

Centre for  
**Risk Studies**



**CAMBRIDGE**  
Judge Business School



# Managing the Risks from Natural Catastrophes: Are We Making Progress?

**Robin Spence**

Emeritus Professor of Architectural Engineering and  
Director of Cambridge University Centre for Risk in the  
Built Environment

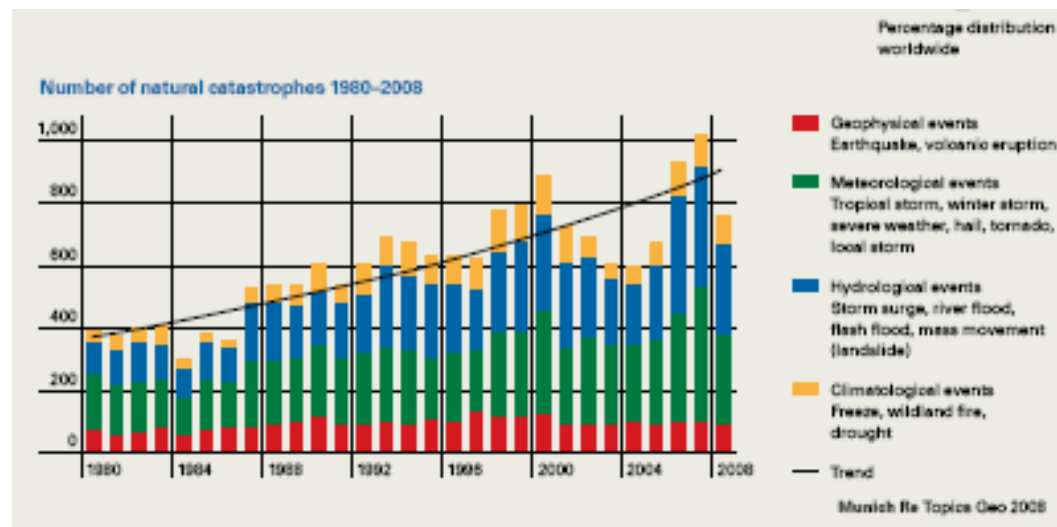
Director, Cambridge Architectural Research Ltd

# Outline

- Reducing catastrophic risks- what progress?
- The causes of catastrophes
- Risk modelling- earthquakes and volcanic eruptions
- Can we do better ?

# Numbers and costs of natural catastrophes – rising trend lines...

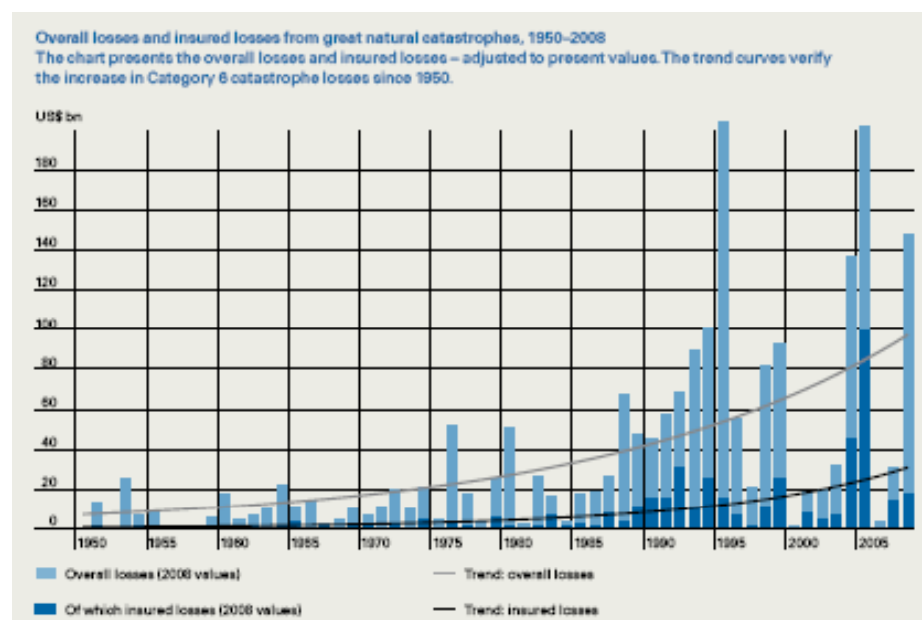
Numbers of catastrophic events have increased steadily since 1950s, with most of the growth in meteorological and hydrological events



Overall and insured losses (at constant prices) have been rising exponentially, with a doubling time of about 2-3 decades.

Reasons are rising populations, concentration of values, and climate change

*Data from Munich Re Publication  
Natural Catastrophes, 2008*

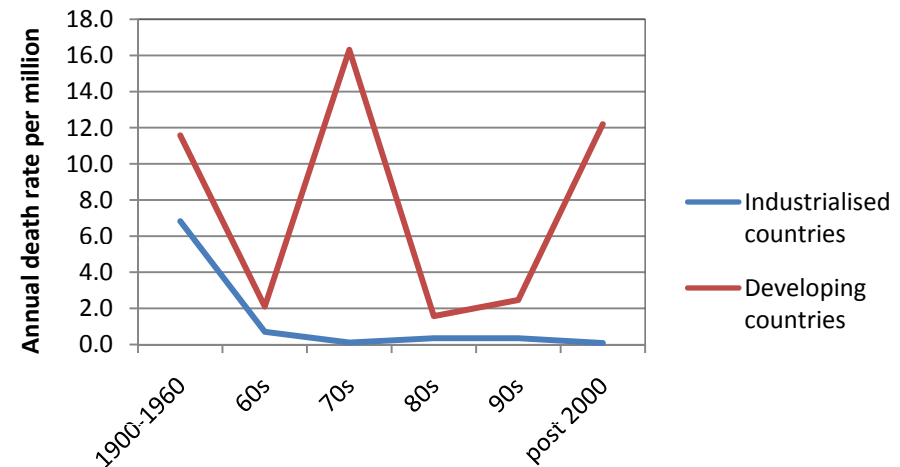
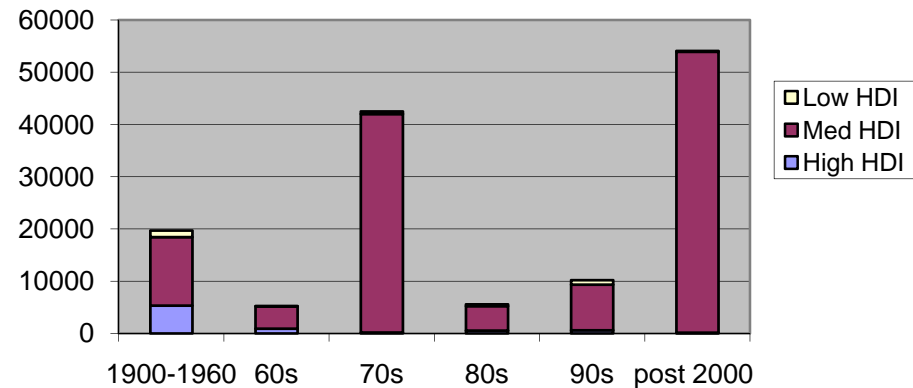


# Annual death rates from earthquakes

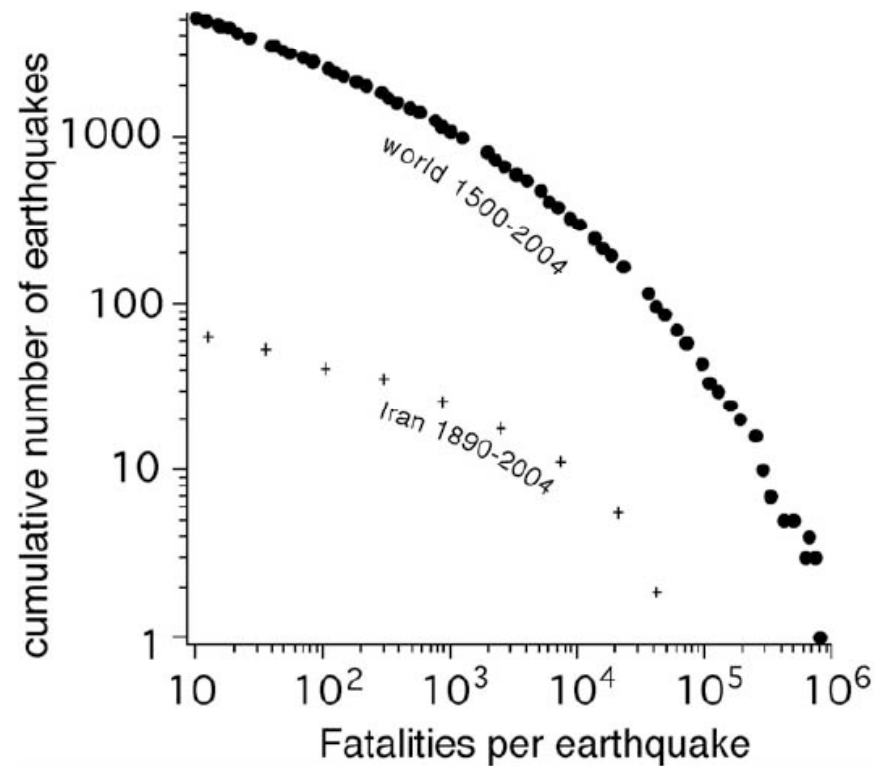
The current decade has witnessed the highest annual death rate for the last 100 years

Allowing for population growth, in the richer countries the death rate has been sharply reduced

But in the poorer countries, there is no evidence of any sustained progress



## Earthquake deaths – worse to come ?



Data on number of events globally causing a given number of fatalities over 5 centuries

Can be interpreted to suggest that with a global population of 10 billion we can expect a “one million fatality event “ once a century

Data from Iran show a similar trend

Cities most at risk include Tehran, Kathmandu, Lima, Xi'an

*Source Roger Bilham, CIRES, University of Colorado*

# Risks from Volcanic Eruptions



| Year | Volcano          | Country          | Damage in US \$ million (2007) | Source |
|------|------------------|------------------|--------------------------------|--------|
| 1973 | Eldafjell        | Iceland          | 93                             | EM-DAT |
| 1980 | Mount St.Helens  | United States    | 3,327                          | EM-DAT |
| 1982 | Mount Galunggung | Indonesia        | 306                            | EM-DAT |
| 1982 | El Chichon       | Mexico           | 224                            | EM-DAT |
| 1983 | Mount Gamalama   | Indonesia        | 275                            | EM-DAT |
| 1985 | Nevado Del Ruiz  | Colombia         | 1,719                          | EM-DAT |
| 1991 | Mount Pinatubo   | Philippines      | 300                            | EM-DAT |
| 1994 | Rabaul/Tavarvur  | Papua New Guinea | 531                            | EM-DAT |
| 1996 | Grimsvotn        | Iceland          | 21                             | EM-DAT |
| 1997 | Soufriere        | Montserrat (UK)  | 10                             | EM-DAT |
| 2001 | Etna             | Italy            | 4                              | EM-DAT |
| 2002 | Stromboli        | Italy            | 1                              | NOAA   |
| 2006 | Tungurahua       | Ecuador          | 154                            | EM-DAT |

