

# Natural Disaster Nat-Cat Panorama

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# Reality Check

- India's exposure to hazard is very high
- High exposure does not always mean high vulnerability but slow capacity development process is inadequate to cope with the risks
- And, hence vulnerability is very high and the frequency of catastrophic events have gone up in last two decades.
- Risk is dynamic. With increasing human population and risk friendly or mitigation blind development infrastructure making situation worse



# Disaster Impact

- More than 360 natural disasters have been recorded over the past 35 years and the reported event frequency has been increasing over the period.
- Within the last five years of the 21<sup>st</sup> century, various natural disasters claimed nearly 30 thousand lives and 247,480 thousand got affected.
- The reported direct losses on public and private economic infrastructure in India have amounted to around \$30 billion over the past 35 years.



# Financing Emergency Relief

- Calamity Relief Fund with the state / district
- National Calamity Contingency Fund- federal
- Bilateral support
- PM Relief Fund
- CM Relief Fund
- Funds Raised by the Community
- UN and Other INGO support



# Disaster Funding in India

- The responsibility for disaster funding in the aftermath of a natural catastrophe has been shared by the state and central governments.
- While the affected state manages the relief work and reconstruction efforts, the central government provides financial support
- The current funding is a reactive response to each event. However, Act 2005 has made provision of ex-ante funding as Mitigation fund but yet to be formulated.

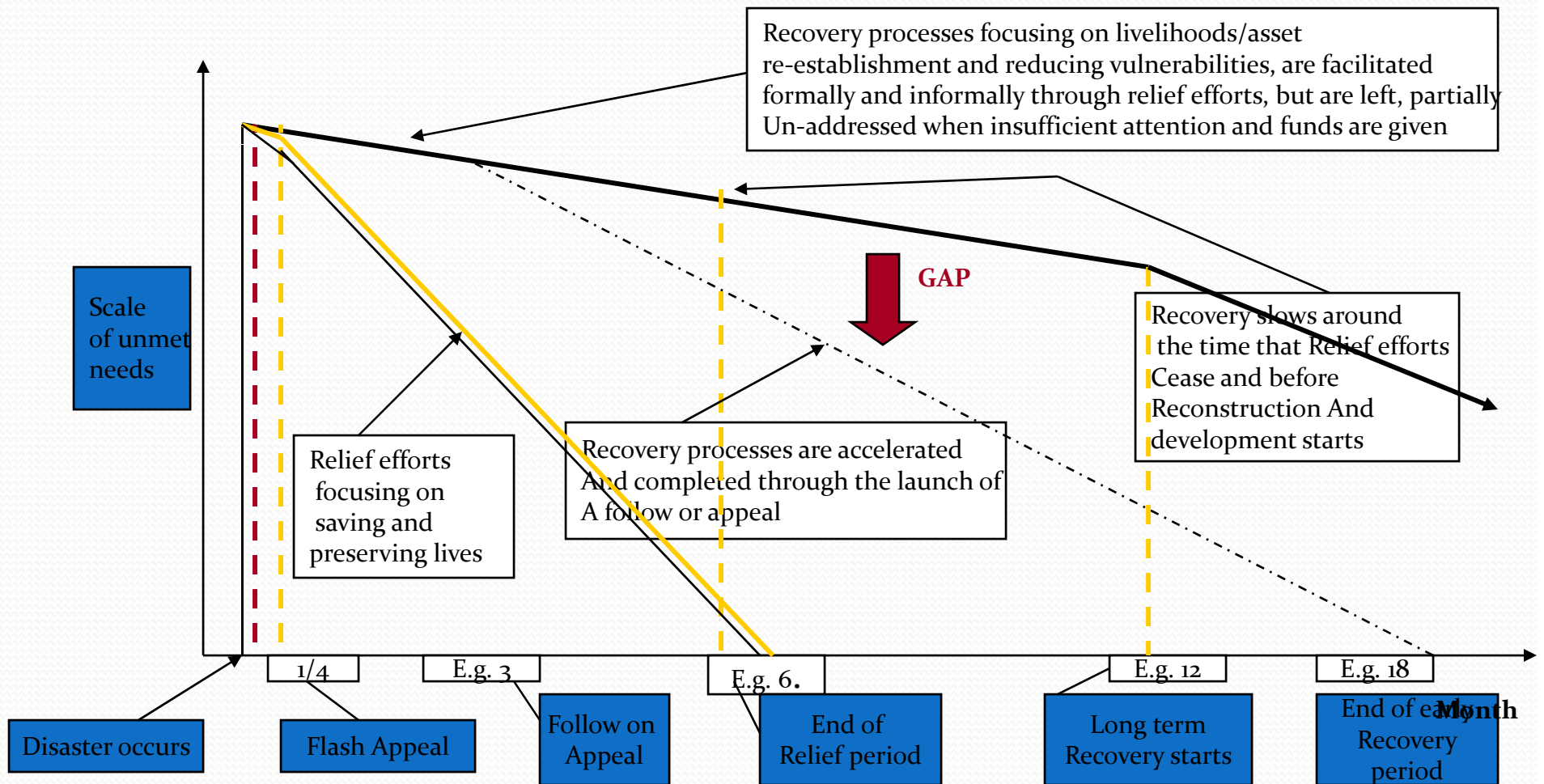
# CRF actual expenditure 2001-07

Year	Rs. in Crores
2000 -2001	3878.45
2001 -2002	5012.1
2002 -2003	4168.18
2003-2004	4658.16
2004 -2005	5568.14
2005 -2006	8572.46
2006 -2007	7899.45
<b>Total</b>	<b>39766.94</b>

