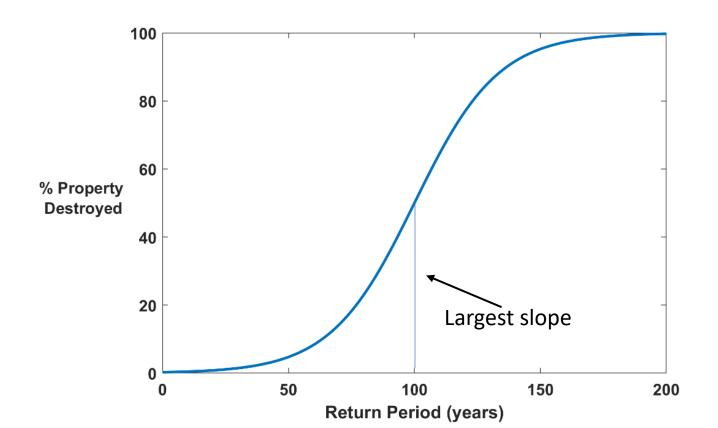


Flawed Basis of Current Hazard Modeling

- Most current risk assessments are based on historical statistics
- Historical records are flawed and too short
- Moreover, the past 50-150 years is a poor guide to the present owing to climate change that has already occurred
- We need to bring physics to bear on weather hazard risk

Why Natural Hazard Risks are Dominated by Extreme Events:

- Societies are usually well adapted to frequent events (> 1/100 yr)
- Societies are often poorly adapted to rare events (< 1/100 yr)
- Large cost increases result when > 100-yr events become < 100-yr events



Example: Flooding from Hurricane Harvey, 2017

Three independent scientific studies appeared in 2017:

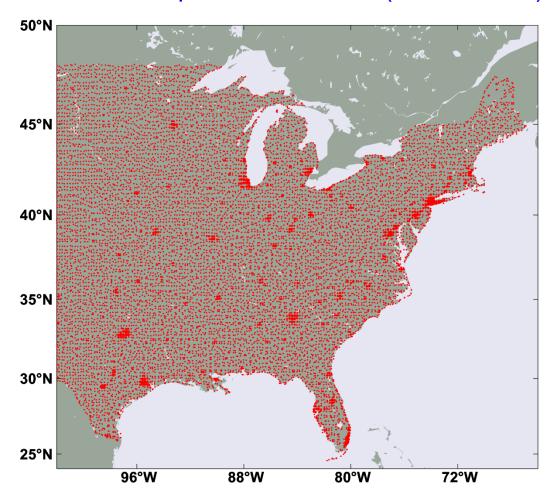
- van Oldenborgh et al: "We conclude that global warming made the precipitation about 15% (8%–19%) more intense, or equivalently made such an event three (1.5– 5) times more likely."
- Risser and Wehner: "We find that human-induced climate change likely increased the chances of the observed precipitation accumulations during Hurricane Harvey in the most affected areas of Houston by a factor of at least 3.5."
- Emanuel: "In 2017 the annual probability [of Hurricane Harvey's rainfall in Harris County] would be 6%, a sixfold increase since the late 20th century.

Advantages of Physics-Based Hazard Modeling

- Except for a single calibration point, it is independent of hurricane history
- Can be applied, without alteration, to any location and any climate
- Can generate an arbitrarily large set of events, virtually eliminating sampling uncertainty
- Can simulate such features as secondary eyewall structures

Exposure database

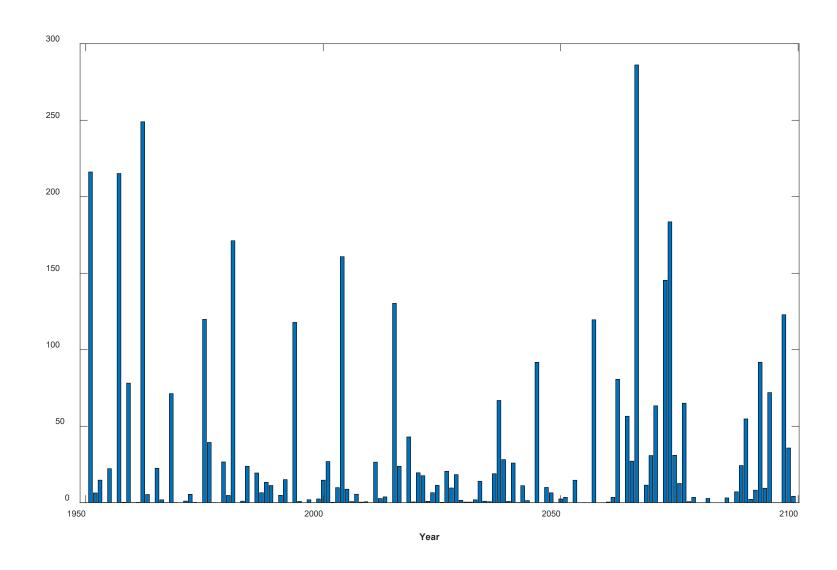
LITPOP exposure database (ETH, Zurich)



Example of Probabilistic Portfolio Loss Calculation

- Downscale a CMIP6 climate model in which CO₂ is increasing at a rate of 1% per year for 150 years.
- Create 1,000 U.S. landfalling tropical cyclone each year for 150 years (total of 15,000 events)
- Use these to create a 10,000 member, 150year time series of portfolio-summed loss

Example (one of 10,000) 150-year portfolio loss time series



Annual Loss

\$ Billion

