



Climate change, Disaster Management & Public Procurement

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Background in UK

- Central government
- Local government
- Private sector

Focus on central government



Past methodology

- Cost of damage met through current revenue
- Cost of liabilities also
- Perception of self-insurance
- No reserving



Problems (1)

- IFRS – but no accruals-based accounting
- Rising costs of weather related events
- Increasing legislative burden and scrutiny
- Unpopularity of tax increases
- Changes in accountability



Problems (2)

- Restriction in Crown Indemnity
- Mergers
- Valuations
- 'Insurer of last resort'
- Cultures
- Claims management



Some options

- Captive
- Reinsurance
- Deductible
- Business as usual



Issues

- Capacity to contract
- HMT regulation
- Decision-making
- Market concerns
- Management



Future

- Cat Loss
- XS of Loss
- Claims management
- Outsourcing
- Legislative changes