Risk Center Workshop

Natural Catastrophe Prevention and Insurance: Market and Policy Issues

Thursday, 17 January to Friday, 18 January 2019
ETH Zurich, LEE E 101, Leonhardstrasse 21, Zürich
Aims and Scope:
Natural catastrophes regularly bring to the forefront the same questions on the prevention and insurance of natural catastrophe risks. The tremendous and rapidly growing losses lead to speculation as to the increasing excess of risk exposure. It is also a matter of concern that insurance coverage is so low in most cases. The growing economics literature on natural catastrophe risks sheds light on the role of insurance market failures and poorly designed public policies on these issues. The workshop aims at sharing new academic knowledge on these topics from an economics point of view. Research contributions in this area are all the more crucial in that natural catastrophe risks are expected to escalate with climate change.

Guiding Questions:
• Are actual insurance markets and public policies sufficiently well designed to cover catastrophe risks and to give incentives for prevention actions?
• What type of innovations could be implemented to improve insurance coverage and risk reduction?
• Which tools could increase incentives for prevention while taking into account equity?
• How can we deal with the lack of knowledge of natural catastrophe risks?
• How could people be better informed on natural catastrophe risks?
• How could risk diversification be increased for large catastrophe risks?
• What are the connections between natural catastrophe policies and climate change policies?

The workshop will close with a panel discussion on the second day. The panel will address the impact of climate change on the current debate on increasing natural catastrophe risks.

We look forward to your participation!

Best regards

Prof. Antoine Bommier, Chair of Integrative Risk Management and Risk Center
Arnaud Goussebaile, Chair of Integrative Risk Management
Bastian Bergmann, Executive Director, Risk Center
(Organizing Committee)
Programme Thursday, January 17, 2019
Location: ETH LEE Building, E 101

12.30 Registration
13:00 Welcome
   Prof. Dr Antoine Bommier, Chair of Integrative Risk Management and Economics and Risk Center, ETH Zurich
   Opening Address
   Mami Mizutori, Special Representative of the Secretary-General for Disaster Risk Reduction
   United Nations Office for Disaster Risk Reduction, Geneva

Session 1: Insurance and Risk Reduction
13:30 Prof. Dr Wouter Botzen, Vrije University Amsterdam, Netherlands
   The Relationship Between Flood Insurance Coverage and Policyholder Risk Reduction: Field Survey and Experimental Evidence
14:15 Dr Swenja Surminski, London School of Economics, UK
   Insurance and Flood Risk - Catalyst or Barrier for Anticipatory Flood Risk Governance?
15:00 Coffee Break

Session 2: Risk Correlation and Insurance
15:30 Dr Arnaud Goussebaïle, ETH Zurich, Switzerland
   Optimal Insurance Without Law of Large Numbers
16:15 Prof. Dr Eric Strobl, Bern University, Switzerland
   Diversification of Natural Disaster Risk Across Countries: Evidence from Hurricanes in the Caribbean
17:00 Dr Goetz von Peter, Bank for International Settlements, Switzerland
   Unmitigated Disasters? New Evidence on Recovery after Macroeconomic Shocks

17:45 Closing of First Day and Apero
Programme Friday, January 18, 2019
Location: ETH LEE Building, E 101
8:00 Welcome Coffee

Session 3: Risk Management and Spatial Settlement
8:30 Prof. Dr Bertrand Villeneuve, Paris Dauphine University, France
The Red, the Purple, and the Green: Negotiated Zones Around Hazardous Plants, and Comparison with Natural Risk Management
9:15 Prof. Dr Tatyana Deryugina, Illinois University, USA
Does When You Die Depend on Where You Live? Evidence from Hurricane Katrina
10:00 Coffee Break

Session 4: Insurance and Relief
10:30 Prof. Dr Benjamin Collier, Temple University, USA
Lessons from US Federal Flood Insurance and Disaster Loans
11:15 Prof. Dr Paul Raschky, Monash University, Australia
Government Relief and Post Disaster Settlement
12:00 Lunch Break (Sandwich Lunch)

Session 5: Risk Quantification and Insurance
13:00 Prof. Dr Arthur Charpentier, Université du Québec à Montréal, Canada
How to Estimate the Occurrence Probability of Natural Catastrophes
13:45 Prof. Dr Simon Dietz, London School of Economics, UK
Ambiguity and Natural Disaster Insurance: Premiums and Pricing
14:30 Coffee Break

Panel on Impact of Climate Change: How to Cope with Increasing Risks?
14:45 Prof. Dr David Bresch (Moderator), Chair of Climate and Weather Risks and ETH Risk Center
Lucia Bevere, Senior Economist, Swiss Re Institute
Dr Amar Rahman, Principal Risk Engineer, Zurich Insurance Company
Bruno Spicher, President PLANAT (National Platform for Natural Hazards)
16:00 Closing Remarks and End of Workshop
Location: ETH LEE Building
Address: Leonhardstrasse 21, 8092 Zürich

Travelling by public transport from Main Station
– From the “Bahnhofstrasse/HB”: Tram no. 6 (towards Zoo) until “Haldenegg”.
– From the “Bahnhofplatz/HB”: Tram no. 10 (towards Airport or Oerlikon station) until “Haldenegg”.
– Walk over to “Central” and take the Polybahn (departs every three minutes) to the Polyterrasse.

You will need a ticket for zone 110 (city of Zurich)
Contact

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