

Editorial

In this autumn 2016 issue of the Consorsegueros Digital magazine, our intention is once again to examine the intersection between natural risk knowledge, its management and the management of the financial consequences of such risks from the perspective of an insurance institution.

In this regard, we are including a detailed and interesting analysis of the management of the sequence of earthquakes which occurred in the Christchurch area, New Zealand, between 2010 and 2011 and the consequences of these events, by Hugh Cowan, Bryan Dunne and Anna Griffiths, of the New Zealand Earthquake Commission, a public agency providing insurance to cover the country's geological risks. This is a magnificent example of the occurrence of a very significant and complex event, unfolding in an environment with an extremely high degree of insurance penetration (which met approximately 80% of the costs), managed by a public agency in cooperation with the private sector. This analysis addresses highly relevant issues, such as the feasibility of insurance in order to provide a response to the needs of society by managing the financial risks derived from a catastrophe, the additional role of insurance institutions in the knowledge, dissemination, management and mitigation of the risk and, in general, the many actors who are called upon to participate in all of these processes and the way in which they coordinate with each other, with flexibility and adaptability, particularly at times of crisis.

Focusing more directly on the financial management of catastrophe risks, Leigh Wolfrom, from the OECD, has signed another article in this issue describing the approach and results of the OECD Conference on the Financial Management of Flood Risk, which took place in Paris in May 2016. The issues dealt with included the impact of climate change on flood risk, the range of financial instruments –insurance ranking among the most important- for the transfer of risks, the balance between coverage and affordability and premiums as risk indicators and as an incentive for mitigation by the insured.

Along these same lines, two references in this issue comment upon studies by the World Bank on strategies for the financing and reduction of disaster risks and by the rating agency, A.M. Best, on the programs, or their absence, for insurance coverage of catastrophes in Europe.

Also on the subject of flood risk, in another article, the head of the River Basin Processing Centre of the Ebro River Automatic Hydrological Information System (SAIH), José Adolfo Álvarez, provides a detailed explanation of the hydrological management of flood processes and of how the combination of meteorological and hydrological information in real time, together with the effective management of reservoirs, is capable of significantly reducing the hazard level of floods.

Another basic objective of this magazine is to disseminate the wide range of activities of the Consorcio de Compensación de Seguros. In this regard, the current issue of the magazine includes an illustrative contribution by Carmen García Canales (CCS) on Foreign Business Risk Coverage for Spanish Companies and the participation of the CCS in the Risk Reserve Fund for the Internationalisation of the Spanish Economy; a "CCS news article", by Alejandro Izuzquiza, on the extension of the coverage of extraordinary risks to vehicles with compulsory civil liability insurance and the reduction of the rest of the CCS surcharges in the automobile insurance branch and, finally, the regular and always interesting contribution on case law by J.A. Badillo.



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