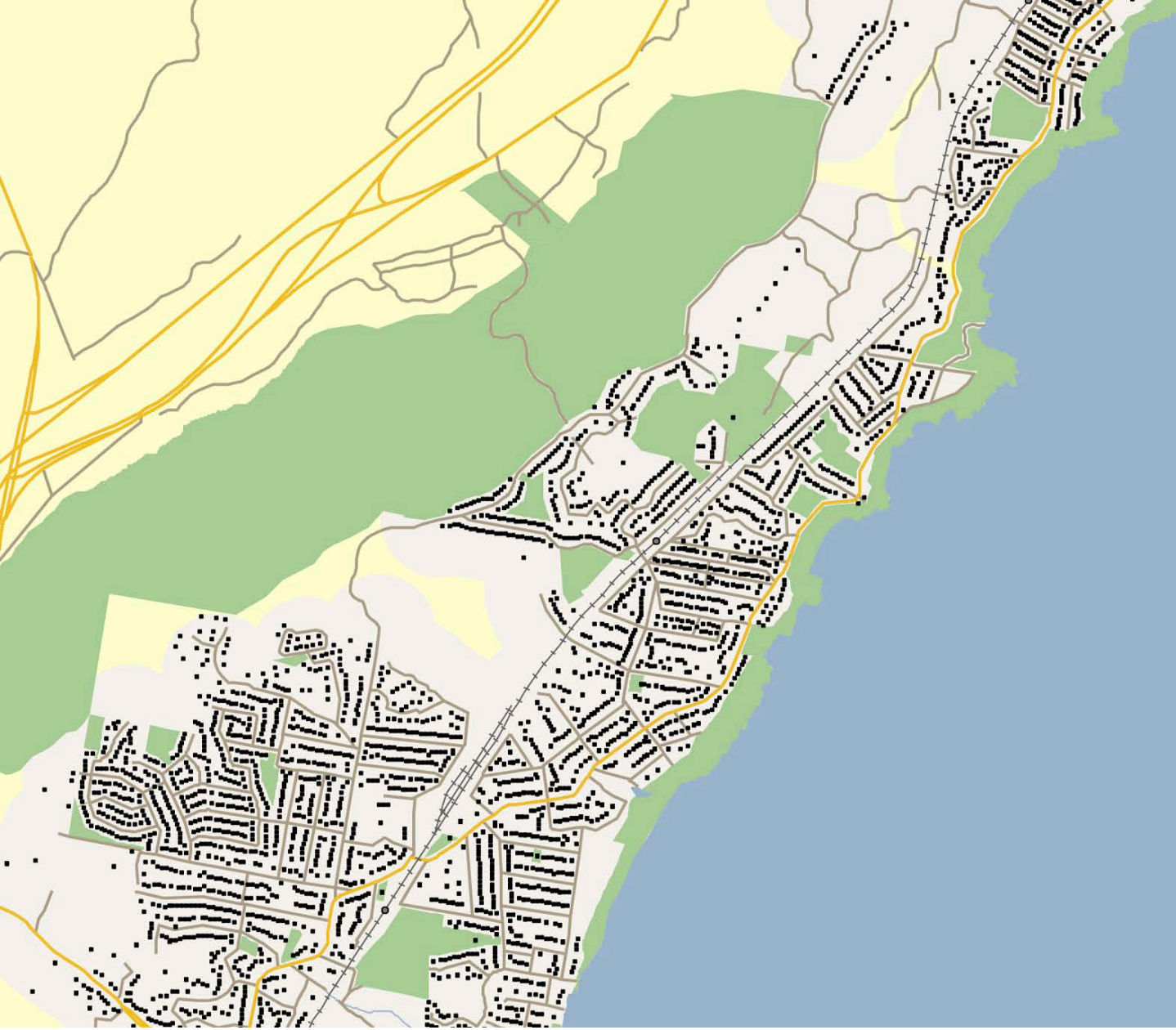


Objective:
**provide a view on climate
risk for any location where
IAG writes business.**

