Willis Research Network wins Lloyd’s Science of Risk Prize

The winning paper provides a blueprint for a new generation of flood models

London, UK (PRWEB) November 30, 2012 -- The Willis Research Network (WRN), the academic and analysis arm of Willis Group Holdings (NYSE: WSH), today celebrated winning the Lloyd’s Science of Risk prize in the category of Natural Hazards.

The winning paper, “A simple inertial formulation of the shallow water equations for efficient two-dimensional flood inundation modelling”, published in the Journal of Hydrology and undertaken at the University of Bristol with support from the WRN, provides in the public domain a blueprint for a new generation of flood models.

The judging panel, comprising experts from academia and insurance, praised the theoretical basis of the paper but were also impressed by its existing practical applications.

Flood models based on the equations and research outlined in the paper are already under development at Willis. These methods will be used to inform risk analysis and pricing, and they will stimulate further research to improve flood modelling methods. WRN believes the paper could lead to a step change in the way floods are modelled.

Flooding is a major risk for homeowners and businesses around the world. In the UK heavy rainfall recently resulted in hundreds of flood warnings across the country, while flood claims caused by Hurricane Sandy’s storm surge on the US eastern seaboard are still being quantified.

Claims for flood damage are a major source of ‘attribitional losses’ in the insurance industry and extreme floods can generate major losses that trigger reinsurance contracts. The summer 2007 floods in the UK, for example, cost the industry some £3.5 billion (US$5.6 billion), whilst insured losses from 2011’s devastating Thailand floods are estimated to be in the region of US$15 billion.

The Science of Risk prize was launched by Lloyd’s of London, the world’s specialist insurance market, in 2010 to stimulate cutting edge thinking into the latest emerging risks facing business. The prize incentivises and rewards the best academic research into risk management. In 2012 the awards focussed on natural hazards and climate change.

Commenting on the prize the author of the paper Professor Paul Bates, Director of the Cabot Institute at the University of Bristol and WRN Senior Academic, said: “Whilst at first reading our paper appears heavily theoretical, its implications are profound and immediate for insurance industry flood risk analysis. The paper places in the public domain the blueprint for how to build a better flood inundation model in a way that is truly open source.”

Co-author, Dr Tim Fewtrell, Chief Hydrologist of Willis Global Analytics, said: “This research demonstrates the practical impact that cutting-edge science can have for businesses, especially within the insurance industry. Having reproduced this research in-house Willis is now in a position to develop industry leading, physically-based flood risk assessment tools for our clients.”

A full version of the award-winning paper is available on the WRN website.
About Willis Research Network
Based in London, led and sponsored by Willis, the Willis Research network was formed in 2006 to integrate science, insurance and resilience at a scale never before envisaged. It has become the world’s largest collaboration between public science and the financial sector with a membership of around fifty leading research institutions. More information on the Willis Research Network is available at www.willisresearchnetwork.com.

About Willis
Willis Group Holdings plc is a leading global insurance broker. Through its subsidiaries, Willis develops and delivers professional insurance, reinsurance, risk management, financial and human resource consulting and actuarial services to corporations, public entities and institutions around the world. Willis has more than 400 offices in nearly 120 countries, with a global team of approximately 17,000 employees serving clients in virtually every part of the world. Additional information on Willis may be found at www.willis.com.

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