Meeting Minutes – Winnipeg Actuaries Club Semi-Annual Meeting

Location: Virtual Teams Meeting

Date: Wednesday, May 29th 2024

Time: 12:00 PM – 1:30 PM

**Agenda**

Welcome Reception & Registration

Presentation in Auditorium

Topics: Study of Catastrophic Climate Events in Canada•

Presenters: Jiali Wang & Yuhang Ou

WAC Business Session

Buffet Lunch

**Minutes**

* Started with a fun poll question: “what are you looking forward to this summer?”
* The first presentation was given on flood insurance claims in Canada.
* The second presentation was given on wildfire insurance events in Canada.
* A variety of questions were asked. Those questions and those answers were:
  + What is the proportion of wildfires caused by humans vs. natural causes?
    - Not really in the scope of the study. Lightning is the most common cause.
  + How can insurance companies manage the risk of rising claims costs?
    - Use the emerging data to estimate claims costs more accurately. Should also encourage more proactive managing of the claim events that cause not only financial costs but human costs as well.
  + What adjustments were made to the data to adjust for events like Fort McMurray not being 1/100 probability anymore?
    - Definitely possible given how large Canada is.
  + For the year 2023, how much damage can be explained by predictive variables?
    - 2023 wasn’t in the scope of the study. However, the predictive variables say that the 2024 outlook for claims costs will be as high as 2023.
  + Has fire’s/flood’s impact to human health been quantified?
    - Don’t have the data available to do this yet due to how delayed the visible effects to human health are.
  + Should life insurance companies be looking at air quality as a pricing factor?
    - This question got conflicting answers from both of the presenters. One said that since air quality effects everyone equally, it would not be a good pricing factor. The other says that some companies are doing this in practice but is unsure of the details.
  + How can companies handle the growing concerns around flood and fire events?
    - Multiple suggestions for this: 1) lobby government to push for more protections against flood risk, 2) increase premiums for insurance coverage for these events, 3) look to earthquake insurance in other geographies for other suggestions.
  + Is there a temperature threshold for fire risk?
    - Data suggests at the 99.5% confidence interval, which is 33.73 degress Celsius
  + In the data, why is there such a large spike in claims in 2016?
    - Fort McMurray
  + How does Canada compare to other geographies with respect to natural disasters?
    - This comparison was out of scope of the study. Hurricanes are usually much more costly than wild fires.
  + Is average maximum temperature the only factor impacting wild fire risk?
    - No, but it is the only statistically significant one based on the data. Average precipitation is an example of another important factor.
  + Will any increases to mortality from wild fires be offset by an increase in the effectiveness of medical technology?
    - No answer as this was out of scope.
  + Does flood risk vary across Canada?
    - Difficult to say given the size and population of the various regions. The majority of the data comes from BC, AB, and QC.
* The presentation and Q+A concluded. Next was the business section of the meeting, which involved presenting the slide deck prepared beforehand. Notable mentions:
  + To facilitate networking, assigned seating was used for this particular meeting. Feedback on this was requested by the WAC Co-Presidents.
  + The UMAC sponsorship proposed at the previous meeting was not tabled this time.
  + Concluded the business section with an open floor for any questions. None were asked.
* Lunch was served.