Over the past decade or so, news about potential pathogen outbreaks has become increasingly frequent (e.g., SARS, H5N1 bird flu, H1N1 swine flu and recent news of an ebola hemorrhagic disease). Public health and medical personnel have become more sensitive to emerging data and potential outbreak containment. Such news also tends to highlight the potential catastrophic risk the (re)insurance industry faces from a full-blown pandemic.

In July, SCOR SE held the two-day Pandemic Risk Conference, with presentations from a number of notable industry experts, medical specialists, epidemiologists and esteemed academicians. Key takeaways from the conference include:

- Emerging diseases, which occur most commonly in the poorest parts of the world, cause adverse impact to human health and worker productivity, helping perpetuate a poverty cycle.
- There are several approaches to modeling pandemic risk. The approach taken by any stakeholder should be appropriate to the intended use and the available resources.
- Pandemic models can get very complicated. Scenario analysis and sensitivity testing are useful tools in understanding the parameters most relevant to a stakeholder, providing insights to help various stakeholders understand the range of outcomes and design appropriate mitigating actions.
- Characteristics of a susceptible population may impact the spread and severity of a pandemic outbreak in that population. Underlying medical and socioeconomic issues may drive pandemic-relevant factors such as (1) access to or availability of high quality medical facilities and personnel; (2) ability to isolate persons, even temporarily, from exposure to the general population; and (3) individual ability to withstand or survive an infection.
- It is important for any stakeholder to be able to understand pandemics and their impact on various relevant groups. This ability will help in designing public health measures, risk mitigation programs and capital planning processes.
- Issuing mortality-linked securities is one approach used by (re)insurers in the managing of pandemic risk. In order to succeed, it will require robust models that reflect the nature and magnitude of the risk appropriately.

Insurers have expertise and skills that are useful in understanding and measuring the impact of pandemics. They can provide valuable financial information for its own capital planning needs, and also provide other stakeholders with insight on the nature of pandemic risk and various mitigation approaches.

To view the Pandemic Conference presentations, please visit the SCOR Global Research Centre at www.scor.com/en/sgrc/life/pandemic.html.