



# Climate change, Disaster Management & Public Procurement

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# Background in UK

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- Central government
- Local government
- Private sector

Focus on central government



# Past methodology

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- Cost of damage met through current revenue
- Cost of liabilities also
- Perception of self-insurance
- No reserving



# Problems (1)

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- IFRS – but no accruals-based accounting
- Rising costs of weather related events
- Increasing legislative burden and scrutiny
- Unpopularity of tax increases
- Changes in accountability



## Problems (2)

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- Restriction in Crown Indemnity
- Mergers
- Valuations
- 'Insurer of last resort'
- Cultures
- Claims management



# Some options

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- Captive
- Reinsurance
- Deductible
- Business as usual



# Issues

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- Capacity to contract
- HMT regulation
- Decision-making
- Market concerns
- Management



# Future

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- Cat Loss
- XS of Loss
- Claims management
- Outsourcing
- Legislative changes