- Financial losses from volcanic eruptions have been around \$6 bn over the last 30 years, more than 50% from the 1980 Mt St Helens eruption.
- Deaths have been around 30,000 or 1000 per year.
- Human casualties have often been avoided by timely evacuation during a pre-eruption phase of unrest.
- There are many cities worldwide exposed to possible future eruptions, eg Quito, Naples
- Except in Japan, Western USA and New Zealand little has been done to prepare populations for possible future eruptions

## Annual death rates: natural catastrophes compared with other risks

| <i>Cause of death</i>                   | <i>Micromorts per year</i> |
|---|----------------------------|
| Smoking 10 cigarettes a day             | 4000                       |
| All natural causes, aged 40,UK          | 1176                       |
| Accidental deaths, UK                   | 350                        |
| Traffic accident, UK                    | 125                        |
| Earthquake, in Iran                     | 43                         |
| Accident at home                        | 38                         |
| Accident at work                        | 23                         |
| <b>Floods, in Bangladesh</b>            | <b>20</b>                  |
| <b>Volcanic eruption, Vesuvian popn</b> | <b>13</b>                  |
| Homicide, living in Europe              | 10                         |
| <b>Floods, Northern China</b>           | <b>10</b>                  |
| <b>Earthquake in Turkey</b>             | <b>9</b>                   |
| <b>All natural disasters, globally</b>  | <b>7</b>                   |
| Railway accident, Europe                | 2                          |
| <b>Earthquake, Globally</b>             | <b>2</b>                   |
| <b>Earthquake, Japan</b>                | <b>1.1</b>                 |
| <b>Earthquake California</b>            | <b>0.5</b>                 |
| <b>Volcanic eruption, Globally</b>      | <b>0.5</b>                 |
| Hit by lightening                       | 0.1                        |

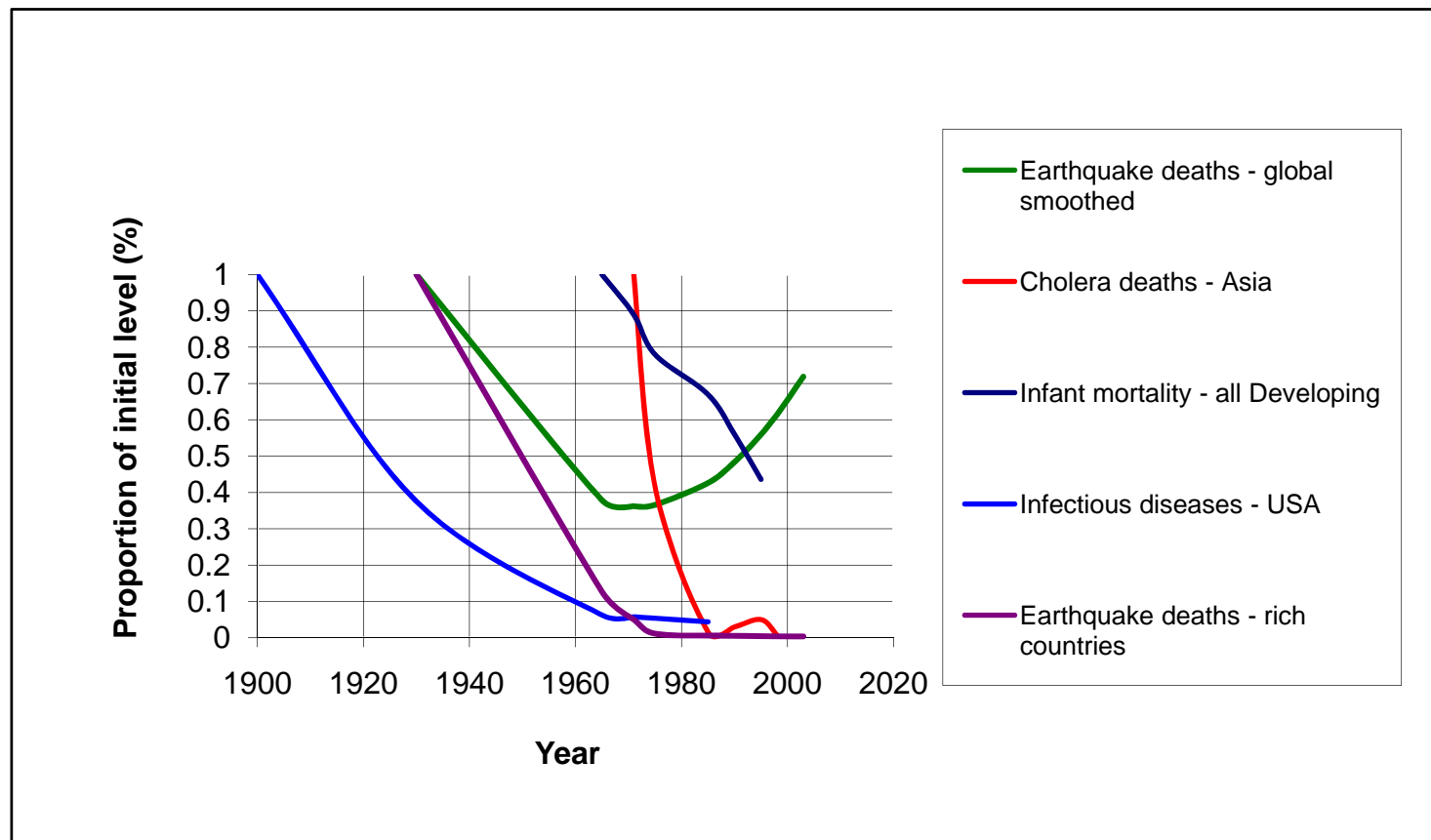
Such comparisons are often used in policy-making

They are questionable as they mix voluntary and involuntary risks

For catastrophe risks the definition of the population exposed and the time period considered make an enormous difference

Note: 1 micromort = one in a million risk of death

## Earthquake risk reduction and public health campaigns – relative achievements

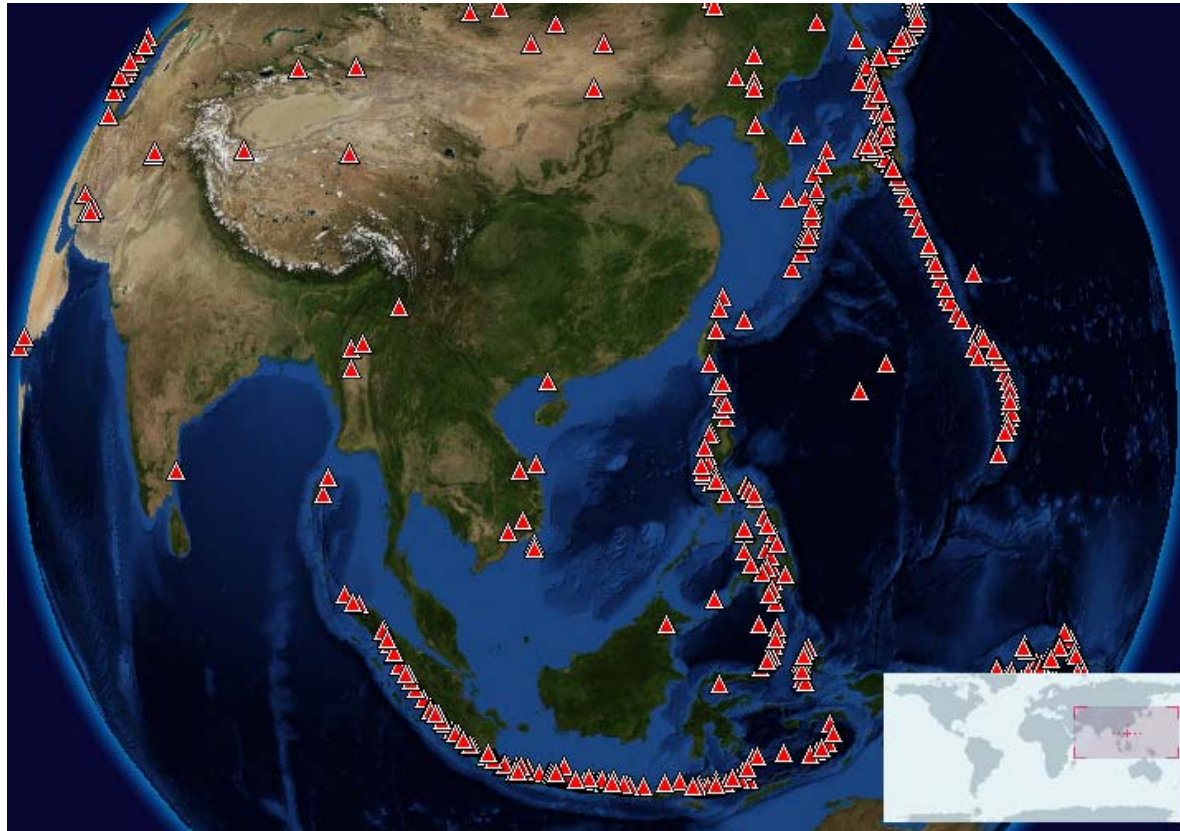




## Causes of catastrophic events

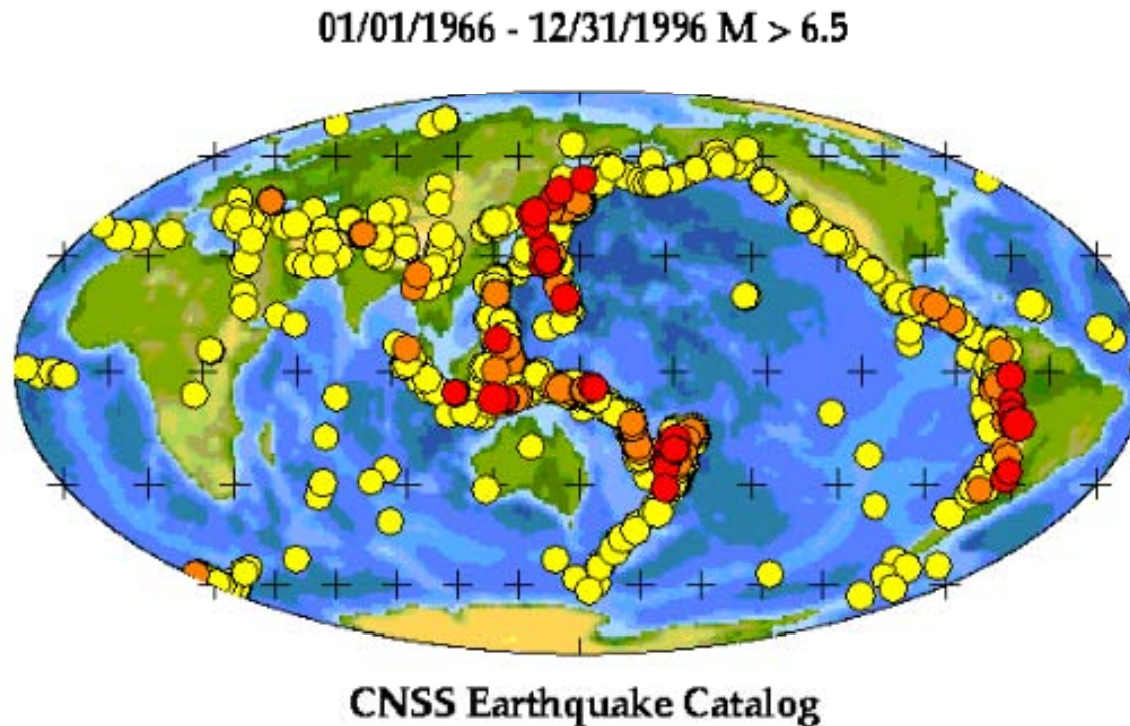
- The location and magnitude of events
- The vulnerability of buildings, infrastructure and urban systems
- Human behaviour

