Insurance companies looking at the relevance of data in defining insurance services or tools and how this affects risk prevention
Looking at the relevance of data in defining insurance services or tools and how this affects risk prevention

OUTLINE

1. Introducing MRN within the insurance industry

2. How disaster/climate input data create value for the design of insurance / DRM services to the customer

3. How PPPs, involving the insurance industry in the collection and sharing of such data, can promote efficient decision making for disaster reduction, at every governance level

4. Concluding remarks

Lourdes, July 2013
Photo: D. Bourguignon - MRN
Introducing MRN
MRN & ONRN were launched in « reaction » to major natural events

Evolution of cumulated annual insured losses in FR

Evolution in France

Similar evolutions overseas

Indemnités versées (montants actualisés en millions €)

Sources: FFSA - GEMA / 2012

IBHS, USA ICLR, CA ZURS, DE HORA, AT FRAT, CZ SIGRA, IT etc
WHAT IS MISSION RISQUES NATURELS (MRN)?
A professionnal association dedicated to natural risk knowledge and reduction

English version available

www.mrn.asso.fr

www.ffa-assurance.fr
Introducing Mission Risques Naturels (MRN)

The governance of the association, within the French Insurance Federation (FFA)

FFA Member companies operating in property damage Branch are participating to MRN Budget

Insurance Groups currently represented at MRN Board of Directors

www.mrn.asso.fr
Introducing Mission Risques Naturels (MRN)
Three areas of activities

I. FFA, State, EPTB, ... - ONRN
II. Applied research (PhD students):
   a) Public policy evaluation (from insurance point of view)
   b) R&D toward general interest services:
      - SIG MRN
      - BD SILEHC
      - CAT CLIM DATA

- Participative governance bodies (national and local)
- End user representation in project steering groups
- Awareness raising
- Education
- ...
How disaster/climate input data create value for the design of insurance / other services to the customer
Climate/loss data inputs generating added values in the insurance value chain

**INPUTS**
- Climate data
- Loss data
- Other DRM data
- Customer’s profile & needs

**INSURANCE VALUE CHAIN**
- Reinsurance Undertakings & Brokers
- Modelling agencies
- Insurance undertakings
- Loss Adjusters Intermediaries

**OUTPUTS**
- Internal management
- Insurance services
- Other DRM services

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- Climate data
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- Reinsurance Undertakings & Brokers
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**OUTPUTS**
- Internal management
- Insurance services
- Other DRM services
Climate/loss data inputs generating added values in the insurance value chain

- Insurance services (innovation)
  - Filling the coverage gap (art 8. EU CCA Strategy)
  - Alternative risk transfer
    - Finite insurance (based on risk indices and/or climate data)
    - Climate derivatives
- Internal risk management, within the (re)insurance undertaking (improvement and innovation)
  - Claims management:
    - Implementation of early warning services to insurance companies by loss adjusters
    - Use of earth observation & drones for early estimate and loss adjustment purposes
    - « build back better » through detailed loss data analysis at building component level
  - Portfolio management / monitoring
  - Prudential management: internal models (Solvency II directive)
- Other DRM services to customers (innovation)
  - Risk awareness raising services and apps
  - Early warning services (calls and apps) duplicating warning messages by public authorities
MRN GIS Service: risk exposure analysis tool for commercial lines customers

CARTOGRAPHIC INTERFACE FOR SITE ANALYSIS

SAMPLE REPORT ON SITE EXPOSURE ANALYSIS

USE OF HAZARD ZONING LAYER IN PORTFOLIO EXPOSURE ANALYSIS
MRN GIS Service: risk exposure analysis tool for commercial lines customers
MRN flood events database aggregating market data

What for?

Average claim cost by type of peril at event level
MRN CATCLIM Data project

What for?

- Focus on a specific event (here hail event in central France during spring 2014)
- Collect detailed damage data from a sample of claims based on loss adjusters reports
- Study damage by building components to deduce prevention recommendations
How PPPs, involving the insurance industry in the collection and sharing of such data, may promote efficient decision making for disaster reduction, at every governance level.
PPPs involving the insurance industry in France
Integrated NatCat Risk Management & Participative Governance

- NatCat insurance scheme
- Public risk reduction policy financing
- Risk, loss & DRR policy data sharing platform
ONRN

Governance & organization

Data producers
- State administrations
- State Agencies and affiliated
- Local Authorities:
  - Regional observatories, Floodplain managers...
- CCR
- FFSA-GEMA / loss adjusters
- Utilities operators
- Researchers
- Others