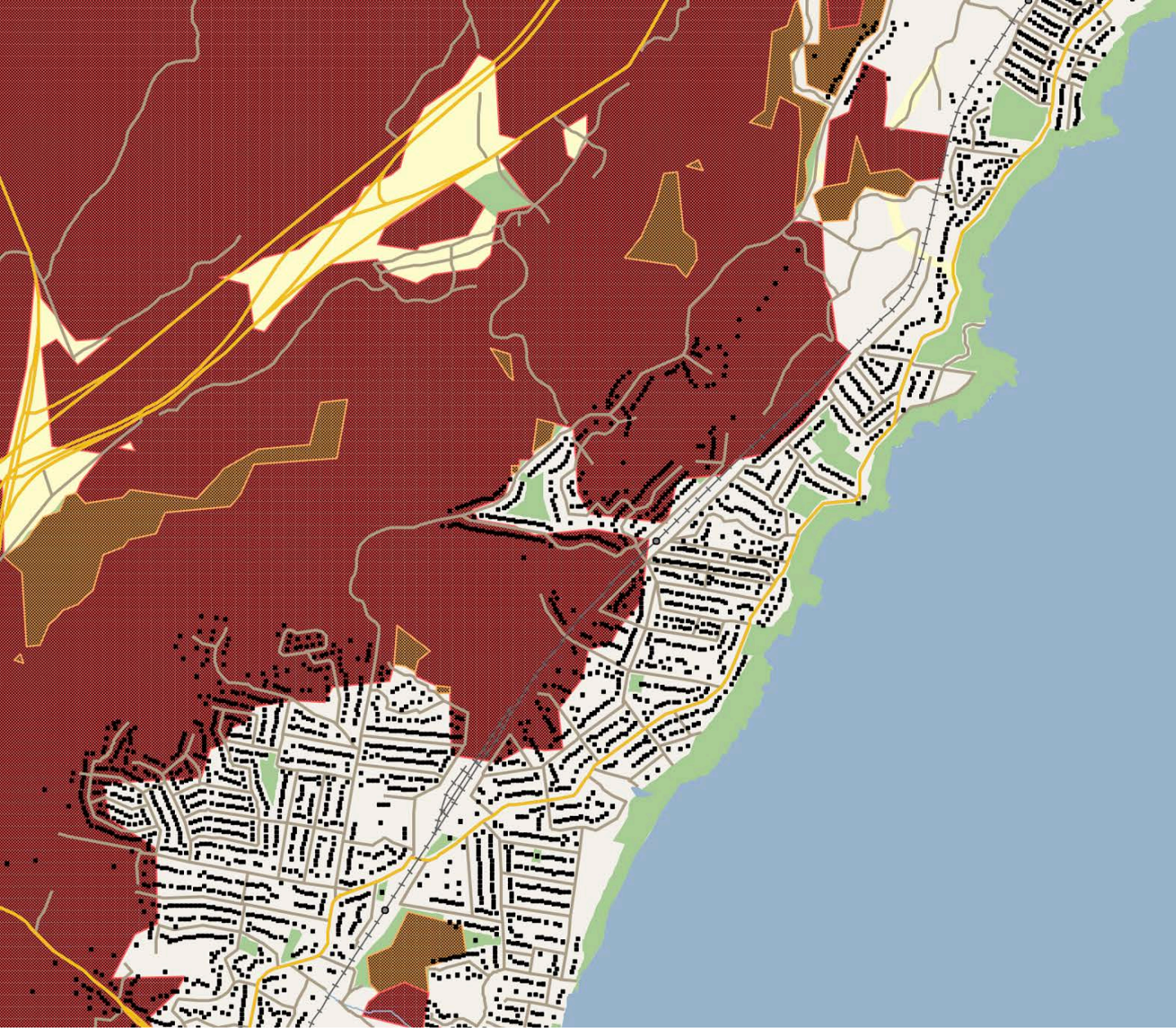




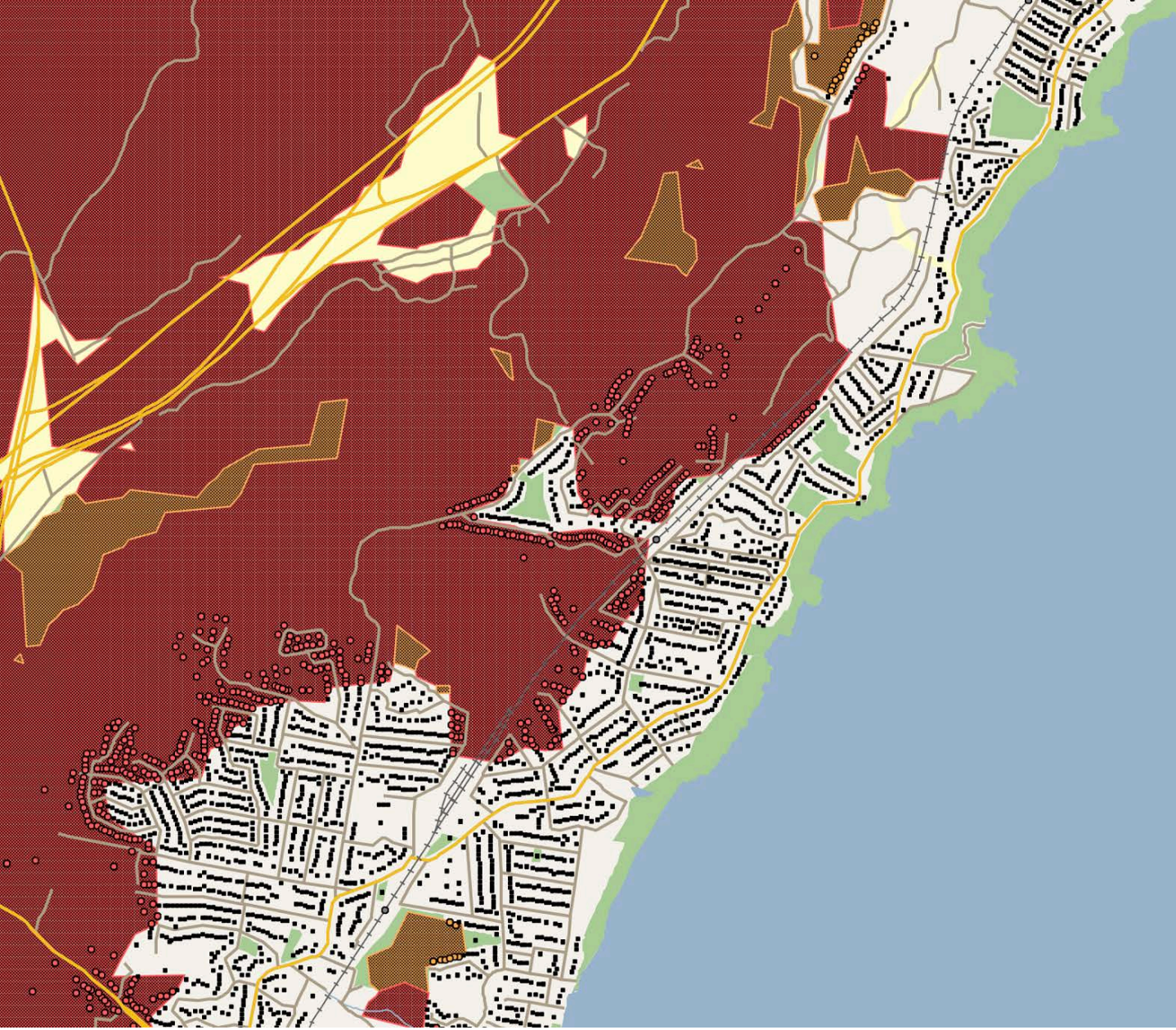
Bushfire?



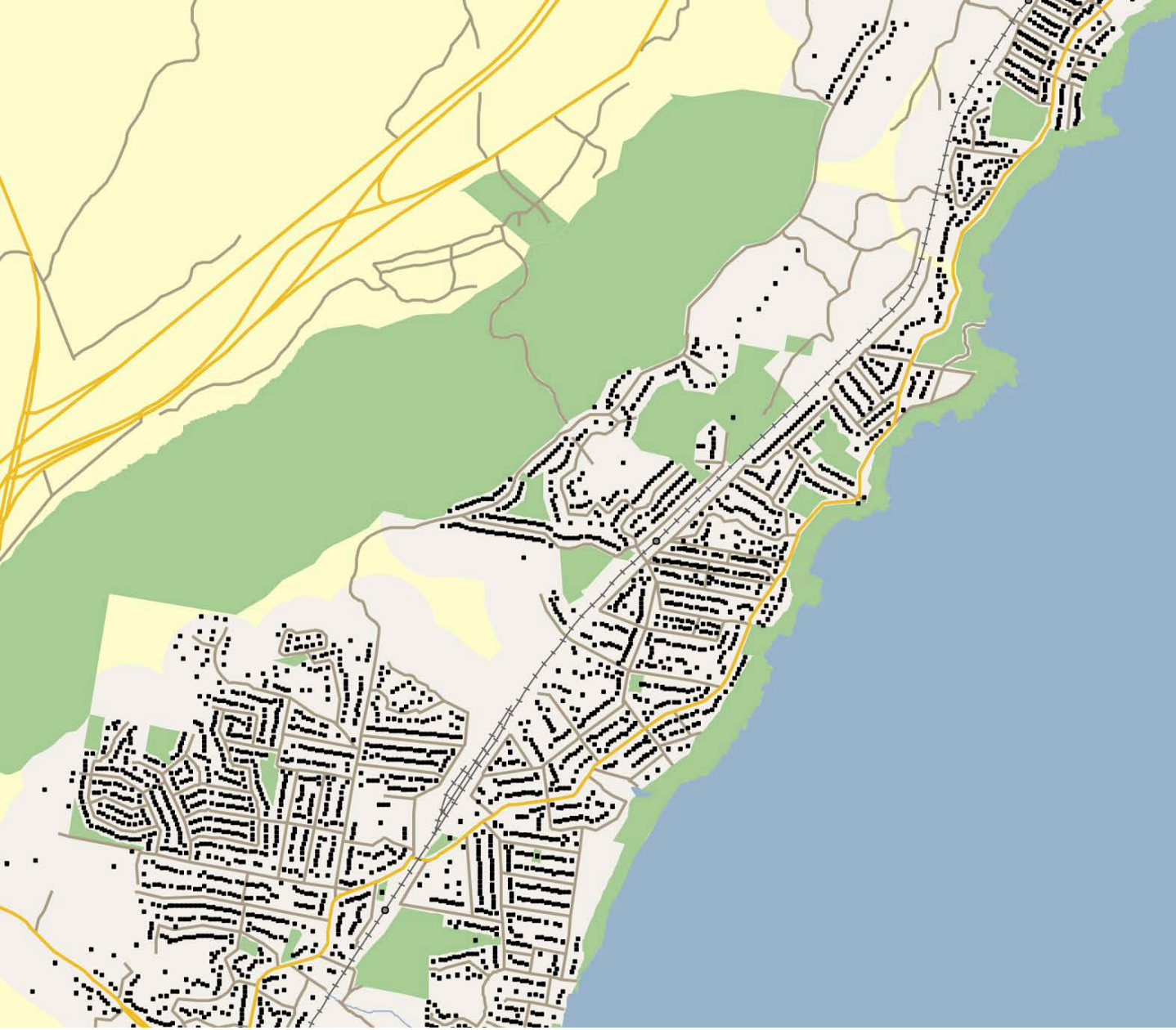
Bushfire?



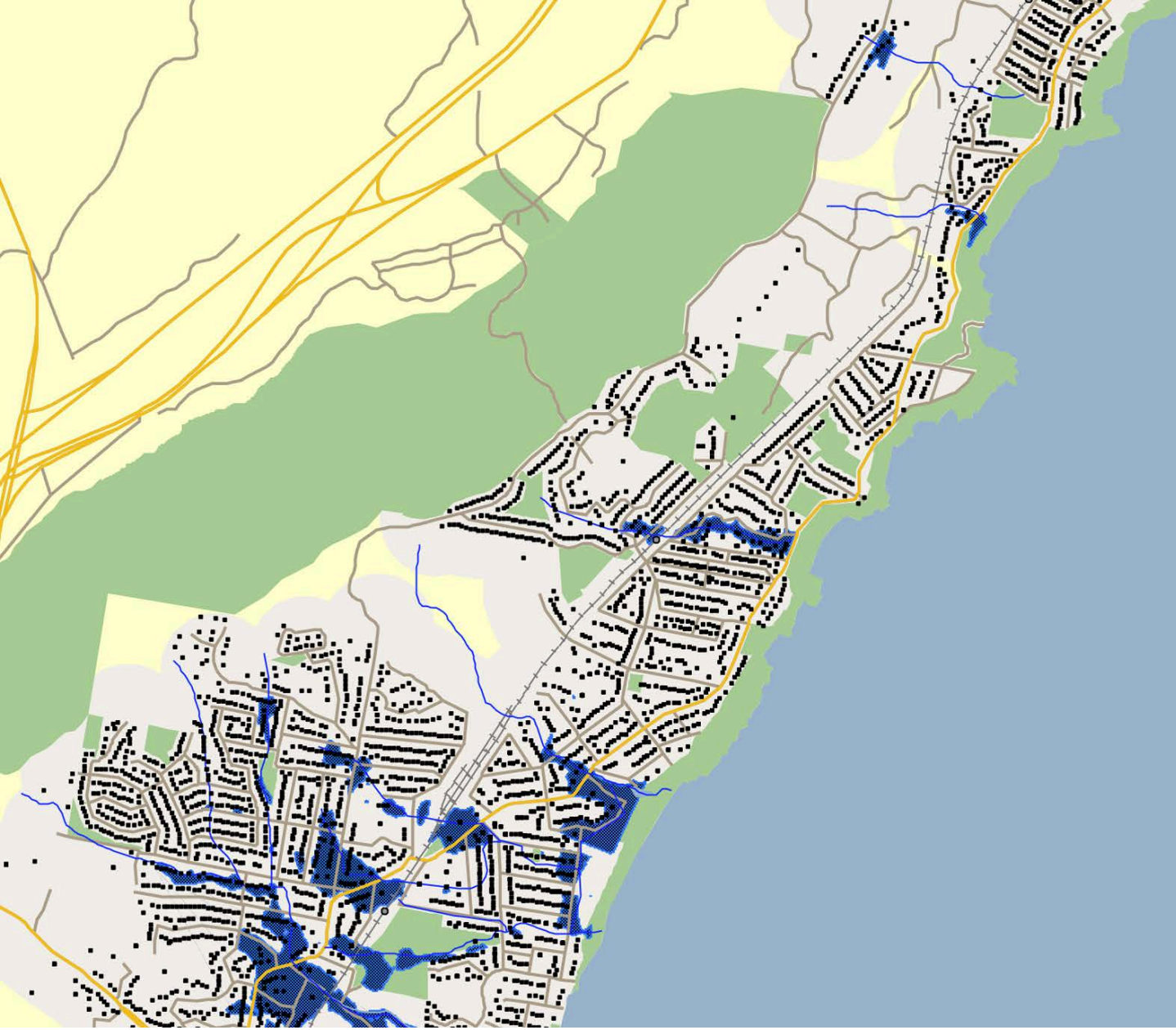
Bushfire?