Volcano losses depend on location, scale and type of eruption, and eruption frequency

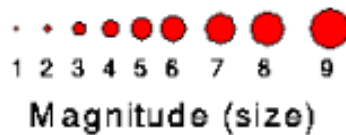


Locations of potentially hazardous volcanoes: Munich RE Globe of Natural Hazards

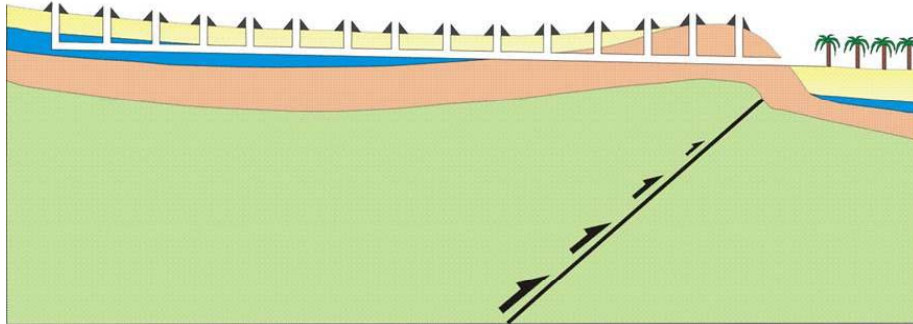
Earthquake losses depend on magnitude, location and frequency of large earthquakes



Locations and magnitudes of earthquakes of  $M_w > 6.5$  over 30 years



Earthquakes losses also depend on location of settlements – attracted to fault zones



Thrust faulting leads to the creation of water storage in arid regions, and accounts for the development of human settlements directly alongside fault systems (eg Bam - shown, Tabas, Tehran in Iran).

Also along the mountain margins in India, China?





# Earthquake losses depend on building vulnerability

traditional forms of construction often have extreme vulnerability to ground shaking



Bhuj, India, 2001: 14,000 deaths  
rubble and adobe masonry



Bam, Iran, 2003: 32,000 deaths  
adobe with vaulted roofs

## Earthquake losses depend on building vulnerability



In modern forms of construction requirements for earthquake resistance are frequently ignored



Building vulnerability can be reduced to a life-safe level by adopting modern codes



Western USA: earthquake-resistant buildings



## Earthquake losses: secondary hazards

Landslides, tsunamis and  
fire following can be major  
sources of loss





## Volcanic losses: building vulnerability

Tephra Fall: Mt Pinatubo, 1990



Pyroclastic density current:  
Montserrat, 1997



# Casualties in earthquakes and volcanoes: the importance of human behaviour

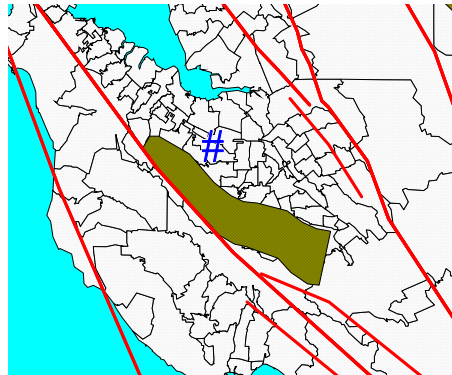
- Pre-event preparatory behaviour
- Action during the earthquake
- Post-event rescue and subsequent treatment



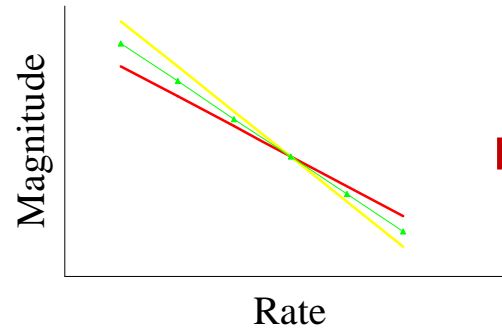


# Earthquake Risk Modelling: Typical Structure

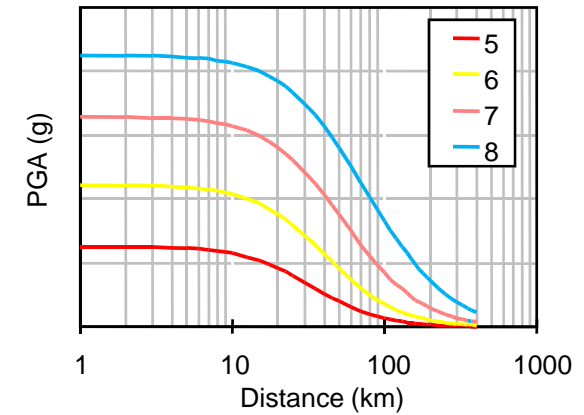
Source: Risk Management Solutions Inc.



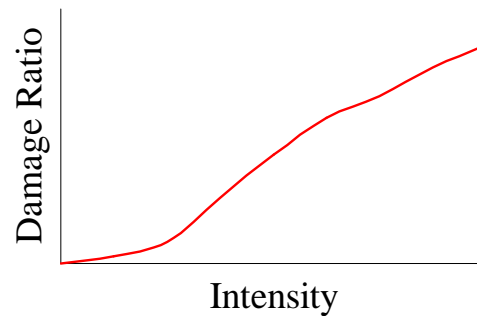
**Source Definition**



**Event Rates**



**Attenuation**

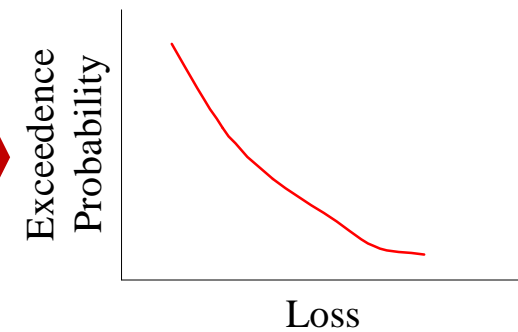


**Vulnerability**



| <u>Event</u> | <u>Rate</u> | <u>Loss</u> |
|--------------|-------------|-------------|
| 1            | .0001       | \$          |
| 2            | .0002       | \$          |
| 3            | .0001       | \$          |

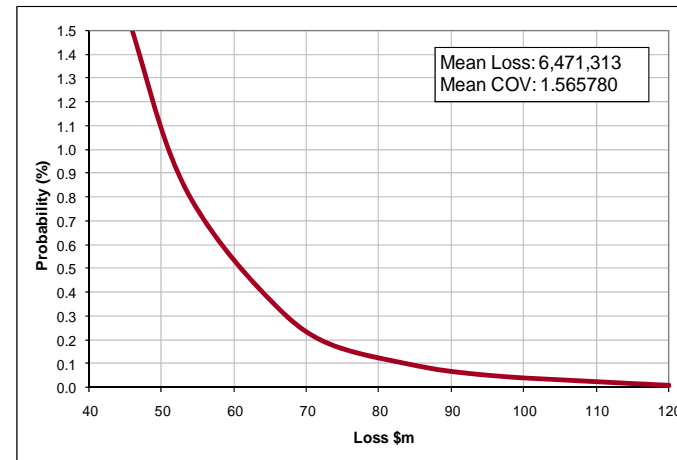
**Event Loss Table**



**EP Curve**

# Modelling earthquake risks for insurance

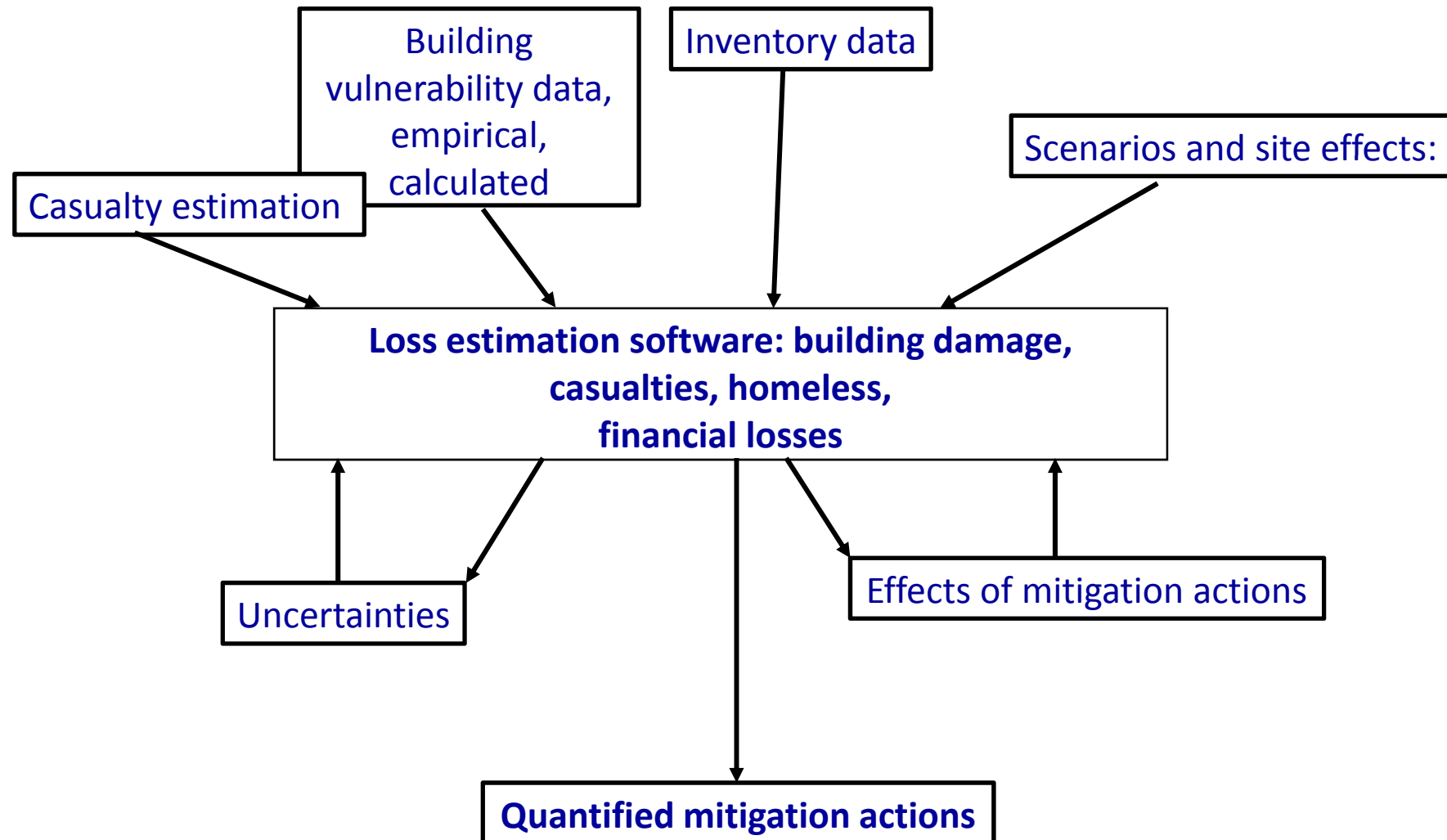
| Event ID | Annual rate | Loss |
|----------|-------------|------|
| 1        | R1          | L1   |
| ..       | .           | ..   |
| N        | Rn          | Ln   |



