

Editorial

Last August marked the 40th anniversary of what today is still the highest loss event in the history of the Consorcio de Compensación de Seguros and extraordinary risk insurance, namely, the 1983 floods in the Basque Country. Those of us of a certain age can still remember the pictures of the devastation in Bilbao and the area of the Bilbao estuary. The floods caused havoc not just in the Basque Country but also in Navarre and Cantabria. As regrettable and catastrophic as they were in terms of both personal injury and property damage, they were also a wake-up call and an opportunity to undertake far-reaching changes, changes that can be seen today when we walk through the most hard-struck areas, which are now places of interest to tourists that offer world-class services. The situation also resulted in new approaches by the institutions in charge of water and land management, weather forecasting and insurance coverage. This issue of our magazine looks back at that terrible episode, its causes and effects, and the profound impact it had on a number of key institutions, such as the river basin management authorities, the then National Meteorological Institute (INM, for its Spanish initials), now named the State Meteorological Agency, and the Consorcio de Compensación de Seguros (CCS) itself.

Starting with the last one, two articles focus on the CCS's role in the events. One has been written by the then CCS Head of Department, Pilar González de Frutos, who would go on to be the Consorcio's Managing Director for Operations, later the Director-General of Insurance Affairs and Pension Funds, and after that the President of Unespa [Spain's Insurers Association]. She is clearly one of the most prominent figures in the Spanish insurance industry in recent times. Pilar recounts her experience managing that loss event in 1983 and explains how the CCS handled the situation. Back then, the Consorcio was operationally and structurally quite different from what it is today, and it underwent sweeping changes that have given it its present form. Similarly, Belén Soriano, the CCS's Assistant Director for the Technical Area and Reinsurance, has compiled all the data and reports concerning that loss in the CCS's records and has produced an interesting article discussing the economic impact of the event. She also brings us some thoughts from that time on whether or not the CCS should use reinsurance to protect against this type of highly catastrophic events.

The weather conditions that brought about that episode are discussed in an interview with Ángel Rivera, then a meteorologist with the INM, who was deeply involved in the work of weather forecasting and in the restructuring of meteorology procedures and capabilities in Spain in the wake of that event and earlier flooding in the Valencian Region in 1982.



The floods caused havoc not just in the Basque Country but also in Navarre and Cantabria. As regrettable and catastrophic as they were in terms of both personal injury and property damage, they were also a wake-up call and an opportunity to undertake far-reaching changes, changes that can be seen today when we walk through the most hard-struck areas, which are now places of interest to tourists that offer world-class services. The situation also resulted in new approaches by the institutions in charge of water and land management, weather forecasting and insurance coverage.

José María Sanz de Galdeano Equiza, Director of Planning and Works, and Aitziber Urquijo Luengo, Head of Hydraulic Works, with the Basque Water Authority have assessed the hydrological aspects of that flood event and the measures since taken to mitigate the impact of similar episodes today.

It has already been noted how important the CCS's data are to enable us to describe the event. Francisco Espejo and Urko Elozegi, with the CCS's Subdirectorate of Research and International Relations, have taken some of those data and analysed the spatial and seasonal distribution of losses from natural hazards covered by the extraordinary risk insurance scheme. Their findings are helpful in enhancing our understanding of those risks so that they can be reduced.

Institutions like the CCS make up a group of protection gap entities that operate in certain countries, usually in the form of public-private partnerships. The recently published *Disaster Insurance Reimagined* by Paula Jarzabkowski and her team discusses the role of entities of this kind. One of the authors, Eugenia Cacciatori, of the Bayes Business School of the City, University of London, reviews that book.

Rounding off this issue of Consorsegueros Digital is a consideration of a highly topical case-law issue, the classification of personal mobility vehicles, namely, electric bikes, as motor vehicles, by José Antonio Badillo, the CCS's Regional Representative in Madrid and a leading specialist on the subject, which greatly influences whether third-party liability insurance is needed for accidents involving these vehicles.