# The US Earthquake Model Update: Drivers and Impact

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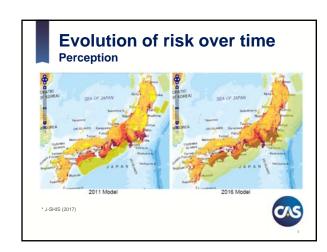
2017 Seminar on Reinsurance Washington, D.C. June 05, 2017

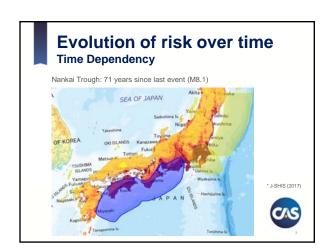


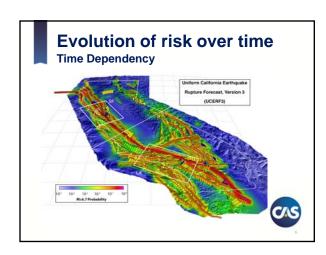
# Why do the models change?

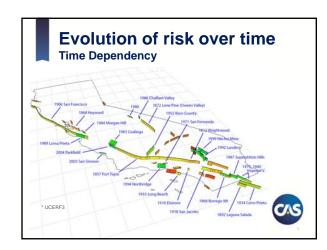


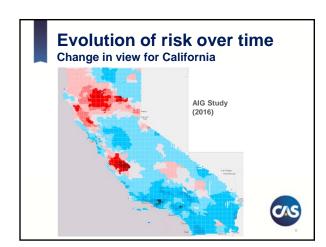
# Evolution of risk over time Perception Pre-Tohoku perception of risk in Japan National Council for Disaster Prevention Japan (Magnitude, probability of occurrence within next 30 years) Tokas Earthquake (M8.1, 69%) Toranankai Earthquake (M8.1, 69%) Nageyya Osaka Nageyya Nageyya Pacific Ocean Pacific Ocean

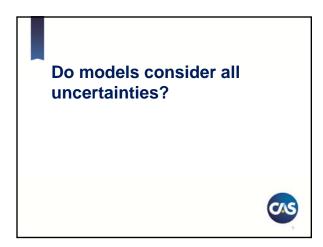


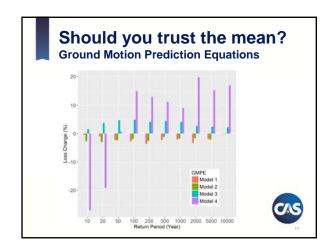


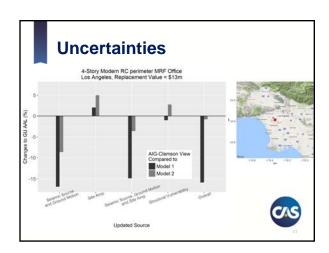






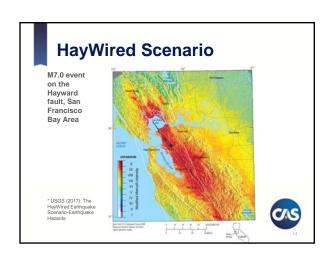


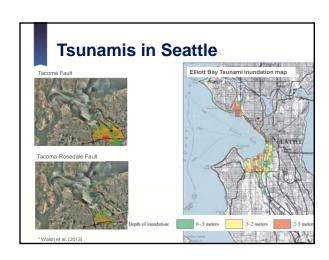


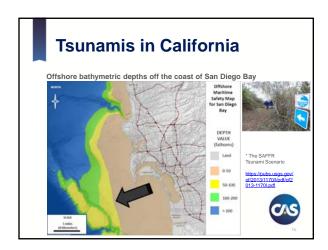


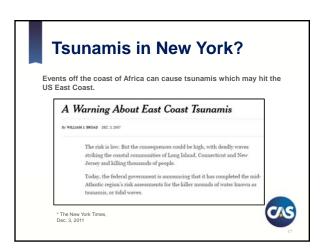


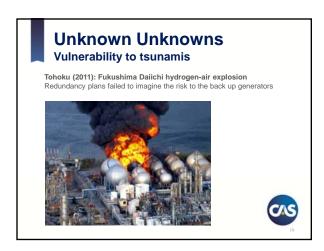












# Unknown Unknowns Can earthquakes cause flooding?

Christchurch (2011): dislodging of the 40 million ton Tasman Glacier





### **Known Unknowns**

- The frequency of seismic events in the east coast
- Landslides, sinkholes, liquefaction



## Summary

- Seismic risk evolves over time, either due to a change in our perception or the geophysics of the seismic sources
- There are large uncertainties in modeled prediction of losses due to known and unknown sources
- Model Validation customizes the models to the specifics of the organization and enhance the organization' view of the risk