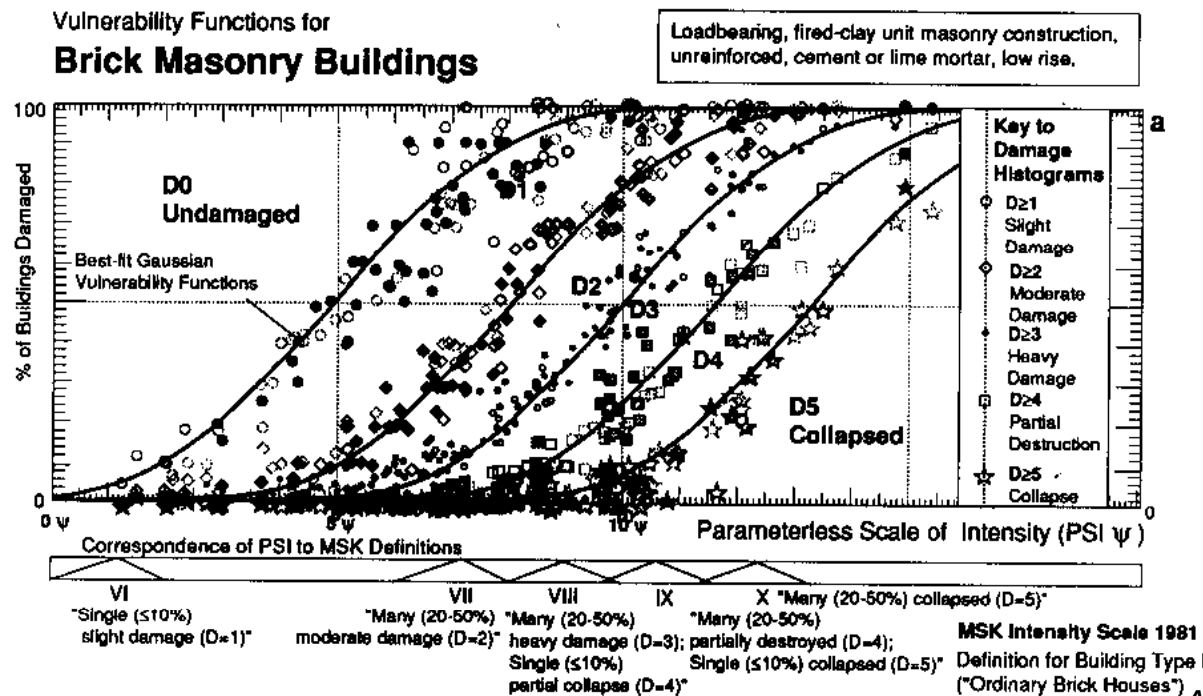
- **Aim is to produce a Loss Exceedance Probability (EP) Curve for the client's portfolio, which can be used to determine pricing and reinsurance needs**
- This is derived from an event-loss table which gives expected losses from a large number of simulated events, each assigned an annual probability
- In the last decade, commercial modelling companies (eg RMS) have developed country earthquake risk models for most countries.
- There are also flood and hurricane risk models, but no volcano risk models yet.
- These models are of great importance in insurance, and are now part of the regulation of insurance companies
- Methods and outputs are confidential to clients, so methods of treating uncertainty are unknown.

# Modelling earthquake risk for urban mitigation

Aims: provide quantified statements about the benefits of possible mitigation actions, to support decision-making by urban authorities



# Vulnerability estimation: observed vulnerability

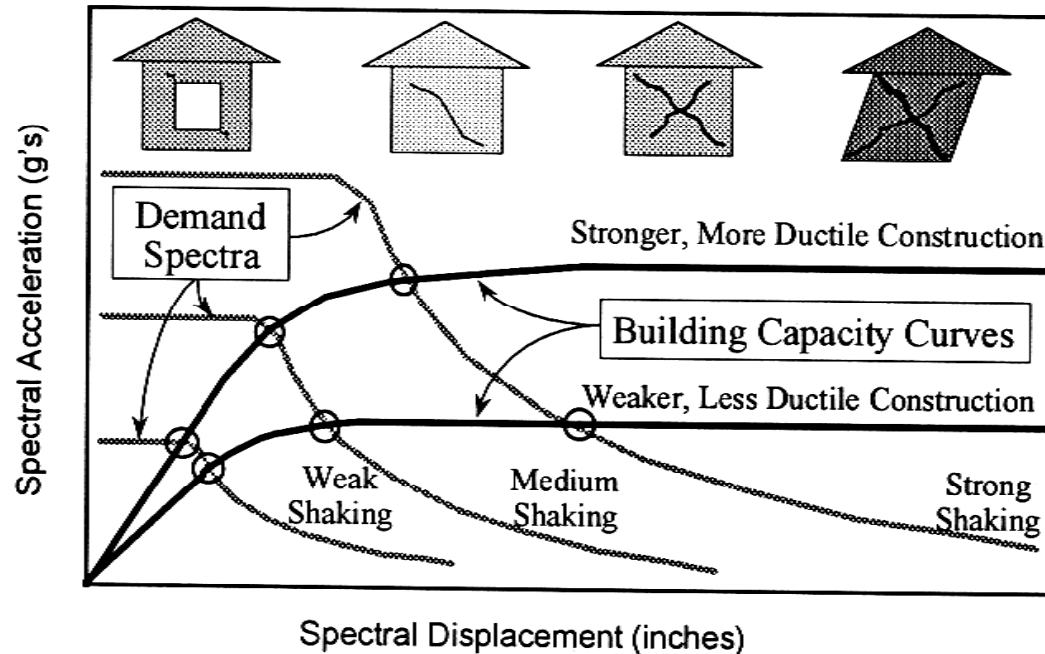


*After Coburn and Spence, 1993*

Limitations of observed vulnerability:

- Can't use for (eg) newer buildings for which no damage data exists
- Single parameter of ground motion cannot capture relationship between ground motion, subsoil and structural behaviour
- Assessment of earthquake ground shaking depends of building damage

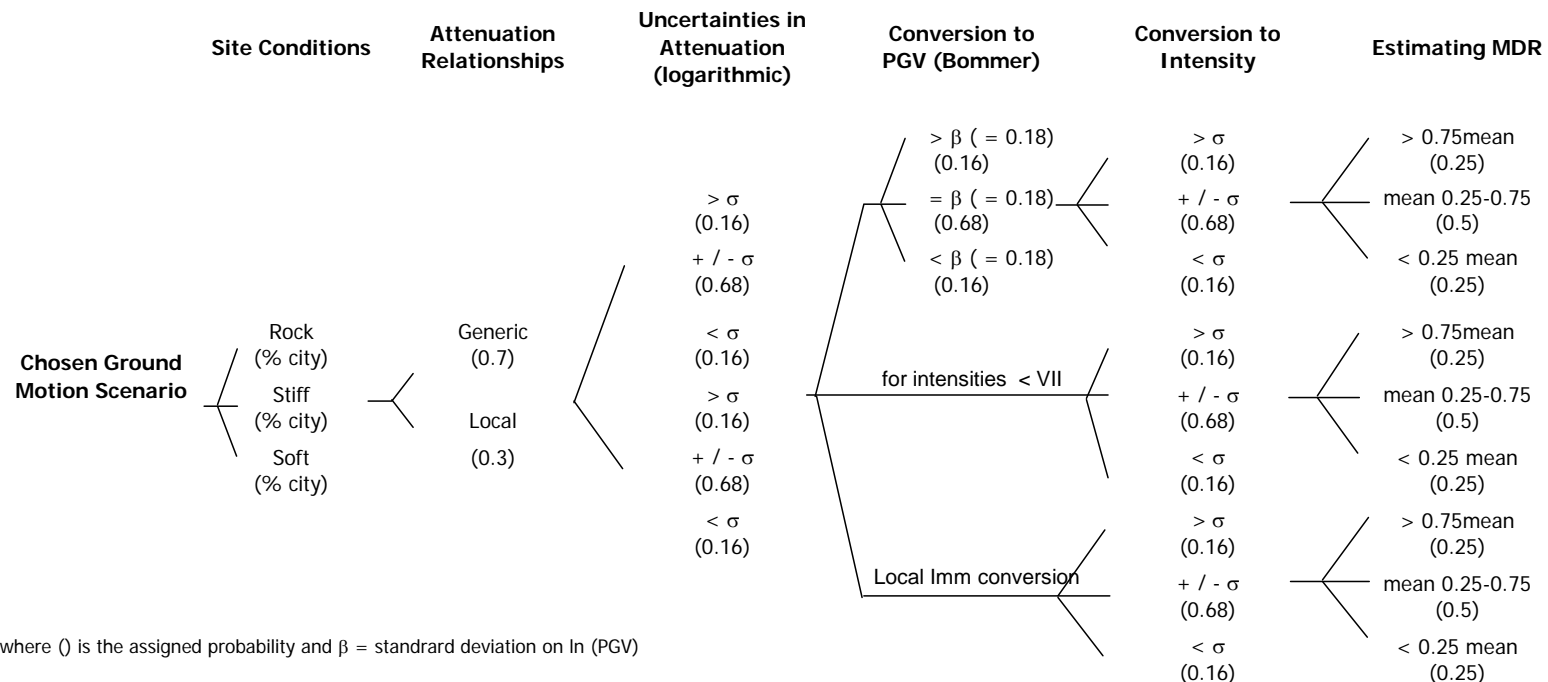
## Vulnerability estimation: calculated vulnerability



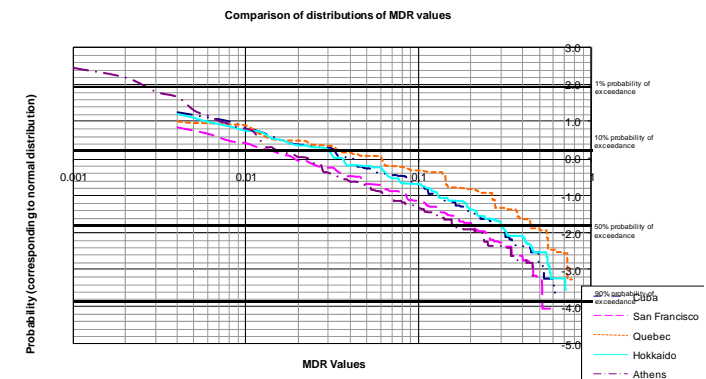
Limitations of calculated vulnerability:

- Models of building assumed do not adequately represent real structural form
- Models of structural behaviour assumed unlike real behaviour of the worst buildings
- Extension of single building model to large populations of buildings

# Understanding uncertainties in loss modelling: the logic-tree approach



- Mean Damage Ratio to a given set of buildings (portfolio) estimated for a given earthquake.
- Typically values with 10% exceedence probability were between 4 and 6 times 50% exceedence values
- Most of this MDR uncertainty results from the ground motion uncertainty