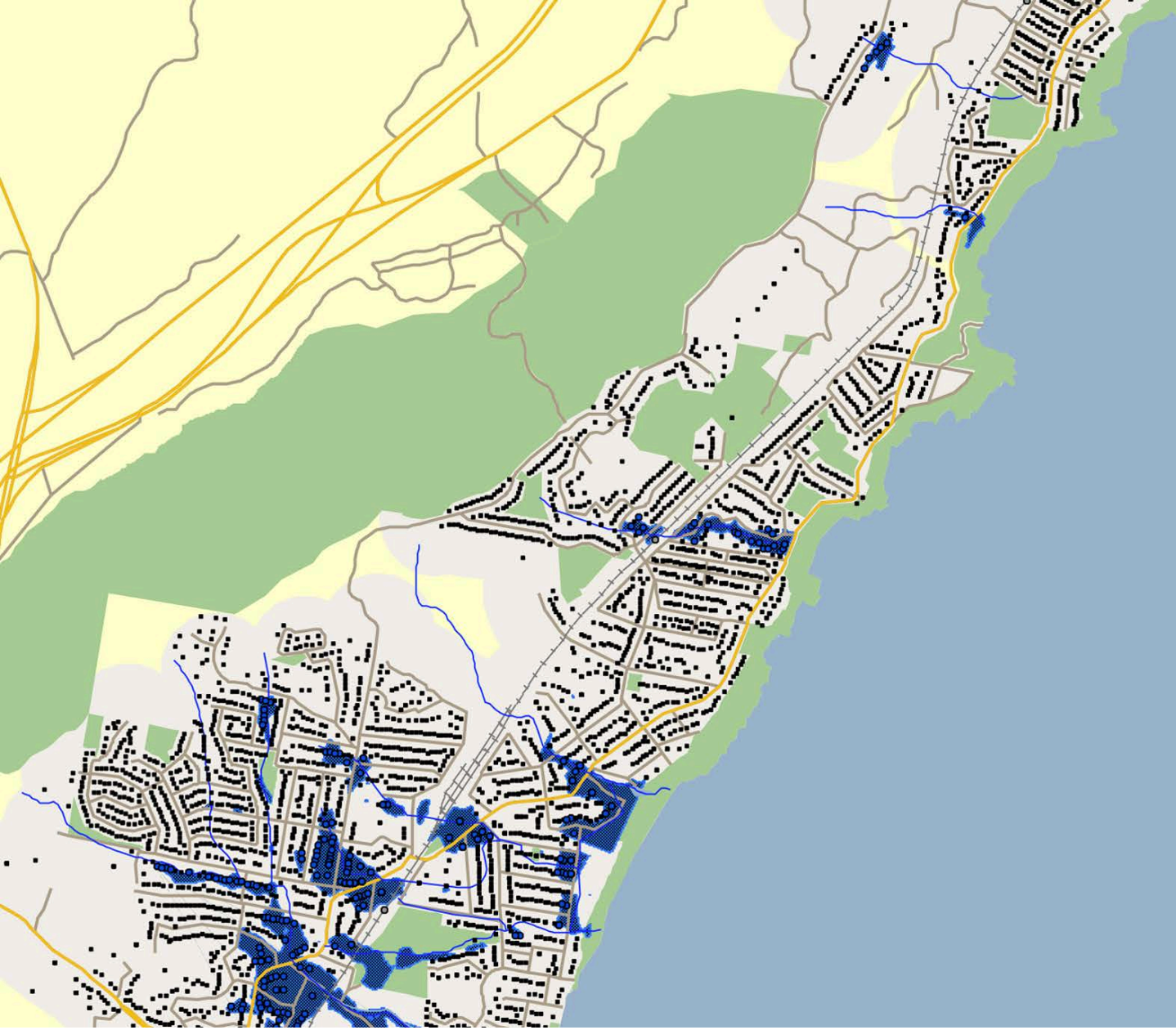
Flood?

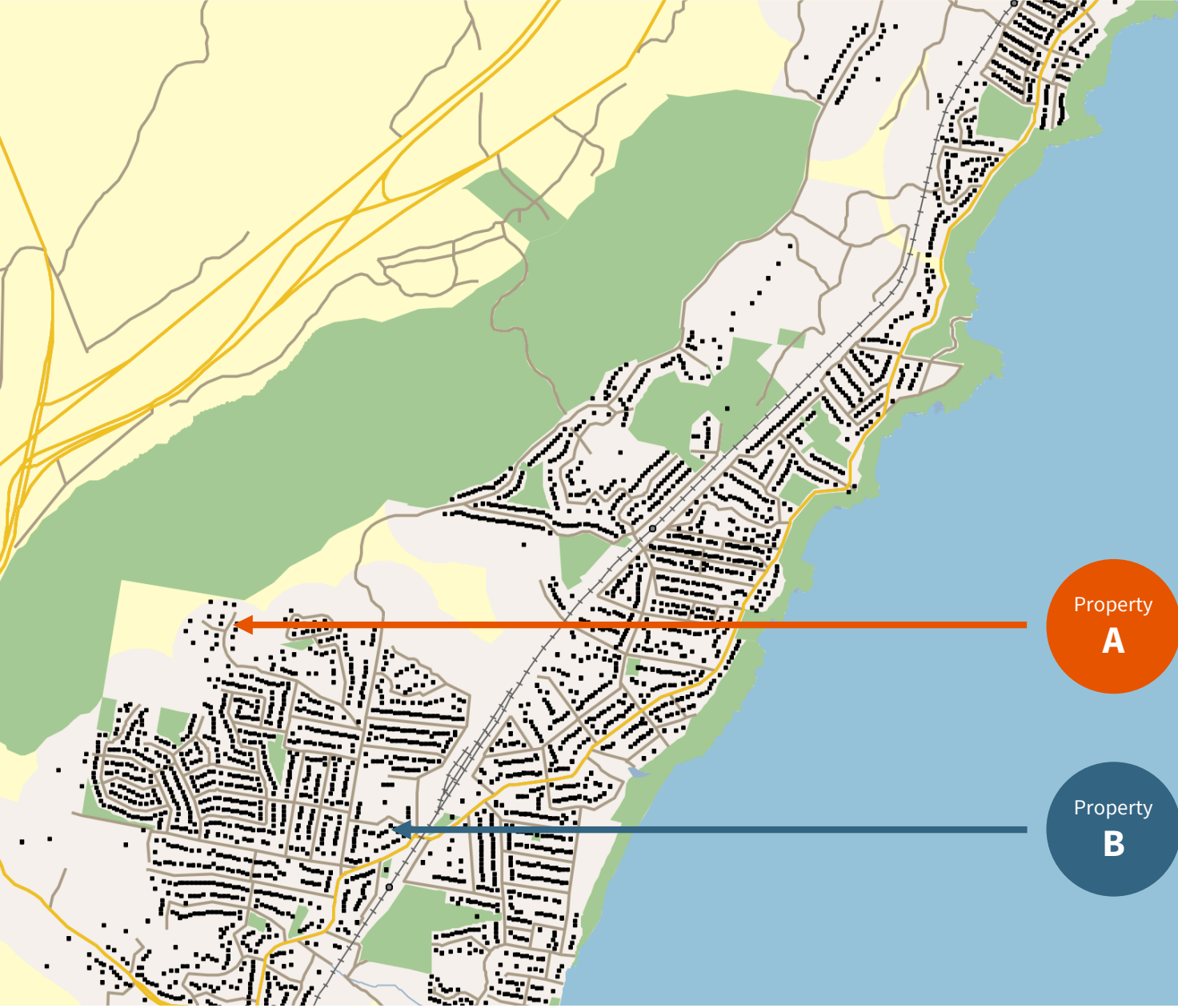


Flood?



