



Business, Insurance and Financial Implications

RenaissanceRe
RISK SCIENCES FOUNDATION, INC.

What Direct Impacts Do We Face?

Moderator:

Craig Tillman, RenaissanceRe Risk Sciences Foundation

Panelists:

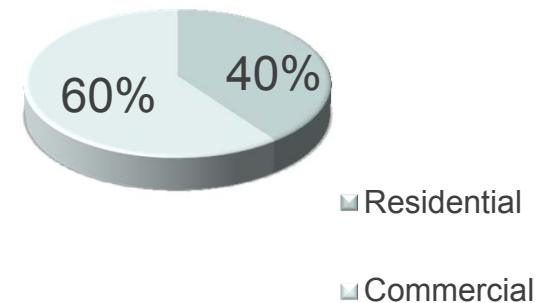
Dr. Jay Guin, AIR Worldwide

Dr. Patricia Grossi, Risk Management Solutions

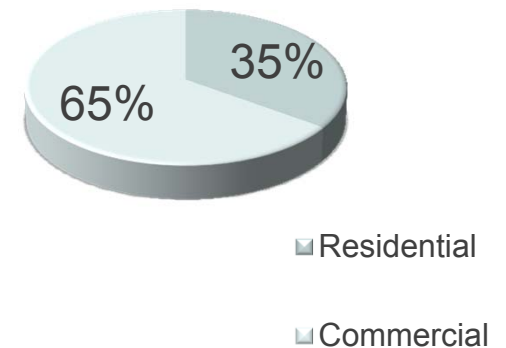
Thomas Larsen, EQECAT

Potential Losses in a Repeat of the Northridge Earthquake (Shake + Fire)

- Total **Economic** Losses – range from \$90B to \$155B
 - Residential losses range from \$32B - \$76B
 - Commercial/Industrial losses range from \$59B - \$82B



- Total **Insured** Losses – range from \$12B to \$24B
 - Residential losses range from \$4B - \$8B
 - Commercial/Industrial losses range from \$8B - \$17B



A Regional Risk Perspective

- Return Period Losses for Los Angeles Basin (LA, Ventura, Orange, Riverside and San Bernardino Counties)
 - 100-year (99%): \$137 - \$173B
 - 250-year (99.6%): \$215 - \$263B
 - 500-year (99.8%): \$250 – \$321B
- Predicted Northridge-sized loss ranges from a 50 – 100-year return period for the Los Angeles region (five county area)
 - Every year we have at least a 2% probability of a loss of this size
- This probabilistic view captures a full range of possible earthquakes – from large San Andreas events to more moderate events that are closer to the densest part our built environment
 - Moderate urban events, like Northridge and Christchurch can also be a significant risk in terms of frequency of occurrence and the ultimate economic loss



**Business, Insurance
and Financial
Implications**

RenaissanceRe
RISK SCIENCES FOUNDATION, INC.

What Direct Impacts Do We Face?

Moderator:

Craig Tillman, RenaissanceRe Risk Sciences Foundation

Panelists:

Dr. Jay Guin, AIR Worldwide

Dr. Patricia Grossi, Risk Management Solutions

Thomas Larsen, EQECAT