

Disaster risk on the rise

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IN the 1970s, disasters affected about 70 million people a year worldwide. Two decades later in the 90s, that figure has tripled to 213 million.

According to the United Nations International Strategy for Disaster Reduction, Asia remains the continent most hit by disasters.

Among the other figures underlined by the Center for Research Epidemiology of Disasters that released them are the number of floods, which continued to rise in 2006 with 226 occurrences compared to an average of 162 over the past six years.

The number of extreme temperature events also increased from 23 in average to 30 in 2006.

The cost of disasters is also tremendous — half the US\$664 billion in damages suffered as a result of disasters, occurred in Asia alone.

With the growth of population and urbanisation, the cost is expected to rise significantly, especially in cities which house half the world's population.

Universiti Kebangsaan Malaysia's Dr Ibrahim Koo and Joy Jacqueline Pereira cited flood incidences in Shah Alam as an example where between 1990 and 1998, there were 178 incidents of floods in 34 areas of Shah Alam alone.

Wealthier countries will be able to cope with losses from increasing disasters through insurance and state funding, pointed out Alexander Milberg of Munich Reinsurance Malaysia.

But the poorest countries will suffer most, said the chief executive officer when presenting a paper by the group's head of Geo Risks Research, Prof Dr Peter Höppe.

"The increasing natural catastrophe damages in poor countries will consume increasing ratios of the donor money of developing funding, delaying further development," he said.

Milberg said as natural catastrophes, especially weather-related events increased, the local insurance industry needed to prepare for it.

Losses during Hurricane Katrina amounted to US\$125 million while insured losses reached US\$40 million. This, Milberg said, was the largest loss in a single event although the hurricane was only the sixth strongest on record.

The group's Malaysia branch is now working with the General Insurance Association of Malaysia (Piam) on possible solutions to cover flood and landslide risks in Malaysia, added Milberg.