Global natural disaster losses

billions of 1999 US dollars

Source: ICLR, based on data from Munich Re
Wildfires and insurance

- Origins of the insurance industry
- Trends in wildfire damage
- Role of insurers in wildfire management
Origins of the insurance industry

Great fire of London (1666)
U.S. insurance premiums

billions of dollars, 1999

- automobile
- property, home
- workers' compensation
- property, commercial
- liability
- other

Source: ICLR, with data from the Insurance Information Institute
Fire and insurance

homeowner claims paid, Canada

Source: ICLR, with data from IICC
U.S. catastrophic losses by cause

Inflation adjusted, 1980 - 1999

- Tornadoes
- Hurricanes
- Winter Storms
- Earthquakes
- Wind/Hail/Flood
- Fire
- Other
- Wildfire

Source: ICLR, with data from the Insurance Information Institute
Wildfires and insurance

- Origins of the insurance industry
- **Trends in wildfire damage**
- Role of insurers in wildfire management
Trends in wildfire damage
Why losses are rising

- More people and property at risk
- The climate is changing
- An increase in available fuel
North American population

Source: ICLR, based on data from Statistics Canada and U.S. Bureau of the Census
Projected winter temperature change

between 1975-1995 and 2080-2100, Canadian Climate Change Model

Source: Meteorological Service of Canada, Environment Canada.
Increased available fuel

- Decades of effective fire suppression have increased the fuel available to burn
Wildfires and insurance

- Origins of the insurance industry
- Trends in wildfire damage
- Role of insurers in wildfire management
Role of insurers

- Compensation for fire loss
- Public education
- Incentives for property owners
- Land use planning
Compensation for U.S. fires

Source: ICLR, with data from the Insurance Information Institute
Public education

- Consumer information
- Supporting research on wildfires
- Industry awareness
## Insurance incentives

### Approved Roof

<table>
<thead>
<tr>
<th>Code</th>
<th>Exposure Distance in Feet</th>
<th>Class of Protection</th>
<th>Col. A*</th>
<th>Col. B**</th>
<th>Col. A*</th>
<th>Col. B**</th>
<th>Col. A*</th>
<th>Col. B**</th>
<th>Col. B**</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Under 30'</td>
<td>1 - 4</td>
<td>0.63</td>
<td>0.63</td>
<td>0.75</td>
<td>0.75</td>
<td>1.01</td>
<td>1.01</td>
<td>2.01</td>
</tr>
<tr>
<td>2</td>
<td>30'–59'</td>
<td>5 - 6</td>
<td>0.44</td>
<td>0.57</td>
<td>0.57</td>
<td>0.75</td>
<td>0.88</td>
<td>0.88</td>
<td>2.01</td>
</tr>
<tr>
<td>3</td>
<td>60’–99’</td>
<td>6 - 7</td>
<td>0.31</td>
<td>0.44</td>
<td>0.38</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>2.01</td>
</tr>
<tr>
<td>4 –5</td>
<td>100’–199’</td>
<td>8 – 9</td>
<td>0.13</td>
<td>0.25</td>
<td>0.19</td>
<td>0.38</td>
<td>0.38</td>
<td>0.38</td>
<td>1.76</td>
</tr>
<tr>
<td>6 – 7</td>
<td>200’-299’</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.25</td>
<td>0.25</td>
<td>1.26</td>
</tr>
<tr>
<td>8 – 9</td>
<td>300’-399’</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.75</td>
</tr>
<tr>
<td>10</td>
<td>400’</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Unapproved Roof

<table>
<thead>
<tr>
<th>Code</th>
<th>Exposure Distance in Feet</th>
<th>Class of Protection</th>
<th>Col. A*</th>
<th>Col. B**</th>
<th>Col. A*</th>
<th>Col. B**</th>
<th>Col. A*</th>
<th>Col. B**</th>
<th>Col. B**</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Under 30'</td>
<td>1 - 4</td>
<td>0.79</td>
<td>0.79</td>
<td>0.94</td>
<td>0.94</td>
<td>1.26</td>
<td>1.26</td>
<td>2.52</td>
</tr>
<tr>
<td>2</td>
<td>30’–59’</td>
<td>5 - 6</td>
<td>0.55</td>
<td>0.71</td>
<td>0.71</td>
<td>0.94</td>
<td>1.1</td>
<td>1.26</td>
<td>2.25</td>
</tr>
<tr>
<td>3</td>
<td>60’–99’</td>
<td>6 - 7</td>
<td>0.39</td>
<td>0.55</td>
<td>0.47</td>
<td>0.63</td>
<td>0.63</td>
<td>0.94</td>
<td>2.52</td>
</tr>
<tr>
<td>4 –5</td>
<td>100’–199’</td>
<td>8 – 9</td>
<td>0.16</td>
<td>0.31</td>
<td>0.24</td>
<td>0.47</td>
<td>0.47</td>
<td>0.63</td>
<td>2.2</td>
</tr>
<tr>
<td>6 – 7</td>
<td>200’-299’</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.31</td>
<td>0.47</td>
<td>1.57</td>
</tr>
<tr>
<td>8 – 9</td>
<td>300’-399’</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.94</td>
</tr>
<tr>
<td>10</td>
<td>400’</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: ISO
Land use planning

- Insurance advocacy
- Land use planning priority
- Need adequate fire management resources
Wildfires and insurance

- Origins of the insurance industry
- Trends in wildfire damage
- Role of insurers in wildfire management
Role of insurers

- Public education
- Incentives for property owners
- Land use planning