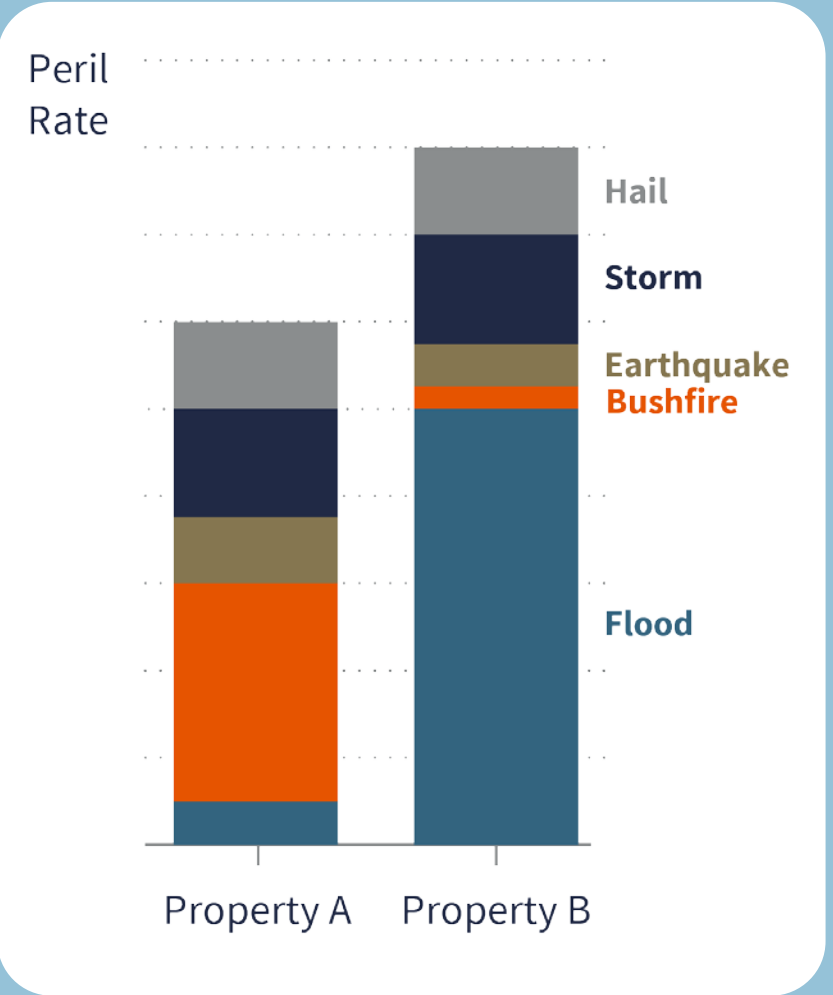
Flood?





