The Fels Institute of Government, Penn Program on Regulation, Program on Law, the Environment and the Economy, and the Wharton Risk Management and Decision Processes Center at the University of Pennsylvania invite you to attend a

RISK REGULATION SEMINAR SERIES

We invite you and your colleagues to participate in an interdisciplinary seminar on risk regulation, jointly organized by Penn Law, Wharton, and the Fels Institute, with support gratefully acknowledged from the Office of the Provost. The seminar provides a forum where scholars from across the University of Pennsylvania, along with interested colleagues, students, and friends from outside Penn, will come together to interact with the nation's leading scholars and policymakers working on issues related to catastrophic risks and their implications for public policy.

Our first session will be held on Tuesday, September 25, 2007, from 4:30 – 6:00 pm, in room F50 of Jon M. Huntsman Hall, the Wharton School, University of Pennsylvania. Dates and locations of future seminars for the fall term will be announced soon.

Tuesday, September 25, 2007
4:30 – 6:00 pm
Room F50 Huntsman Hall, Wharton School

Managing Large-Scale Risks in a New Era of Catastrophe

Howard C. KUNREUTHER and Erwann O. MICHEL-KERJAN
The Wharton School, University of Pennsylvania

Data on losses from natural disasters and other extreme events suggest we are now in a new era of catastrophes. Hurricane Katrina alone caused $65 billion in insured losses (including for floods), the most costly disaster the insurance industry has ever had; All 20 of the most costly events to the insurance industry since 1970 occurred after 1987 with half of them occurring since 2001. This talk describes a major research project currently being undertaken by the Wharton Risk Center in conjunction with Georgia State University and the Insurance Information Institute on the role of the private and public sectors in mitigating and financing recovery from natural disasters in the United States.

We will address the following question: What is the best way for the nation to prepare and recover from large-scale disasters? Alternative disaster insurance and mitigation programs will be evaluated with a focus on how the current programs, where insurance is highly regulated, compare with a private market solution where insurers are free to set risk-based rates. The talk will propose a set of new programs for mitigating and insuring risks that include long-term insurance and mitigation loans, comprehensive insurance and vouchers for low-income residents in hazard-prone areas who may not be able to afford risk-based insurance premiums.

Howard C. Kunreuther is the Cecilia Yen Koo Professor of Decision Sciences and Public Policy at the Wharton School of the University of Pennsylvania, and the Co-Director of the Wharton Risk Management and Decision Processes Center.

Erwann O. Michel-Kerjan is Managing Director of the Wharton Risk Management and Decision Processes Center.

For more information please see our website or contact Anna Gavin agavin@law.upenn.edu
http://www.law.upenn.edu/academics/institutes/regulation/seminars.html

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