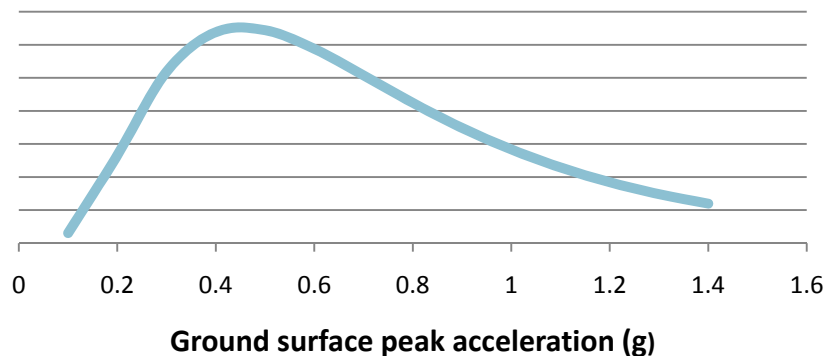




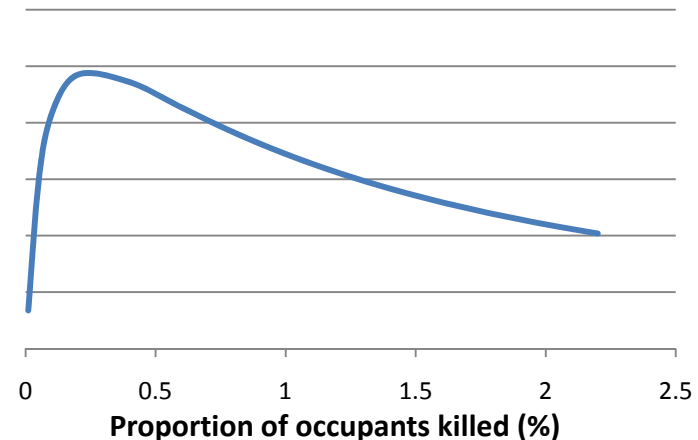
# Comparison of alternative earthquake loss models: LessLoss

- Three leading academic European loss models were applied to a common data set:
  - Predefined earthquake ground motion time-histories (2) and soil profiles (3)
  - Predefined number and distribution of building classes and occupants
- Models computed:
  - Surface ground motions
  - Proportions of buildings damaged and collapsed
  - Numbers of casualties
- Variations in computed results for each separate ground motion were:
  - Surface ground motion estimate by a factor of 5
  - Proportion of collapsed buildings by a factor of 30
  - Proportion of occupants killed by a factor of 60

**surface PGA distribution**



**death rate distribution**



# Comparison of alternative earthquake loss models: LessLoss

- Three leading academic European loss models were applied to a common data set:

- Predefined profiles (3)
- Predefined

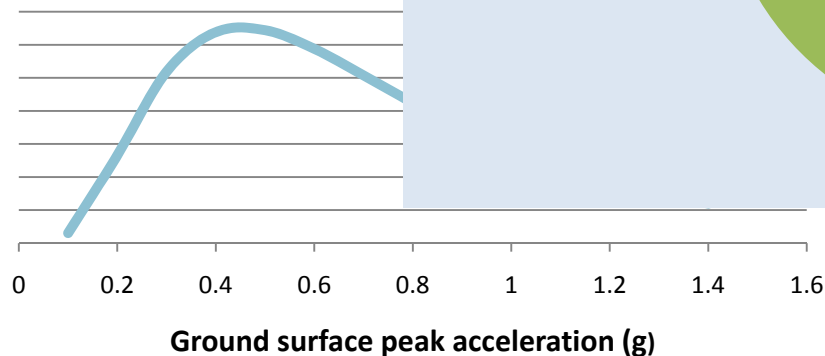
- Models computed

- Surface ground motion
- Proportions
- Numbers of

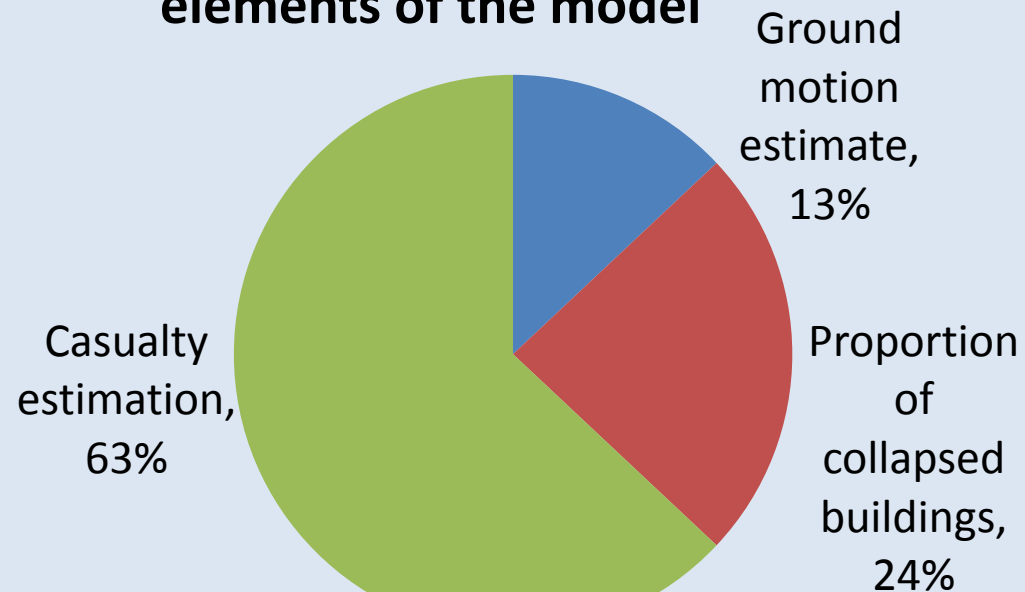
- Variations in con

- Surface ground motion
- Proportion of
- Proportion of

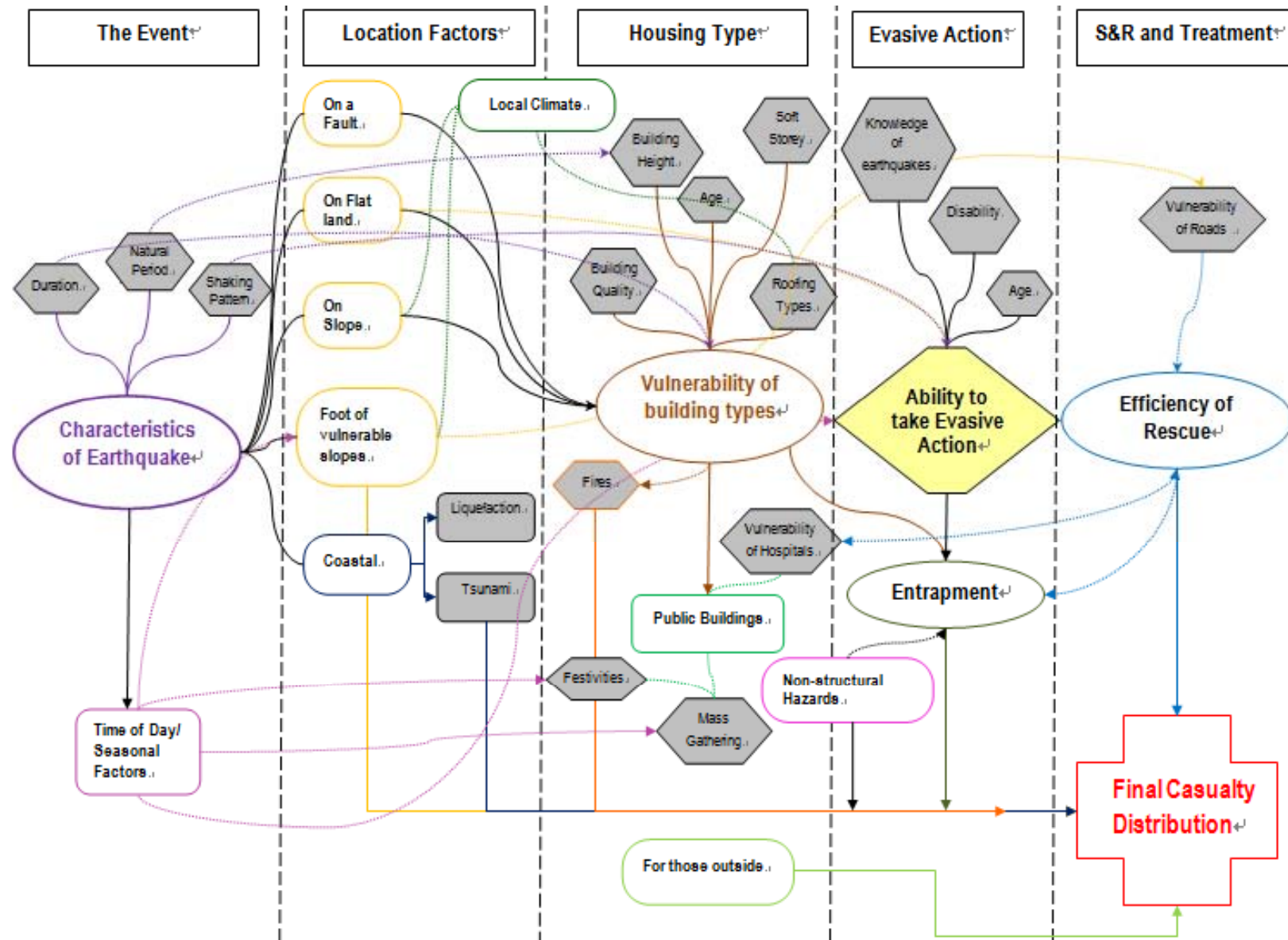
surface PGV



## Proportion of uncertainty in casualty estimate attributable to different elements of the model



# Earthquakes: modelling human casualties



# Post event rapid impact assessment: the USGS PAGER system

- Alerts to emergency response and aid agencies within 30 minutes of earthquake occurrence
- Currently gives estimates of population affected at different levels of ground shaking



## M 5.6, SULAWESI, INDONESIA

Origin Time: Sun 2009-10-18 08:23:25 UTC

Location: 3.65°S 123.23°E Depth: 17 km



## PAGER Version 1

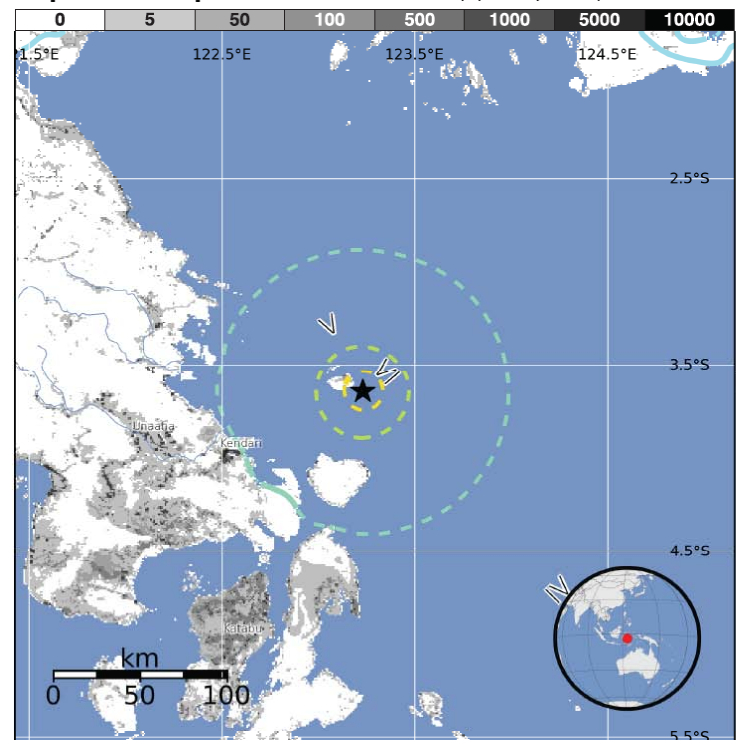
Created: 3 hours, 10 minutes after earthquake

### Estimated Population Exposed to Earthquake Shaking

| ESTIMATED POPULATION EXPOSURE (k = x1000) | - -*                  | 4k*    | 2,088k | 17k      | 6k       | 1k          | 0              | 0              | 0        |
|---|-----------------------|--------|--------|----------|----------|-------------|----------------|----------------|----------|
| ESTIMATED MODIFIED MERCALLI INTENSITY     | I                     | II-III | IV     | V        | VI       | VII         | VIII           | IX             | X+       |
| PERCEIVED SHAKING                         | Not felt              | Weak   | Light  | Moderate | Strong   | Very Strong | Severe         | Violent        | Extreme  |
| POTENTIAL DAMAGE                          | Resistant Structures  | none   | none   | none     | V. Light | Light       | Moderate       | Moderate/Heavy | Heavy    |
|   | Vulnerable Structures | none   | none   | none     | Light    | Moderate    | Moderate/Heavy | Heavy          | V. Heavy |

\*Estimated exposure only includes population within the map area.