# Calamity Contingency Fund (NCCF)

YEAR	Rs. In Crore
● 2000-01	924.21
● 2002-02	1368.68
● 2002-03	1600.00
● 2003-04	1587.42
● 2004-05	2583.12
● 2005-06	3061.44
● 2006-07	1962.05
● 2007-08 (till date)	283.96
<b>Total</b>	<b>13370 .88</b>

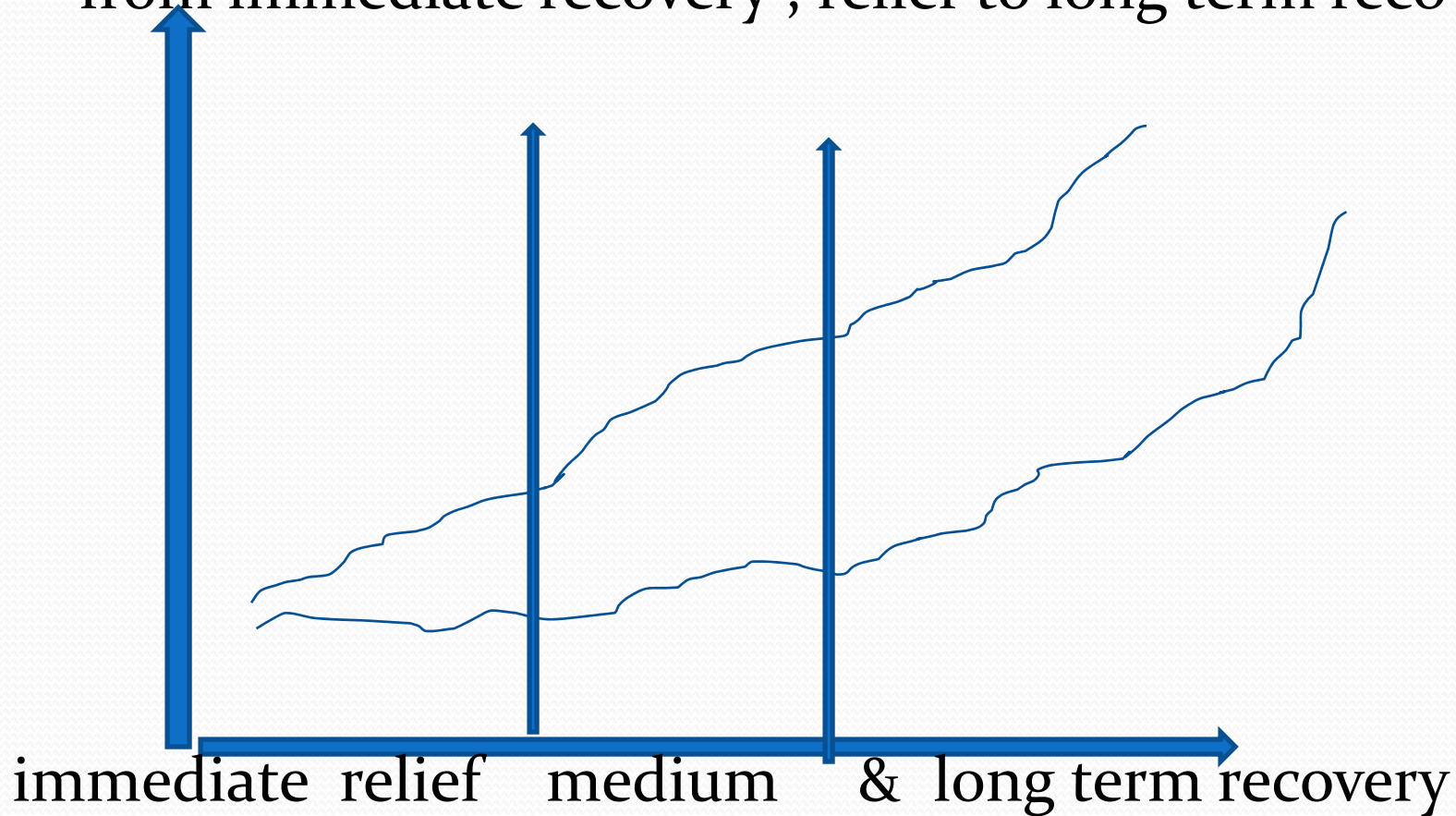
# Phases of Recovery





# Funding gap

- from immediate recovery , relief to long term recovery





# Some additionalities

- Loan waive off in the drought prone areas of Rs. 65000 crore
- Grant in Aid
- Bilateral support
- PM Relief Fund
- CM Relief Fund
- Diversion of development Fund
- Funds Raised by the Community
- UN and Other INGO support



# Comprehensive Risk Management



RISK  
ASSESSMENT

• RISK  
ANALYSIS

INSTITUTIONS  
BUILDING

EMERGENCY  
PREPAREDNESS

RISK  
FINANCING  
AND  
TRANSFER



# Policy Issues

- Do we have Insurance as an alternative
- Status of ex-ante alternative
- Govt role in Making Cat- Insurance as mandatory
- Monitoring of compensation
- In what condition Insurance claim will become operative
- The cost of premium to the poor and the most vulnerables.
- Monitoring & institutional mechanism for Cat- net



# Market Readiness

- Consumer friendly products in the absence of Mitigation
- Readiness of the insurance companies
- Issues of Re-Insurance
- Penetration of Insurance
- Mechanism for incentivizing Insurance
- Challenges of payment of claims in time
- Multiple hazard base products