Property
A

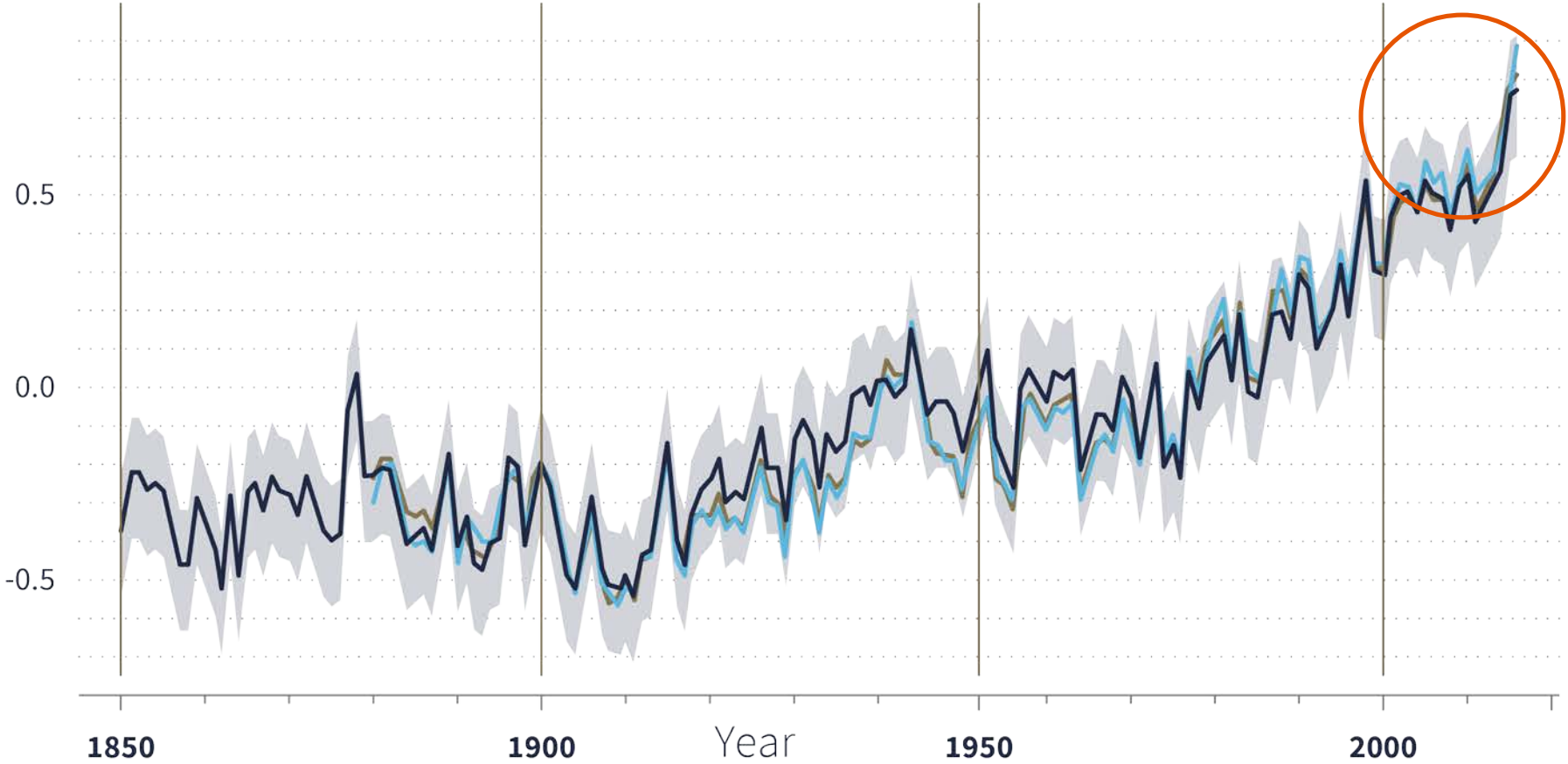
Property
B

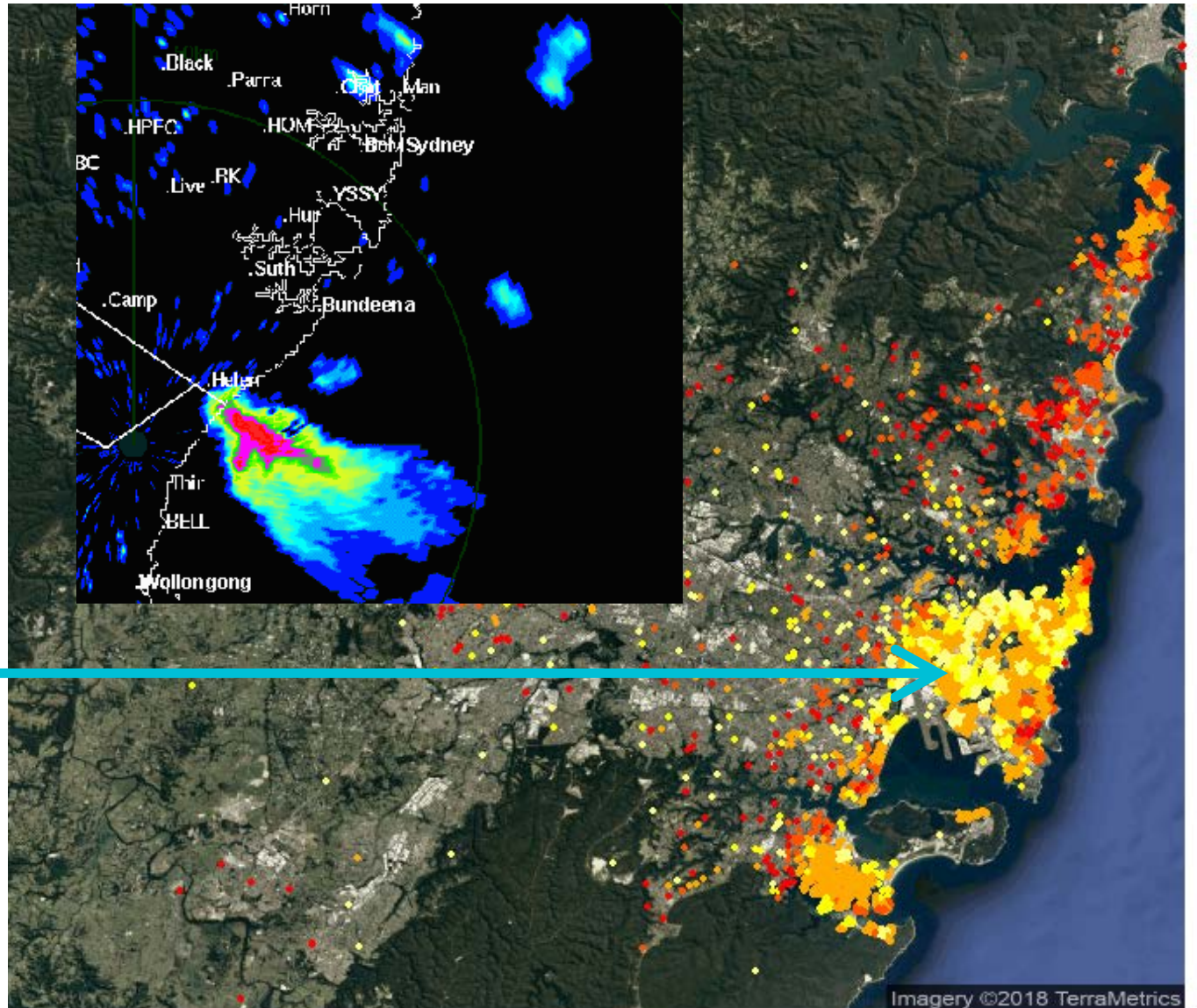


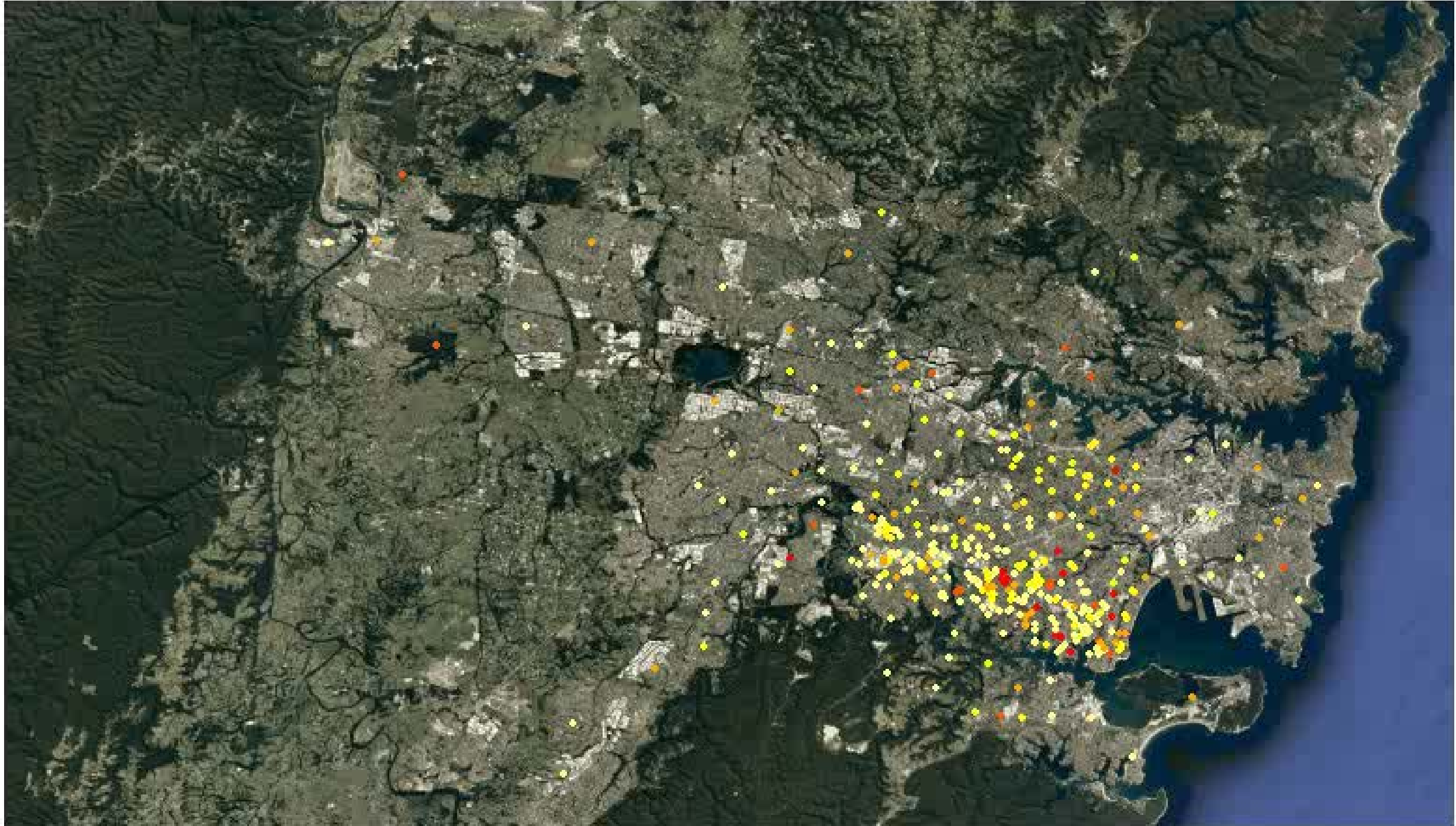
GLOBAL TEMPERATURE RECORD (LAND + SEA)

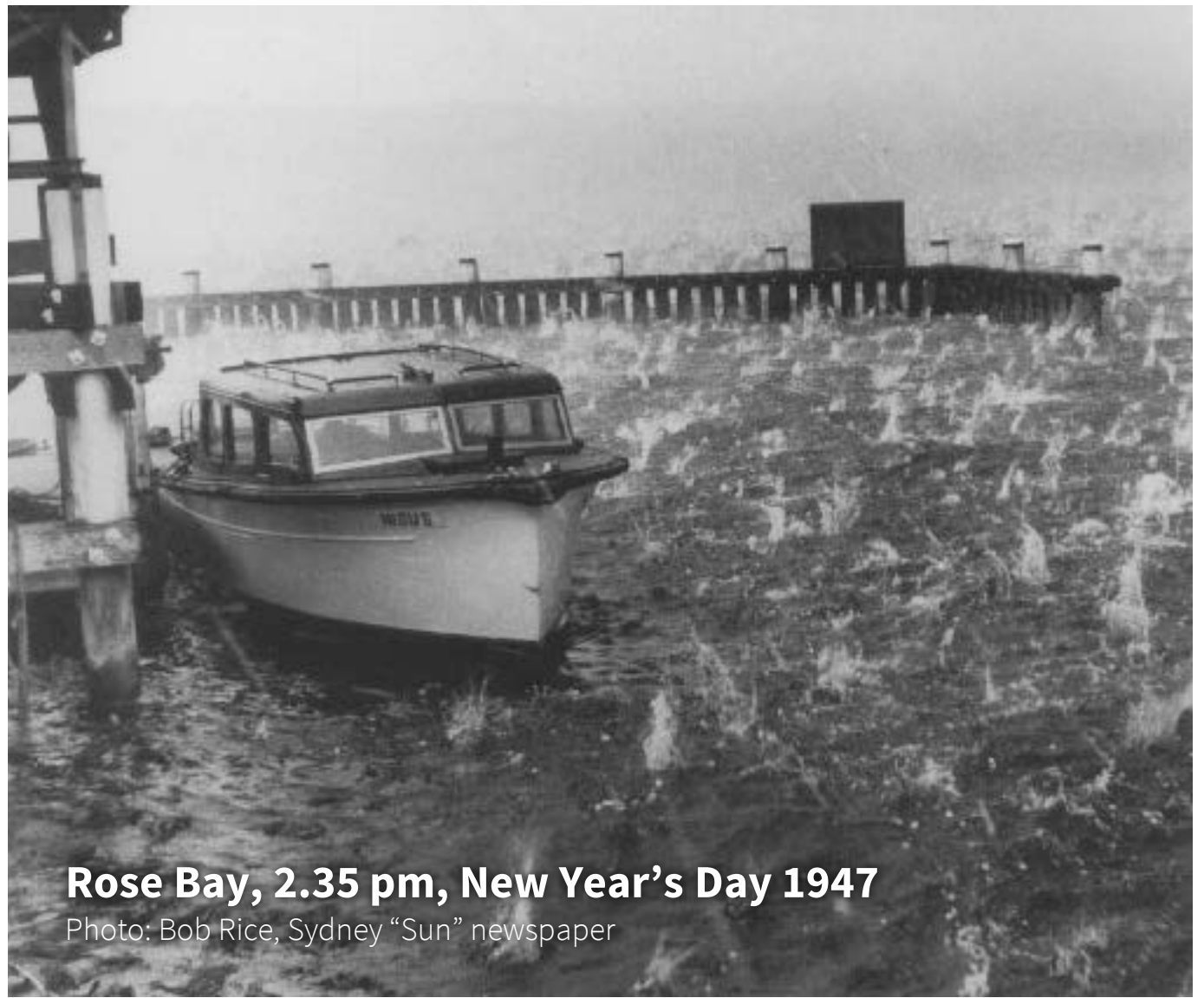
Difference from
1961 – 1990
average (°C)

- Met Office Hadley Centre and Climatic Research unit
- NOAA National Centers for Environmental Information
- NASA Goddard Institute for Space Studies