### Population Exposure

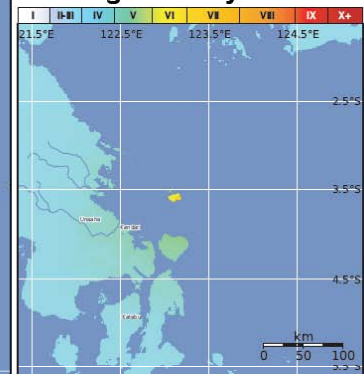


### Selected City Exposure

| MMI City   | Population |
|------------|------------|
| IV Kendari | 0          |
| IV Unaaha  | 0          |
| III Katabu | 43k        |

bold cities appear on map (k = x1000)

### Shaking Intensity



Overall, the population in this region resides in structures that are vulnerable to earthquake shaking, though some resistant structures exist. A magnitude 5.8 earthquake 396 km West of this one struck Indonesia on September 28, 1997 (UTC), with estimated population exposures of 137,000 at intensity VIII and 196,000 at intensity VII, resulting in an estimated 17 fatalities. On November 29, 1998 (UTC), a magnitude 7.7 earthquake 259 km Northeast of this one struck Indonesia, with estimated population exposures of 5,000 at intensity VIII and 6,000 at intensity VII, resulting in an estimated 41 fatalities.

# The Cambridge Bet...



**World Agency of Planetary Monitoring &  
Earthquake Risk Reduction**  
2 rue de Jargonnant  
1207 Geneva, +41 (0)22 700 5544

## **The Cambridge Bet on Accurate Fatality Estimates in Near-Real Time After $M \geq 6.5$ Earthquakes Worldwide**

**Report by Max Wyss, August 11, 2009**

### **Background**

On June 15<sup>th</sup>, 2009, at the conference dinner in the venerable dining hall at the Old Library at Pembroke College, Andrew Coburn challenged Max Wyss to a bet, which Max Wyss accepted. A secretary of the Architecture Department of Cambridge University recorded the text of the bet and Frederick Kringold witnessed it.

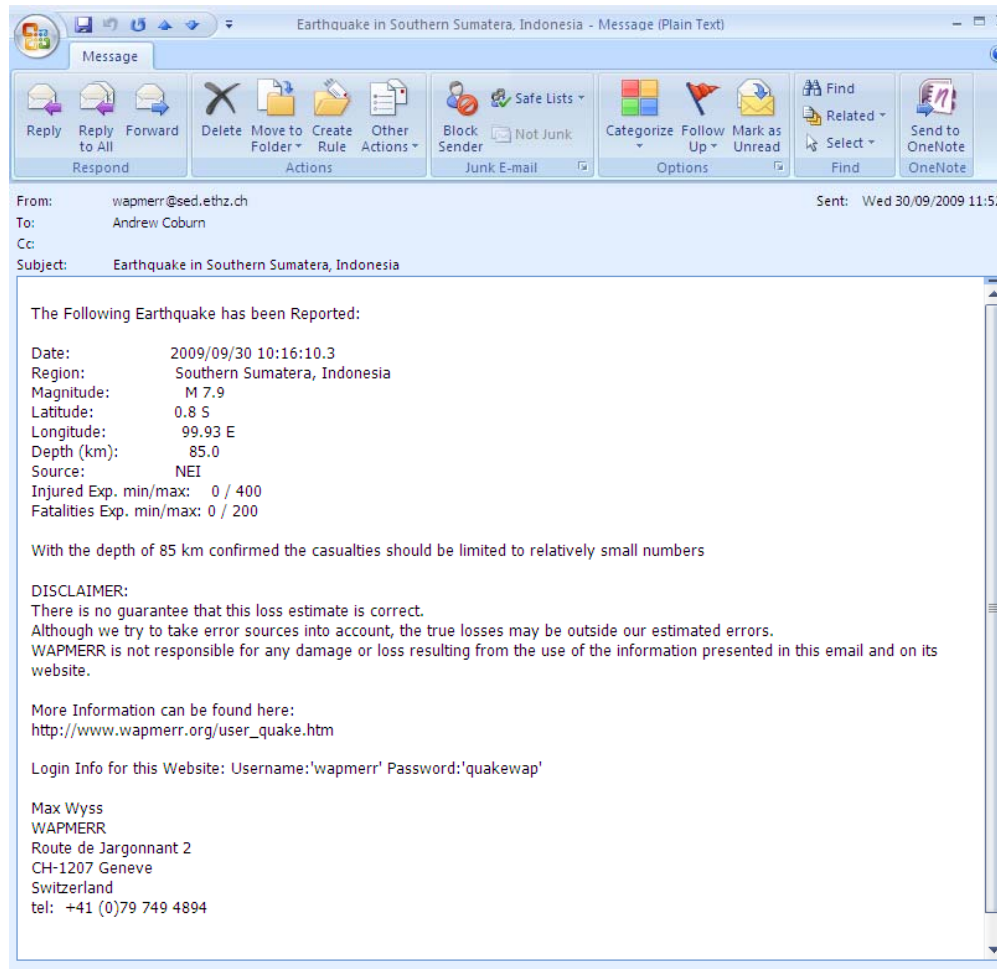
### **The Bet**

As I remember it, the bet was as follows.

Andrew Coburn bets \$1,000 that Max Wyss cannot estimate the number of fatalities to within a factor of 2, due to the next 5 consecutively occurring earthquakes worldwide, and subject to the relevance-filter of the Swiss Seismological Service (SED), with magnitudes larger and equal to 6.5, within an hour of their occurrence.

- WAPMERR claims to be able to estimate casualties within 1 hour within a factor of 2.
- At the Second Workshop on Casualties in Disasters in June, Andrew Coburn challenged WAPMERR to substantiate this claim, with a bet of \$1000

## ... The outcome



## Number of fatalities in W Sumatra quake now 1,115

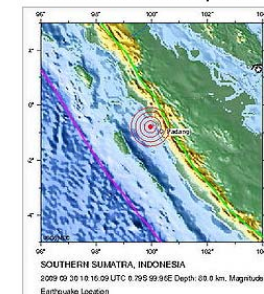
Wednesday, October 14, 2009 05:26 WIB | National | Viewed 474 time(s)



Padang (ANTARA News) - The number of dead bodies found following the 7.9-magnitude earthquake in West Sumatra continued to increase, and on Tuesday night at 8 p.m local time had reached 1,115.

Most of the dead bodies, 675, were found in Padang Pariaman regency, and 313 in Padang city, the West Sumatra Disaster Response Center in Padang said Tuesday night.

### 2009 Sumatra earthquakes



|                                   |  |
|-----------------------------------|--|
| <b>Date</b>                       | 10:16:10, September 30, 2009 (UTC)   |
| <b>Magnitude</b>                  | 7.6 <i>M<sub>w</sub></i>   |
| <b>Depth</b>                      | 87 kilometres (54 mi)  |
| <b>Epicenter location</b>         | 0.725°S 99.856°E   |
| <b>Countries/regions affected</b> | Indonesia<br>Singapore<br>Malaysia   |
| <b>Casualties</b>                 | estimated to be at least 1100, <sup>[1]</sup> government reports confirmed 1,115 dead, 1,214 severely injured and 1,688 slightly injured. <sup>[2]</sup> |

The following are details on the victims and damage caused by the quake:

1. Fatalities : 1,115
2. Seriously injured : 1,214
3. Lightly injured : 1,688
4. Missing : 1 (one)
5. Seriously damaged houses : 135,299
6. Lightly damaged homes : 65,306
7. Homes with minor damage : 78,591

Fatalities (official) :

1. Padang city : 313
2. Padang Pariaman regency : 675
3. Pariaman city : 37
4. Pesisir Selatan regency : 11
5. Solok city : 3
6. Agam regency : 80
7. Pasaman Barat regency : 3(\*)

- The first major test was the W Sumatra earthquake of 30.9.09
- WAPMERR Initial Estimates of Fatalities at T+1 hr 36mins: 0-200 dead
- Actual Fatalities: at least 1,115 so far recorded



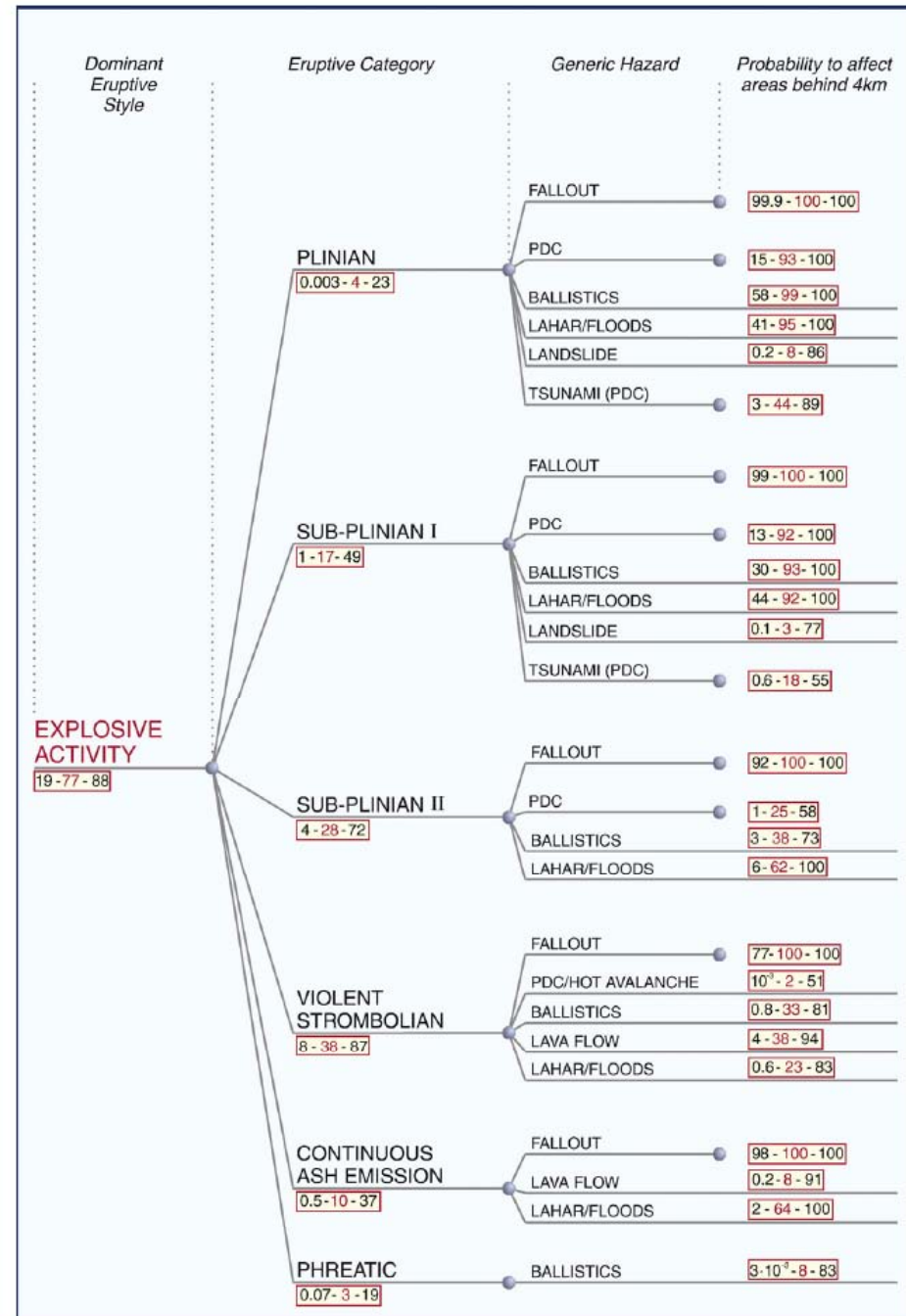
# Volcano risk modelling: probabilistic event-tree for alternative scenarios at Vesuvius

