



ERN and RED - Risk Engineering+Design sign an agreement to develop a Pan-European earthquake model to be used in the insurance industry

Last August 29th, at Pavia, Italy, companies **ERN** and **RED** signed an agreement to develop a Pan-European earthquake model, intended to be used by the insurance industry to evaluate financial losses to portfolios of buildings.

ERN, a Mexico City based company, has developed loss-estimation models for earthquake and hydro-risks since 1996, for Mexico, Central and South America. These models are widely used by the insurance sector and by several Governments of Latin America in their regulation activities.

ERN partners now with **RED**, a company based in Pavia, with high degree of specialization in the field of catastrophe risk assessment, structural analysis and structural design; its experience is enhanced by the expertise brought in by technical directors and project coordinators that have significant international experience in several fields of Earthquake Engineering and Engineering Seismology. **RED** counts among its ranks some of the most experienced European engineers and loss modelers who have worked in major international catastrophe risk modeling companies.

“The industry will soon have a unique state-of-the-art earthquake model for Europe, that will help the insurance sector, as well as corporate owners, to manage their risks using the newest knowledge about hazard and vulnerability available for the region”, indicated Dr. Mario Ordaz, President of **ERN**, during the ceremony in which the new agreement was signed.

“The hazard module of the new model will be compatible with that of SHARE, the just released, comprehensive and homogenized seismic hazard model for Europe, which has been developed by some of the best scientists of all the countries involved. The vulnerability module, besides being based on the damage and loss data available at **RED** for Italy and other Southern European countries, also takes advantage of the work done in Syner-G, another European Community funded project, and by the Global Earthquake Model (GEM) on this subject . No other available catastrophe risk model for Europe has yet incorporated all these recent developments”, said Dr. Paolo Bazzurro, Technical Director at **RED**.

According to the joint development team, the model will be ready for the second quarter of 2015. A more formal presentation will be made in the first quarter of 2015, in London, on a date to be announced.

Sincerely yours,

ERN Board of Directors



RISK
ENGINEERING
+DESIGN