

From Thierry Masquelier, Head of the "Caisse Centrale de Réassurance", Paris, France (as an answer to a question of B. Beauzamy, concerning the article in the Financial Times).

September 9th, 2007

(trad. B. Beauzamy)

Until now, the increase of insured damages is due much more to a higher penetration of insurance than to a climate change.

Earth observation helps "tune" the models, but the improvement of the models, no matter how useful it is, cannot by itself justify the costs of the investments in this observation. The models simply benefit from this observation, when it exists.

A better prediction would not imply a significant reduction of the costs, since mankind does not master the trajectory or the strength of a hurricane. But an alert, given early enough and precise enough, may allow to take preventive measures : put most precious goods in a shelter, get organized for early resume of the activity. They save lives and reduce the cost of the tornado, but only marginally, since the tornado itself cannot be avoided.