Aimed at providing an assessment of possible different categories of eruption and the probability that the next eruption will be of each type.

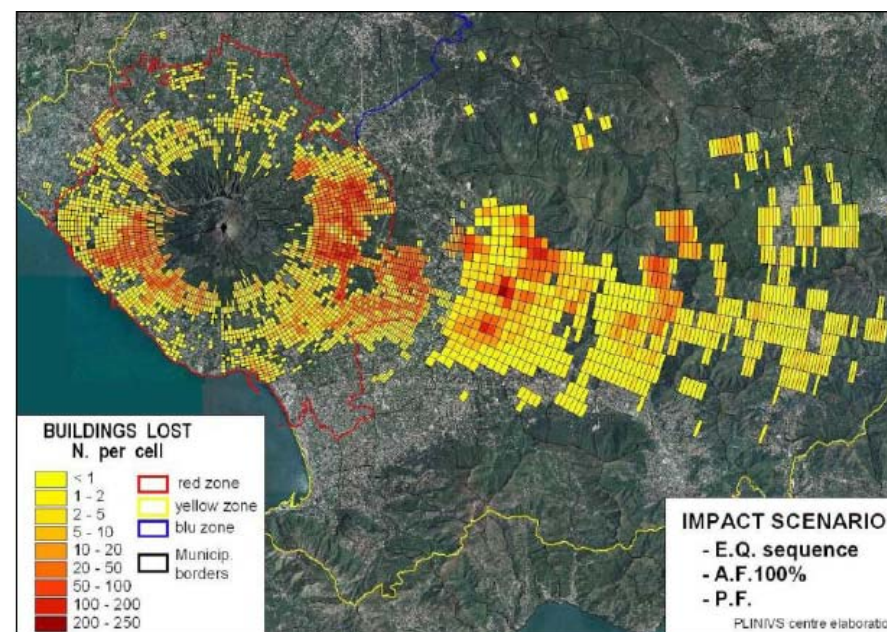
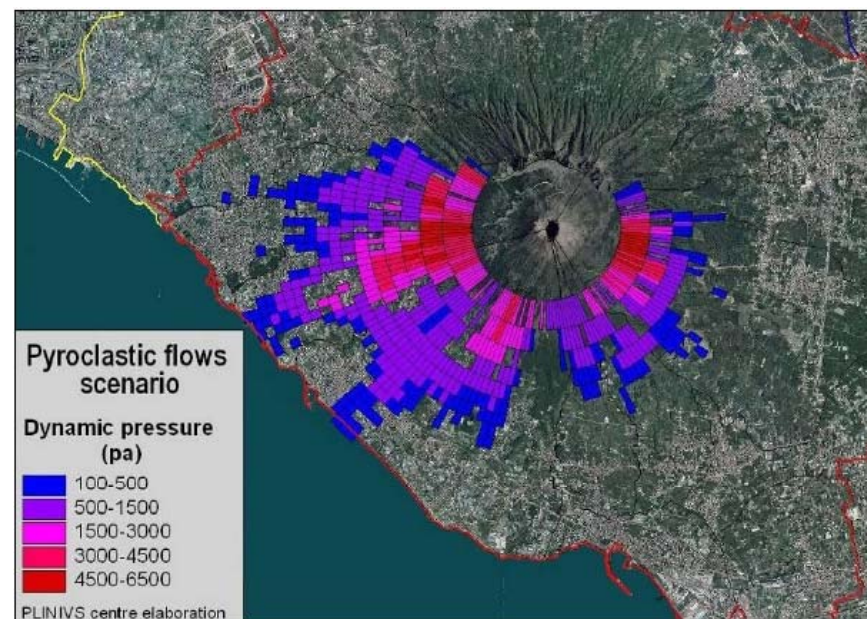
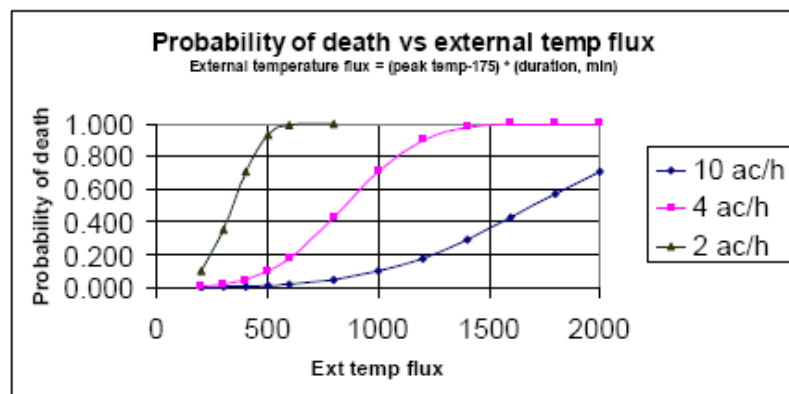
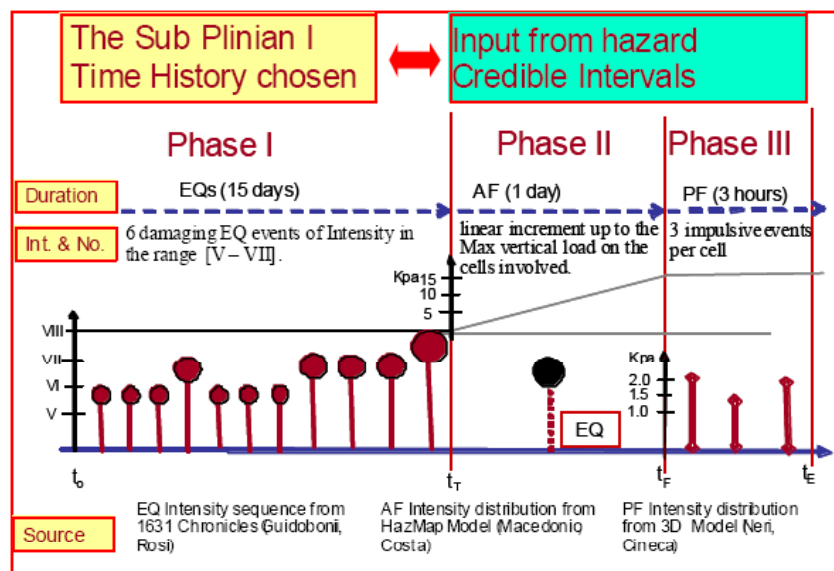
Probabilities estimated by a formal elicitation process among professional volcanologists, and presented as ranges 5%, 50%, 95%

Each eruption category is associated with probable consequent hazards.

Wide range of expert opinion a problem for Civil Protection

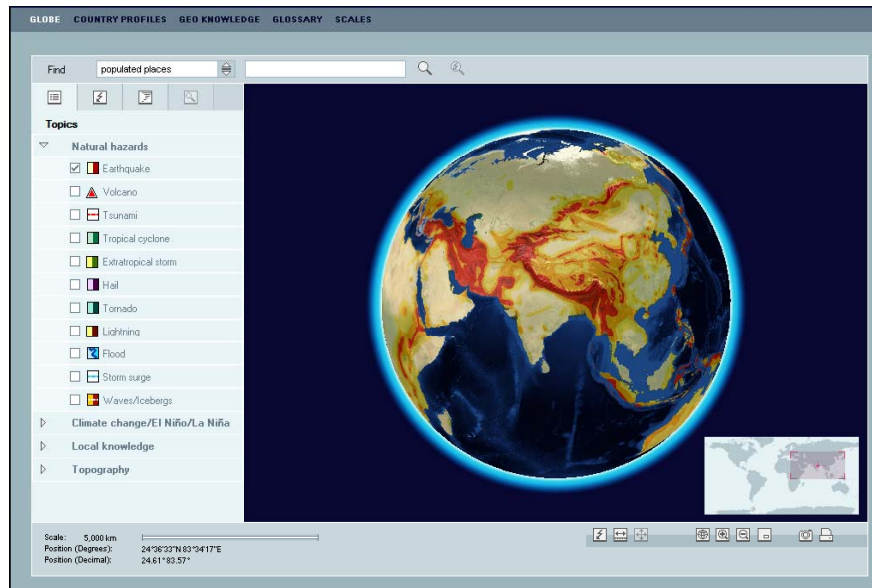


# Modelling impacts of volcanic scenarios





# How can we do better ?



*Munich Re's Hazard  
Globe, 2009*

- Improve understanding of active faults and global seismicity
- Collect and organise impact data post event
- Improve understanding of “at risk” buildings and infrastructure
- Improve global collaboration
- Improve understanding of uncertainty
- Connect with business processes

## Mapping active faults

Many large and growing cities lie close to active faults which have been affected by destructive earthquakes in the past. In many cases the responsible fault is not known.

New forensic techniques developed at the Bullard Lab will enable the recently active faults to be identified.

This knowledge could have a profound effect on urban development over the next 20 years

The Cambridge China project joins the Depts of Earth Sciences and Architecture at Cambridge with Chinese Partner institutions to develop this potential.



