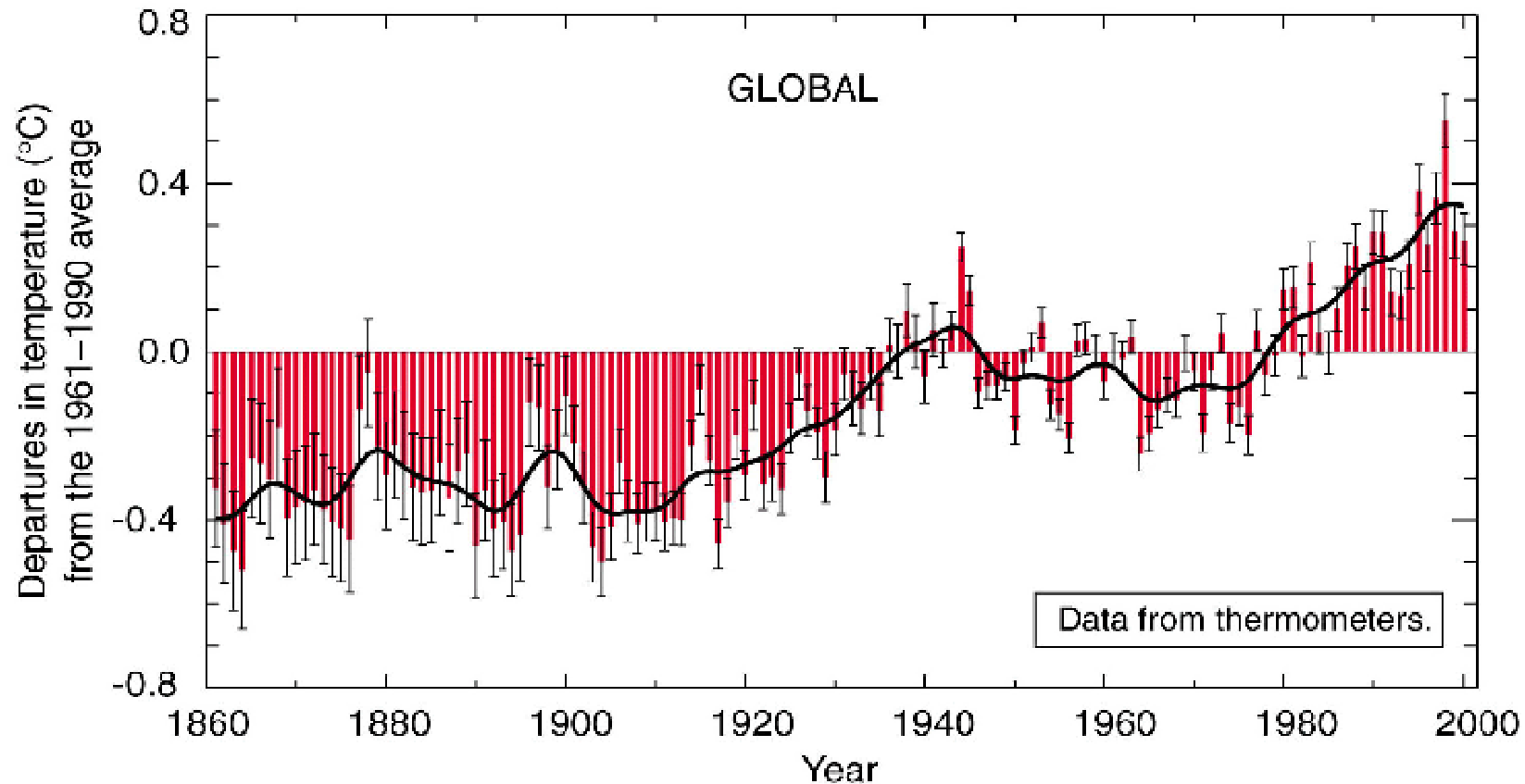


Green Capital - Sustainable CEOs' Forum

Michael Hawker
Chief Executive Officer
Insurance Australia Group

Global temperatures have increased. 1990s were the warmest decade and 1998 the warmest year since records began in 1861. Further increases are projected.