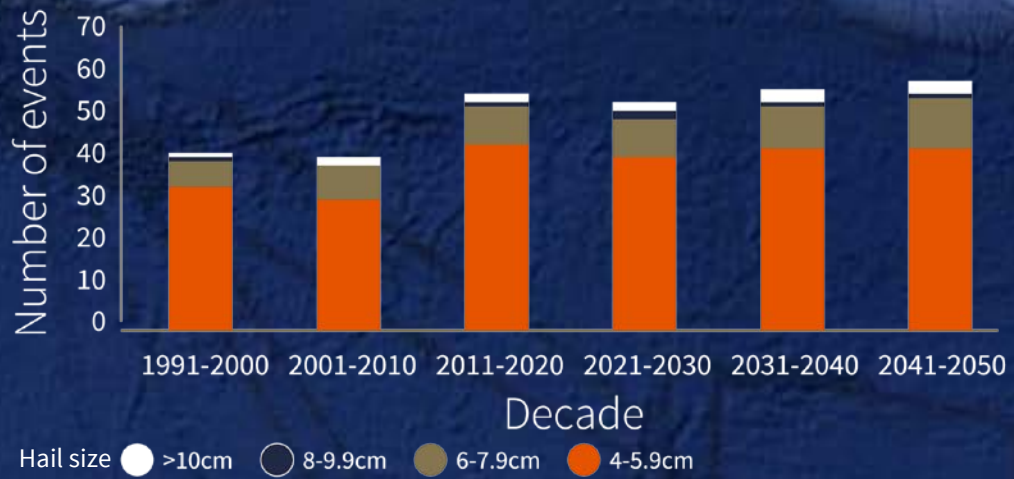
Rose Bay, 2.35 pm, New Year's Day 1947

Photo: Bob Rice, Sydney "Sun" newspaper

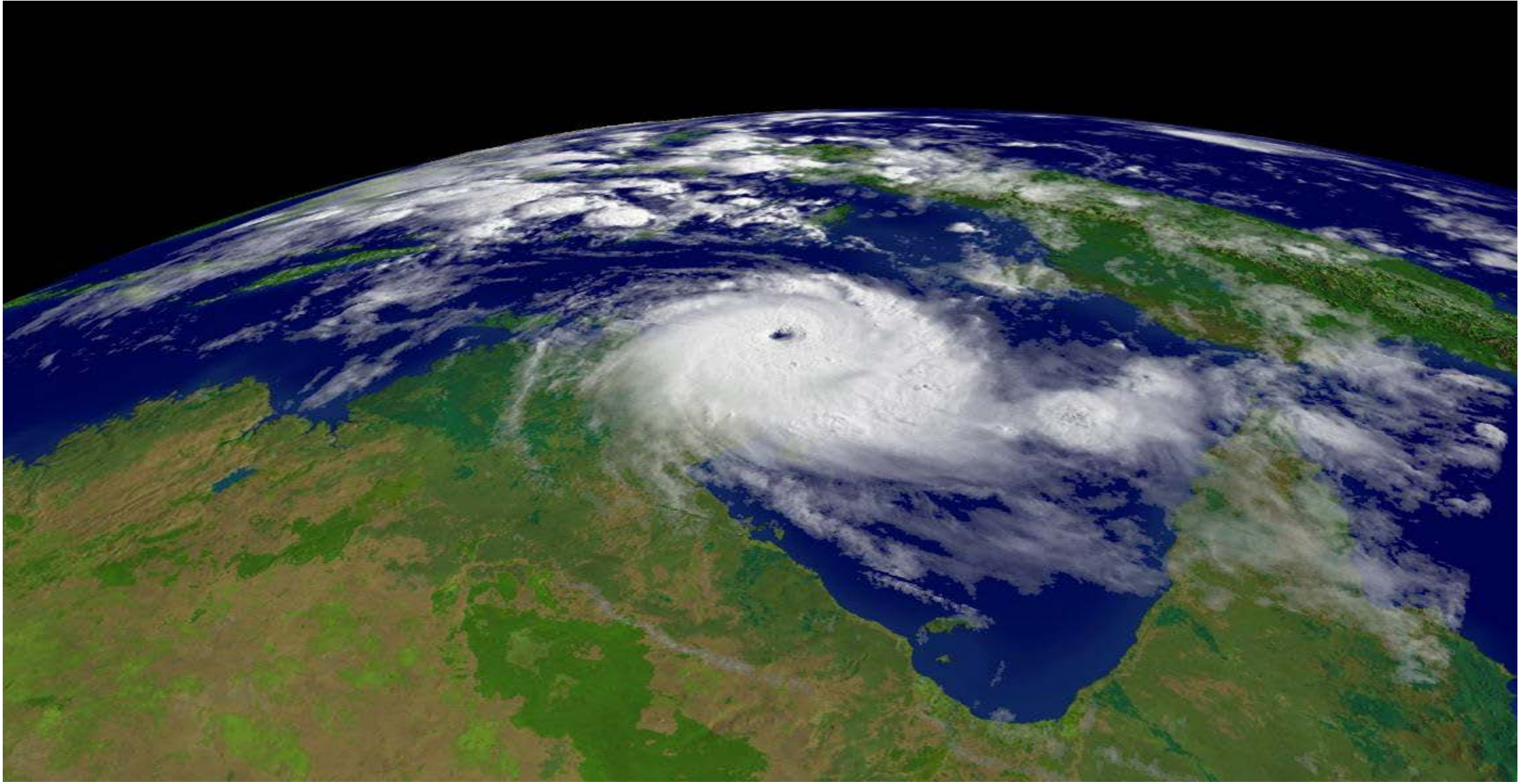
March 2010

November 2016

March 2010
December 2011
December 2017







**CYCLONE
TESTING
STATION**





Debris



Racking

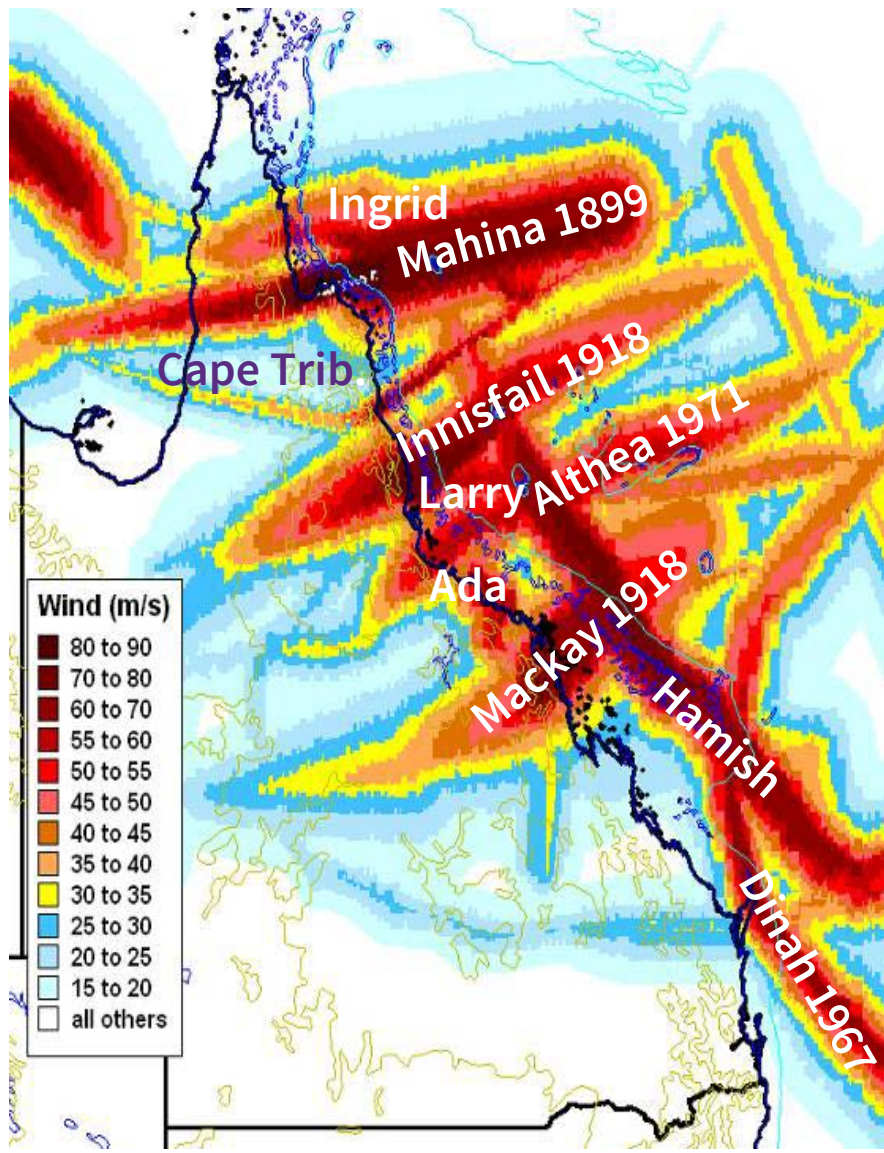


Batten to Rafter