# Improving post-earthquake reconnaissance methods, using remote sensing

- EEFIT has been active in data collection since 1982 with increasing sophistication
- Damage Case-Study: YingXiu Township, Wenchuan earthquake





# Archiving earthquake consequence data



## Cambridge University Earthquake Damage Database

Edit

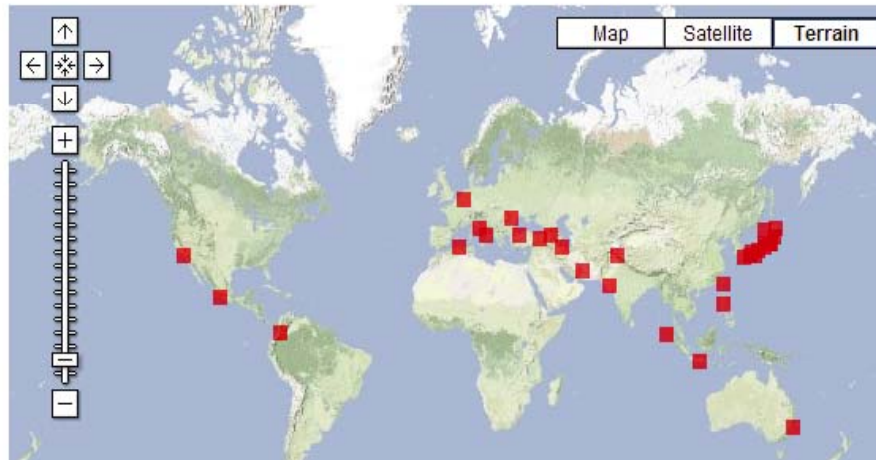
Home About Use XML Contact

Reducing the impact of earthquake catastrophes requires a good understanding of the destruction they cause and the vulnerability of different types of buildings.

Damage survey data from destructive earthquakes is compiled here as a reference resource for use in vulnerability assessment and seismic risk analysis.

Data has been contributed by

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Key: Earthquakes

|           |      |
|-----------|------|
| Indonesia | 2006 |
| Pakistan  | 2005 |
| Japan     | 2005 |
| Indonesia | 2004 |
| Japan     | 2004 |
| Iran      | 2003 |
| Japan     | 2003 |
| Algeria   | 2003 |
| Japan     | 2001 |
| India     | 2001 |
| Japan     | 2000 |
| Taiwan    | 1999 |
| Turkey    | 1999 |
| Columbia  | 1999 |
| Italy     | 1997 |
| Japan     | 1995 |
| Japan     | 1994 |

FREE web-accessible source of building typology/damage data on >1m buildings from 32 earthquakes since the 1960s. Plus casualty data

Use to create vulnerability curves

[www.arct.cam.ac.uk/eq](http://www.arct.cam.ac.uk/eq)

Usage is free, but please credit the Cambridge University Earthquake Damage Database.

We welcome feedback and suggestions.

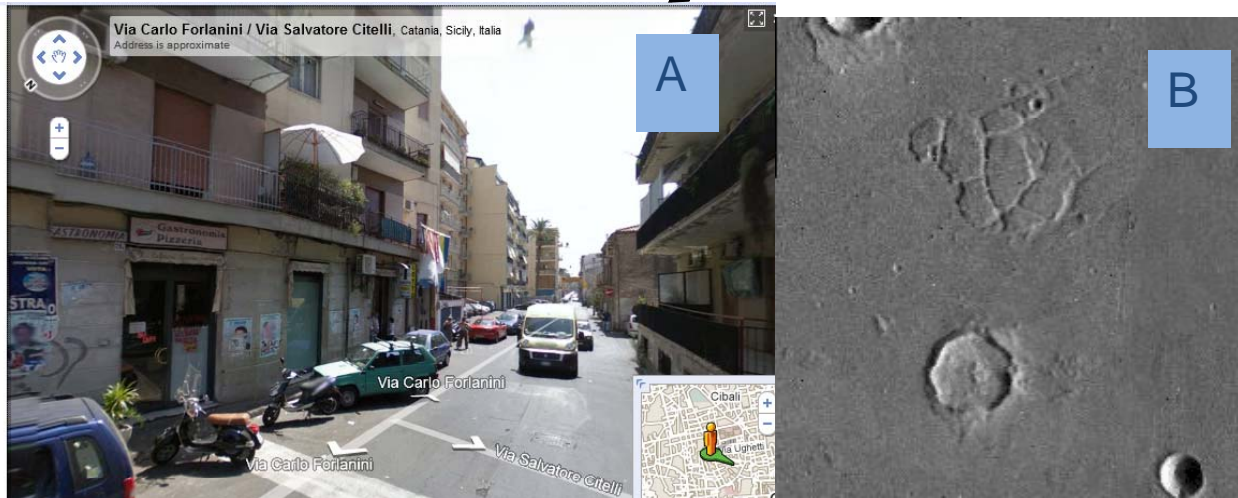
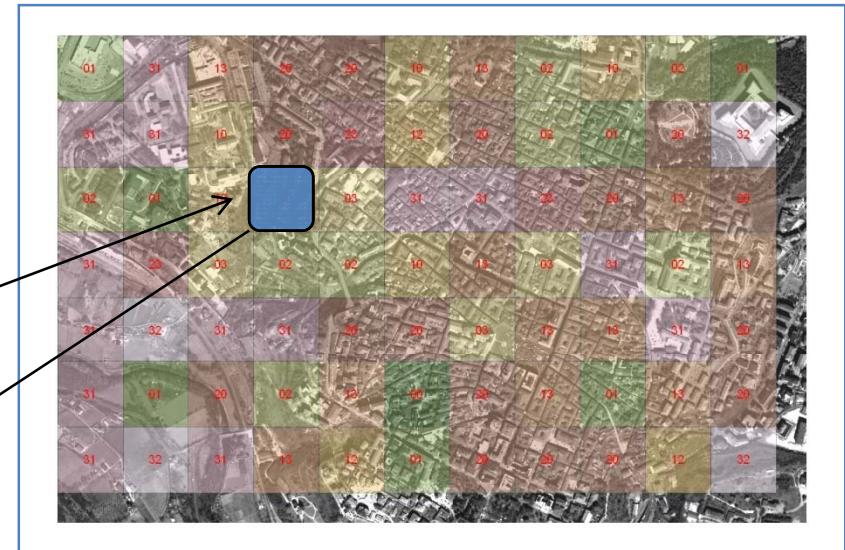


|       |      |
|-------|------|
| Japan | 1978 |
| Japan | 1964 |
| Japan | 1948 |

WCCE Conference, Istanbul, June 22-24, 2009

# Understanding global exposures: application of remote sensing and “mass observation”

Unsupervised segmentation using Gabor filters and Self Organising Maps (SOM) to segment image (urban area) into clusters where building type distribution is similar.  
Selection of sampling area

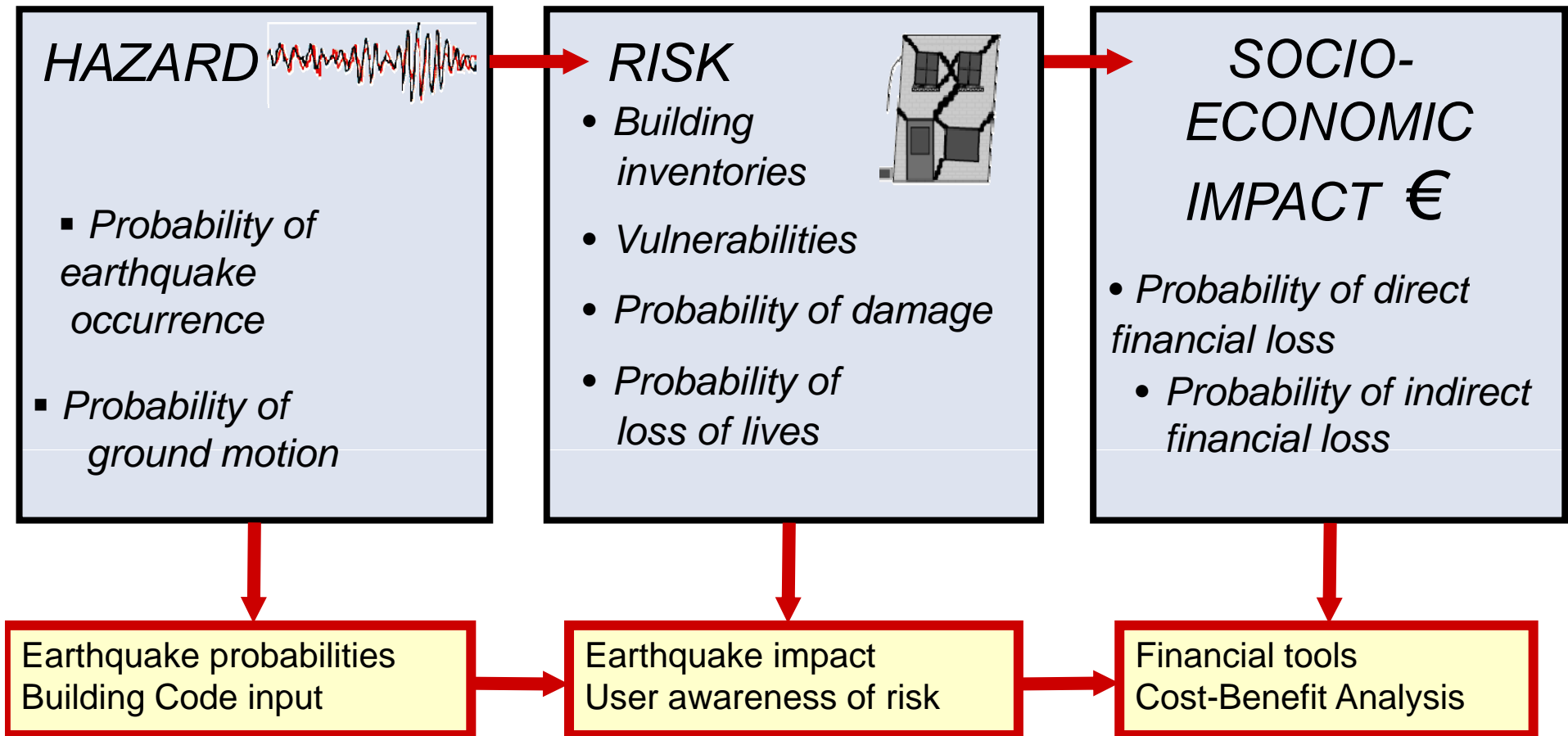


A: Google Street View

B: “Mass observation”  
(example from NASA’s  
moon crater mapping  
project)

# Collaboration: The Global Earthquake Model (GEM) Project

GEM integrates developments at the forefront of seismological and engineering knowledge in three interconnected modules



## Engaging with uncertainty

Uncertainty needs to be acknowledged in:

- Specific future events
- Quantities/parameters in a model
- Assumptions underlying the 'best' model (both internal and external)
- Inadequacies of our 'best' model

*David Spiegelhalter, Risk Centre Talk, Oct 22 2009*

## Connecting with business processes

Risk modelling can:

- Help owners of global building estates identify and modify or avoid high-risk premises
- Help the insurance industry model its likely losses and avoid insolvency
- Help improve codes of practice for new buildings
- Help urban authorities identify zones for future expansion

A Guide to Building Selection in Seismic Zones



*Study for British Council by CAR Ltd*

**Tehran to be replaced as Iranian capital amid quake fears**  
*The Guardian, 2.11.2009*



## Conclusions

- Losses from natural hazards including earthquakes and volcanic eruptions have been increasing as human populations and their activities and investments grow into hazardous areas
- We have a very incomplete knowledge of the hazards and the vulnerability of people and buildings to them
- Risk modelling has and can have important contributions to improving decision-making for government, businesses, and individuals
- Risk modelling for earthquakes and volcanic eruptions is still in its infancy, and uncertainties in estimates are very large
- There is much that research can contribute to make it a more effective tool, but large uncertainties will remain.
- Research is also needed on how best to communicate those uncertainties to decision-makers.