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Agenda

- Actuaries Climate Index (ACI)
  - Sponsors
  - Background
  - Composition: six components, 12 regions (7 in the USA + 5 in Canada)
  - Recent index findings
- Actuaries Climate Risk Index (ACRI)—status report
- Q&A
ACI—Sponsors

- Actuaries Climate Index (ACI) Sponsors
  - American Academy of Actuaries
  - Canadian Institute of Actuaries
  - Casualty Actuarial Society
  - Society of Actuaries
- www.ActuariesClimateIndex.org
ACI—Background

- An educational tool providing information about weather trends in the United States and Canada
- Retrospective analysis of data as opposed to a forecast of future trends
- Updated quarterly using publicly available data from the National Oceanic and Atmospheric Administration and the Permanent Service for Mean Sea Level
- Covers rainfall, temperature, dry spells, wind speed, and sea level
ACI—Background (cont’d)

- Breaks North America into 12 regions, and analyzes each region separately
- Breaks time into monthly units
- Spans the period from 1961 to the present (with a reporting lag of 6 to 12 months)
- Uses 1961–90 as a reference period
ACI—Components

- Covers rainfall, temperature, dry spells, wind speed, and sea level
  - Frequency of temperatures above the 90th percentile (T90)
  - Frequency of temperatures below the 10th percentile (T10)
  - Maximum rainfall per month in five consecutive days (P)
  - Annual maximum consecutive dry days (D)
  - Frequency of wind speed above the 90th percentile (W)
  - Sea level changes (S).

- Breaks North America into 12 regions, and analyzes each region separately
Overall ACI and Components

Seasonal Five Year Moving Averages of Components
Canada and the United States
ACI Components—Climate Regions

Region Name
- Central Arctic CAR
- Northeast Atlantic NEA
- Northeast Forest NEF
- Northern Plains NPL
- Northwest Pacific NWP
- Alaska ALA
- Central East Atlantic CEA
- Central West Pacific CWP
- Midwest MID
- Southeast Atlantic SEA
- Southern Plains SPL
- Southwest Pacific SWP
ACI—Recent Index Findings

- “Rising sea levels and more frequent high temperatures are sustaining the long-term trend of higher ACI values.”
- Based on data through the winter of 2017–18.
- Measured with the new data, the five-year moving average of the ACI increased to 1.23 from the 1.19 prior season average.
Actuaries Climate Index—Overall

USA and Canada Combined

Reference Period
1961-1990
ACRI—Status Update

- Currently being developed by the sponsoring organizations
- Estimates relationships between the ACI’s weather metrics and weather-related losses
- Initial model is undergoing peer review
Three Foundational Documents on the ACI Website

actuariesclimateindex.org
The Academy

- The American Academy of Actuaries is a 19,500-member professional association whose mission is to serve the public and the U.S. actuarial profession. For more than 50 years, the Academy has assisted public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.
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