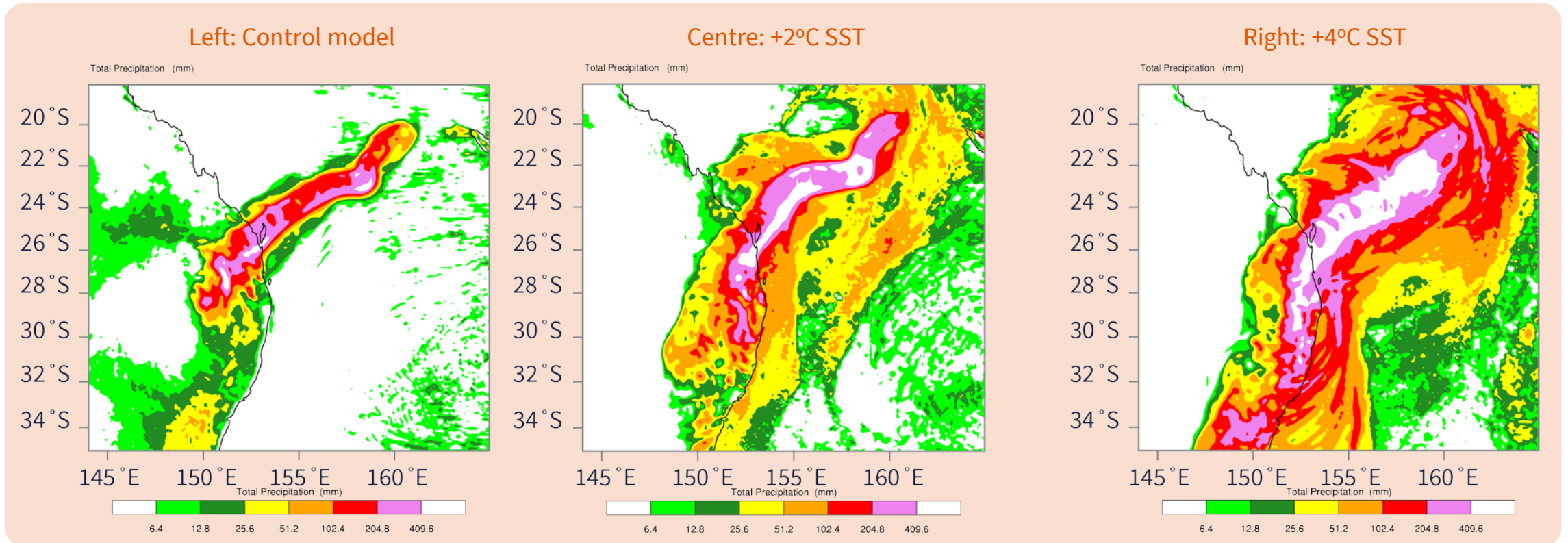
Wall to Rafter





IAG – NATIONAL CENTER FOR ATMOSPHERIC RESEARCH CYCLONE MODELLING PROJECT

SE Queensland rainfall swathes

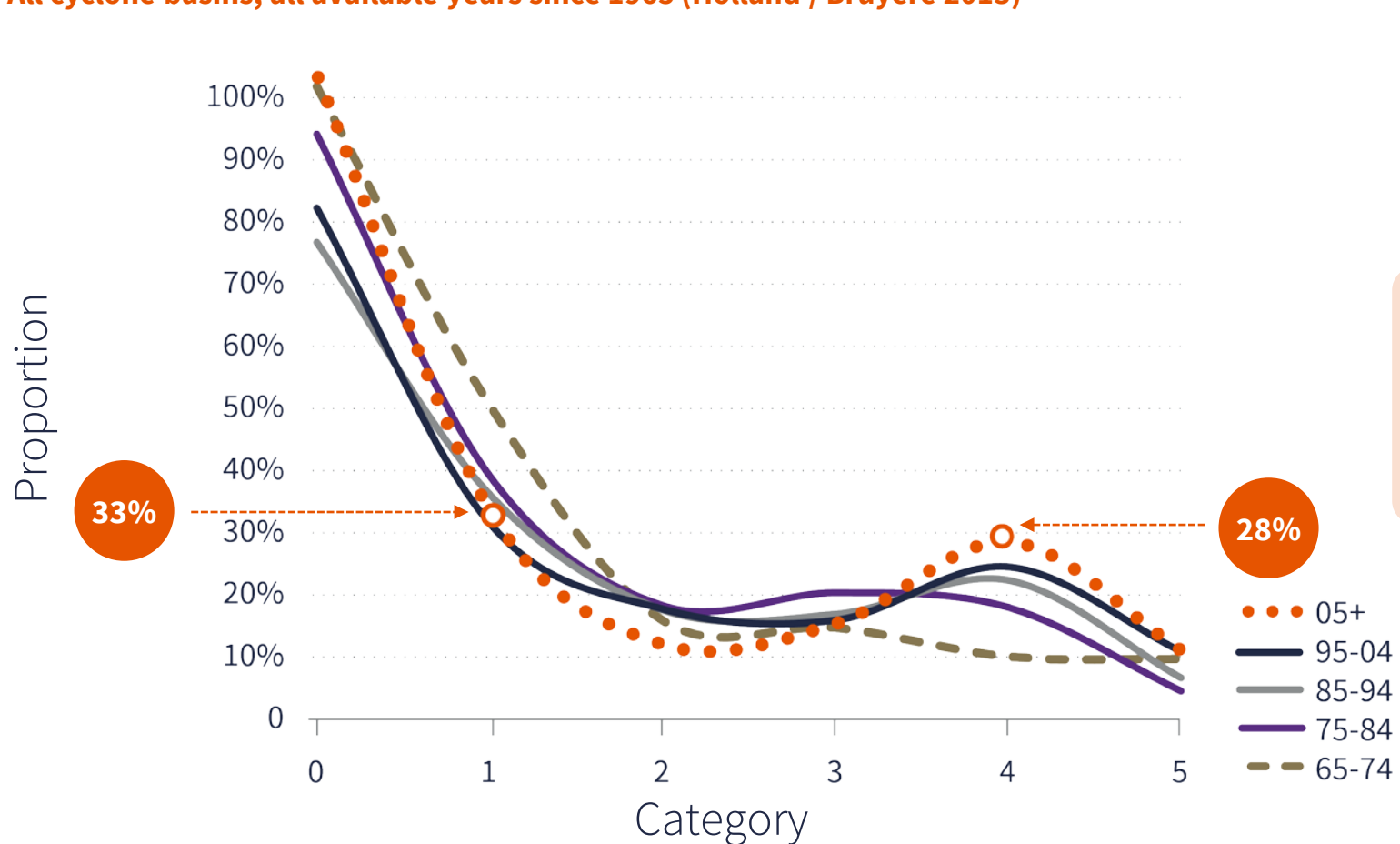


White rainfall areas have over 410mm of rainfall for the event

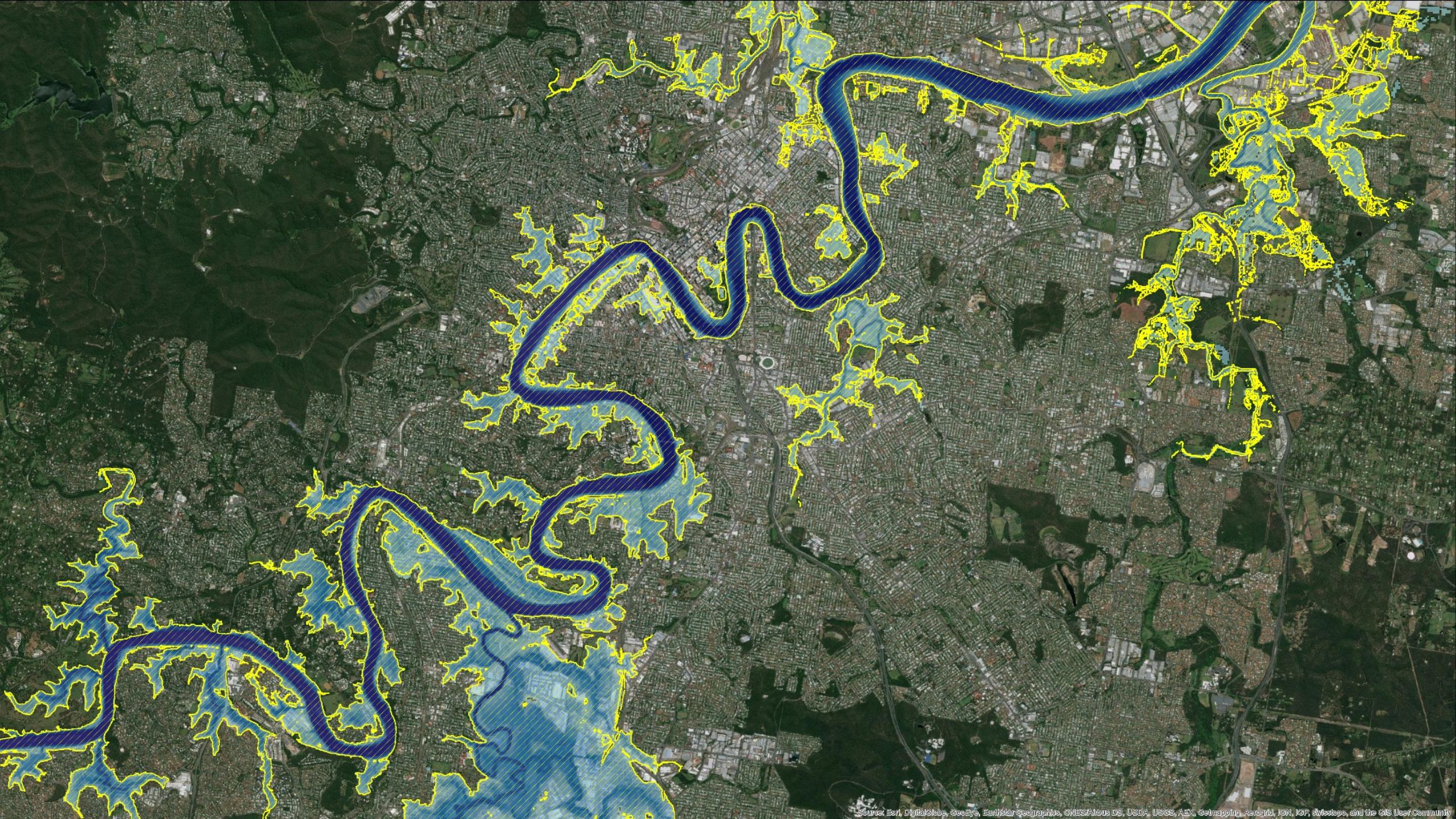
OBSERVED TRENDS IN MAXIMUM LIFETIME INTENSITY