Agreement:
State - CCR – MRN & local authorities

ONRN
Data, Information & Knowledge collection, sharing, outreach

PORTAL

ONRN does not produce raw data

Users
- Partners
- Professional communities
- General Public

Management Committee: representatives of the partners
End Users Committee: French National DRR Platform
Working groups & Projects
PPP for IKM sharing and DRM governance

Downloadable indicators:

Web portal:

www.onrn.fr
ONRN

Use of ONRN indicators for DRM participative governance at local and regional level

An example of integrated application using a cross analysis of ONRN indicators in the governance of the French Natural Disaster Risk Management policy

www.onrn.fr/site/binaries/content/assets/documents/onrn/160125_onrn_unisdr_light.pdf
www.onrn.fr/site/binaries/content/assets/documents/onrn/onrn-sendai---compilation-of-presentations-final.pdf
4 Concluding remarks on inclusive activities within the French national platform
Implementing the Sendai Framework by The French Association for Disaster Risk Reduction

AFPCN platform

INTERNATIONAL ACTIVITIES

AFPCN is an official member within the French National DRR Platform. It also participates in the European Forum of the EDRR (EFDRR) and the international ISDR network.

SCIENTIFIC COUNCIL

The Scientific Council of AFPCN is composed of experts from different fields. The main objective is to strengthen ties with researchers and ensure the implementation of the Sendai Framework.

SST activities in relation with the implementation of the Sendai Framework for DRR 2015-2016

The Scientific and Technical Partnership for the implementation of the Sendai Framework National and local events and networks.

- Climate Ready 2015
- The Green Journey: the most advanced research, expertise and decision-making networks within the field of DRR.
- PREVENT: The evolution of the expertise over time.
- Expertise and Network Hub: Mainly concerned with the efficacy of the systems and access to action. AVERT-Red Cross for its role in coordination of the sector of the public action and disaster risk reduction.
- CARTOCROIX: Not only an NGO, but also a key player in the event of a crisis. The platform gathers experts, public actors and international stakeholders involved in risk management.
- Understanding disaster risk, risk assessment and early warning.
- Social Networking.
- Early Warning.
- Critical Infrastructure and utilities network vulnerability and natural disasters.
- Use of business, technology and innovative tools, methods and standards, in particular in the implementation and monitoring of the Sendai Framework.
- Support to the DRRM and management of the cluster committee (pre-earthquake 2016).

A national risk data sharing platform in PPP for increased DRR participative governance in France

The French National Observatory for Natural Risks (ONRN)

What is the ONRN ?

- It is a public-private partnership arrangement that was signed in May 2012 by:
- The French Administration represented by the Ministry of Ecology in charge of DRR policies (MEDDE/DGPI).
- CCR (Comité de Coopération), main remover of the French NatCoR regime.
- ANF (Mutuelle Espaces Naturels), an association dedicated to risk knowledge and reduction, between two French trade associations of insurance underwriters, TISA and OEMA.

Objectives

- To improve and capitalize knowledge on natural hazards and exposed populations and areas.
- To contribute to the management and governance of risk prevention.
- To enhance economic analysis of prevention and crisis management.
- To improve risk culture at national and local levels.
- To accelerate the network of observatories.

Tasks

- Gather and provide available data on natural hazards in France.
- Publish unpretentious documentation drawn up by the ONRN, in particular based or data derived from the insurance sector.
- Organize working groups and seminars.
- Define an evaluation process.

Results

- ONRN web portal shows notably access to:
- About 100 data producers referenced with their data bases, accessible through different queries, among which a territorial.
- 41 specific indicators (in total), available open source for download via an interactive cartographic interface and documented by standardized exploitation rules and metadata.
- A series of publications: "Cahier de l'ONRN".
- Three regional project partnerships and a large potential of increasing the project partnership portfolio, due to the newly envisaged observatory initiative as well as the integration of observatory segment into Flood Action Programs (FAP).
- An always increasing community of end-users, from all stakeholders categories, contributing to the French DRR Platform (AFPCN).
- The ONRN enforces VGI on less data collection and management. Its the French member of EO less Data Workshop of IRC.
- Outreach policy: ONRN partners contributes to DRR forum.

200 stakeholders referenced

41 indicators documented

2016

Posters presented at the SFDRR technical and scientific implementation conference, Geneva, January 2016

DRMKC Seminar – Rome 2017 | Break out group 2: CCA – Insurance companies... R NUSSBAUM
Thank your for your attention

roland.nussbaum@mrn.asso.fr