SPM 1a

Small changes in mean climate can increase damages dramatically

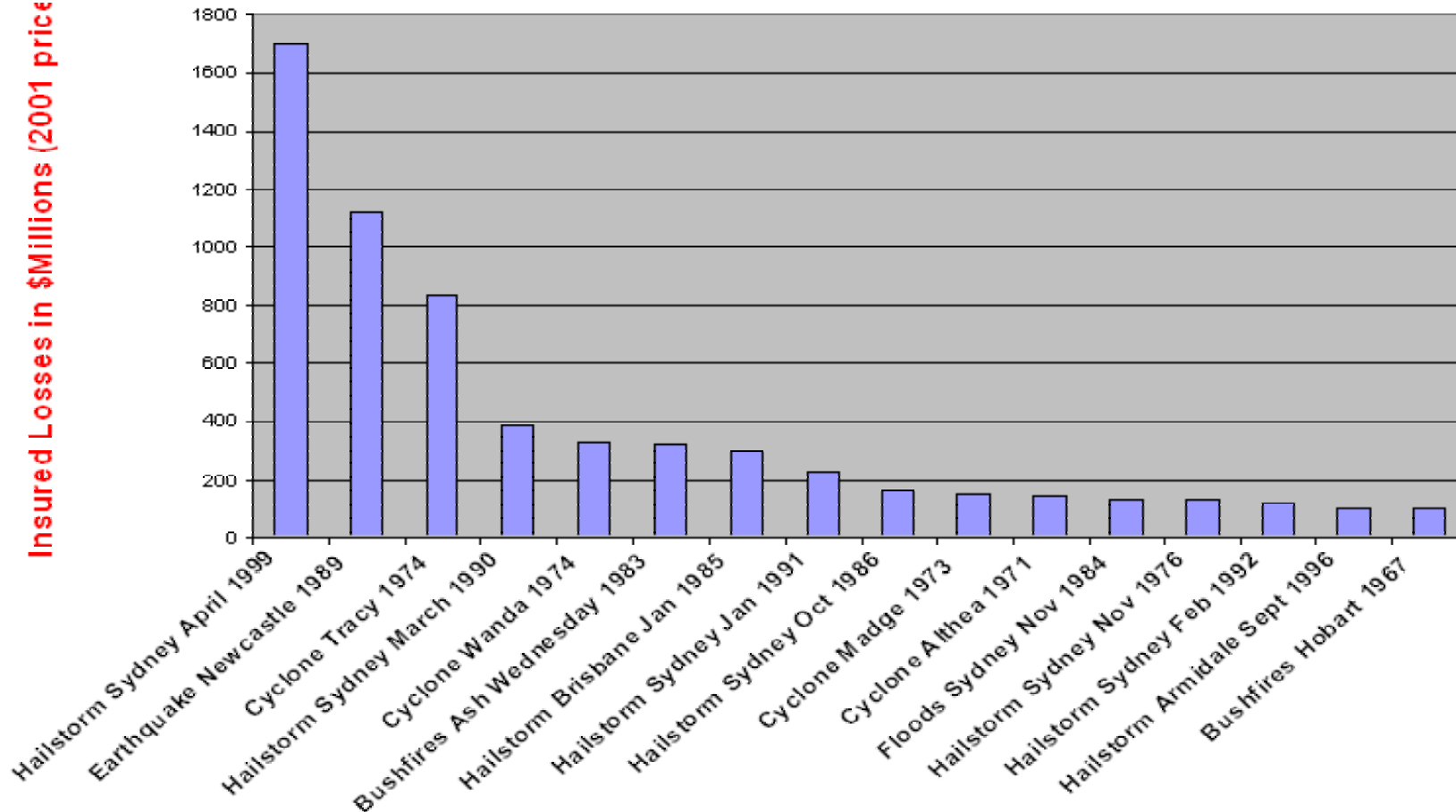


Hazard	Cause Of Change In Hazard	Resulting Change In Damage/Loss
Windstorm	Doubling of wind speed	Four-fold increase in damages
Cyclone	2.2 °C mean temperature increase	Increase of 5-10% in hurricane wind speeds
Drought	1 °C mean temperature increase	Significantly longer droughts
Floods	25% increase in 30 minute precipitation	Flooding return period reduced from 100 years to 17 years
Bushfire	1 °C mean summer temperature increase	17-28% increase wildfires
	Doubling of CO ₂	143% increase in catastrophic wildfires



The April 1999 hailstorm caused the highest insurance loss from natural disasters in Australia

Insured Losses in \$Millions (2001 price)



Many people and properties at risk