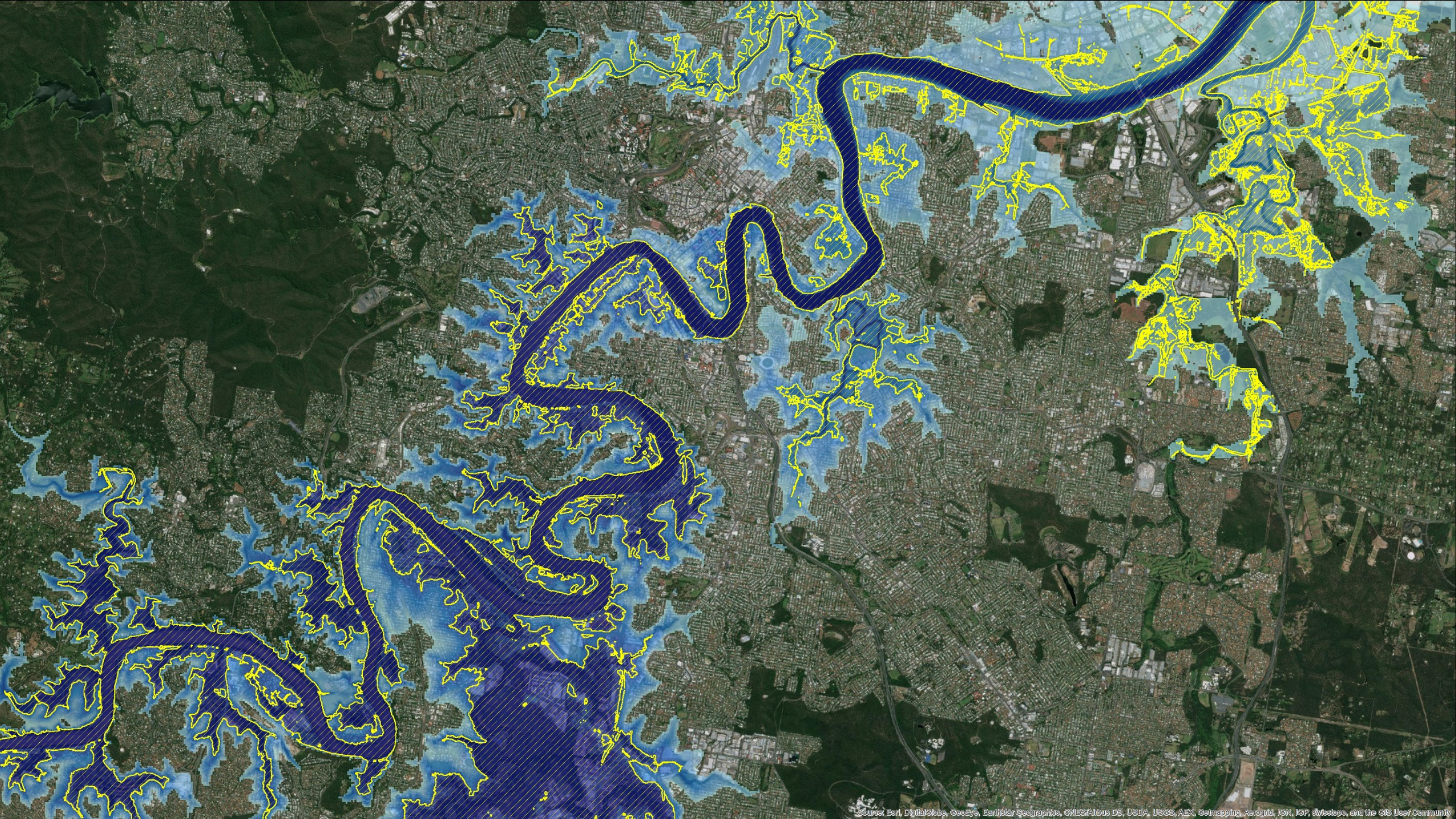
US Saffir Simpson Hurricane Scale

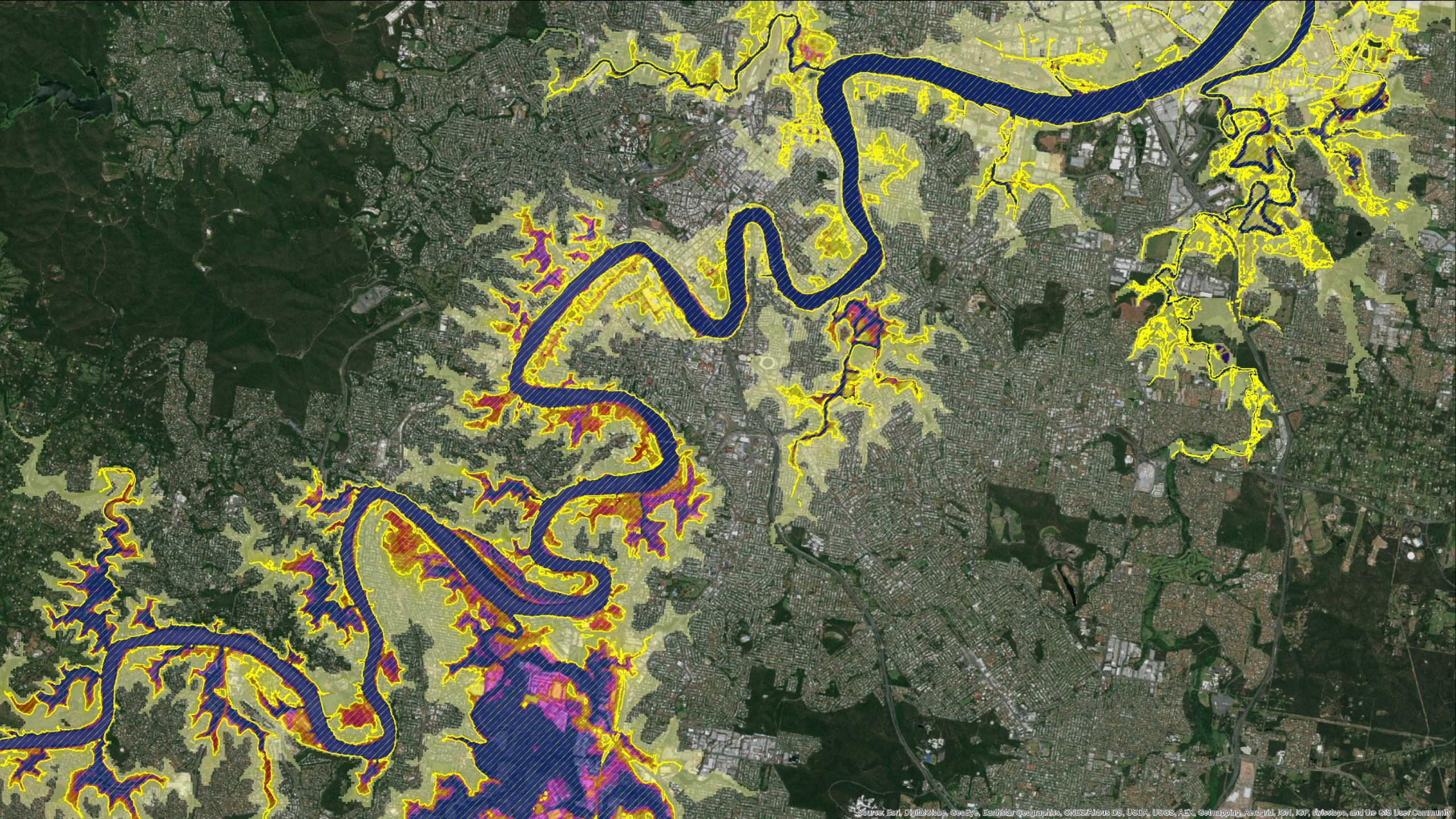
All cyclone basins, all available years since 1965 (Holland / Bruyere 2013)



Category	% of insurance premium	% of annual frequency
1 or less	5%	43%
2	8%	26%
3	47%	22%
4	87%	31%
5	14%	2%







DRIVING RISK REDUCTION

