



Item 6 – NatCat report

Brussels, 18 September 2019



Key topics



Climate change →
natural catastrophes



Insurance:
an important tool

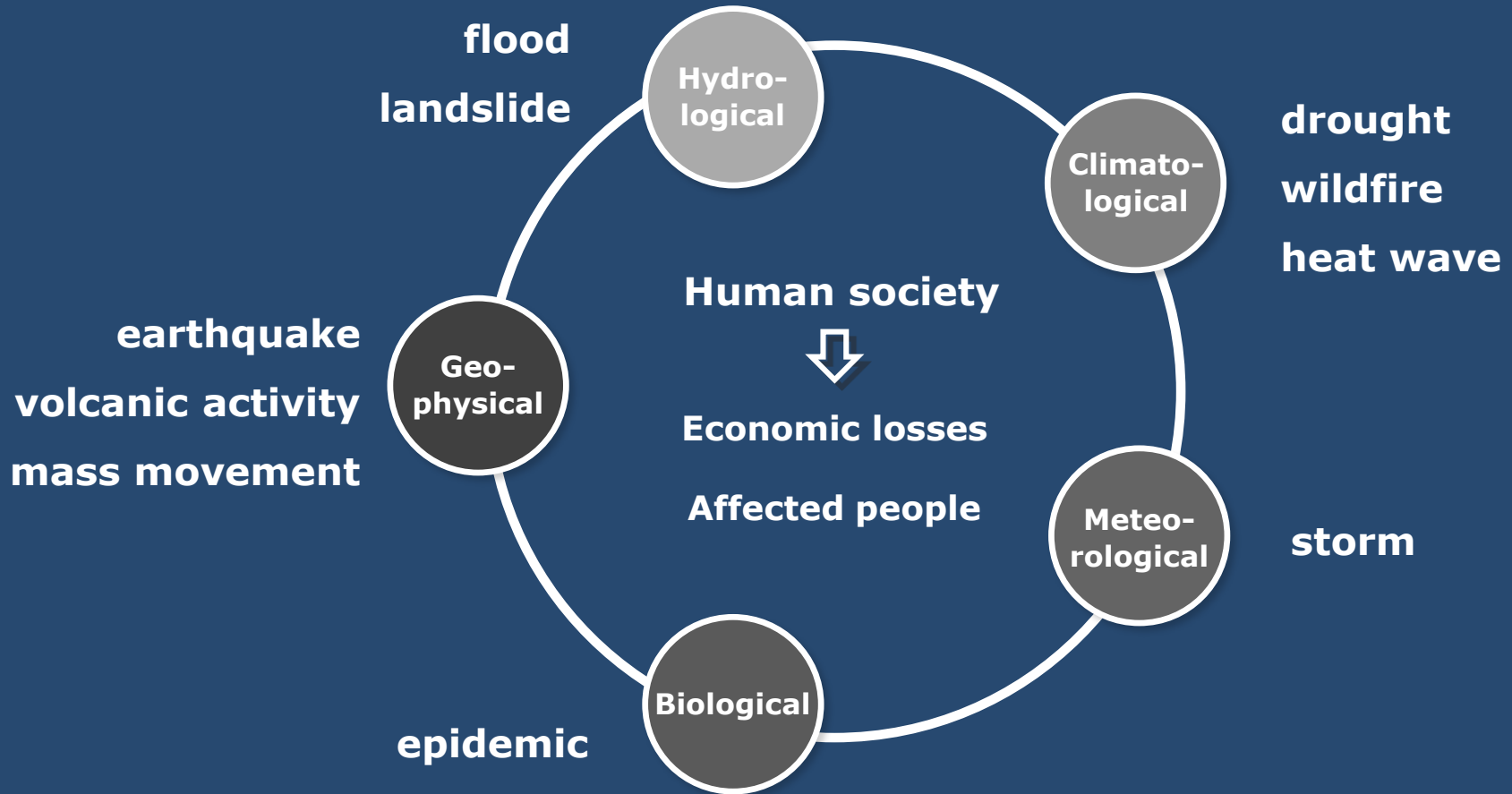


Diverse NatCat
insurance schemes



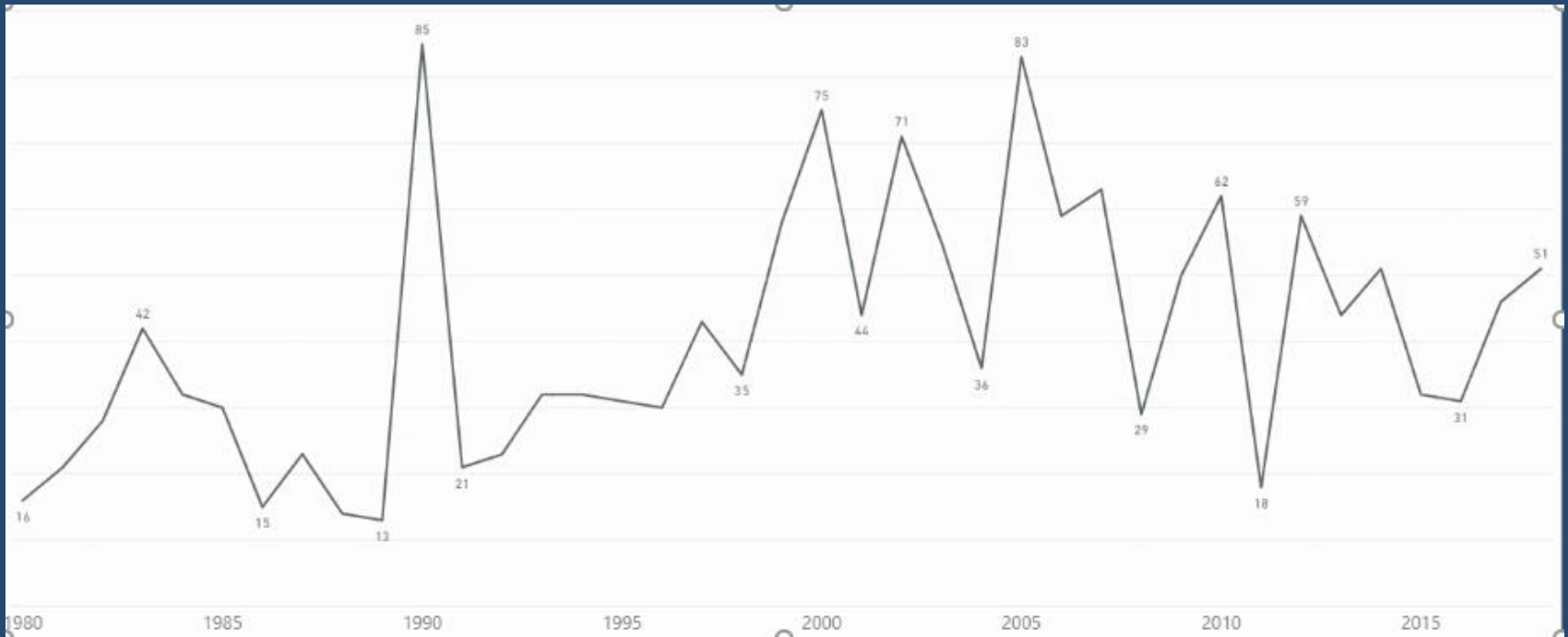
Protection gap:
closing but still wide

What is a natural catastrophe (NatCat)?



NatCat in Europe

Number of natural catastrophes recorded between 1980 and 2018



Source: EM-DAT, Munich Re

NatCat in Europe

In the past 4 decades:



> 1500

Natural catastrophes



> €150bn

Total economic losses



> 30 million

Affected people

Source: EM-DAT, Munich Re, Swiss Re

1. Climate change → natural catastrophes



Climate change →
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Diverse NatCat
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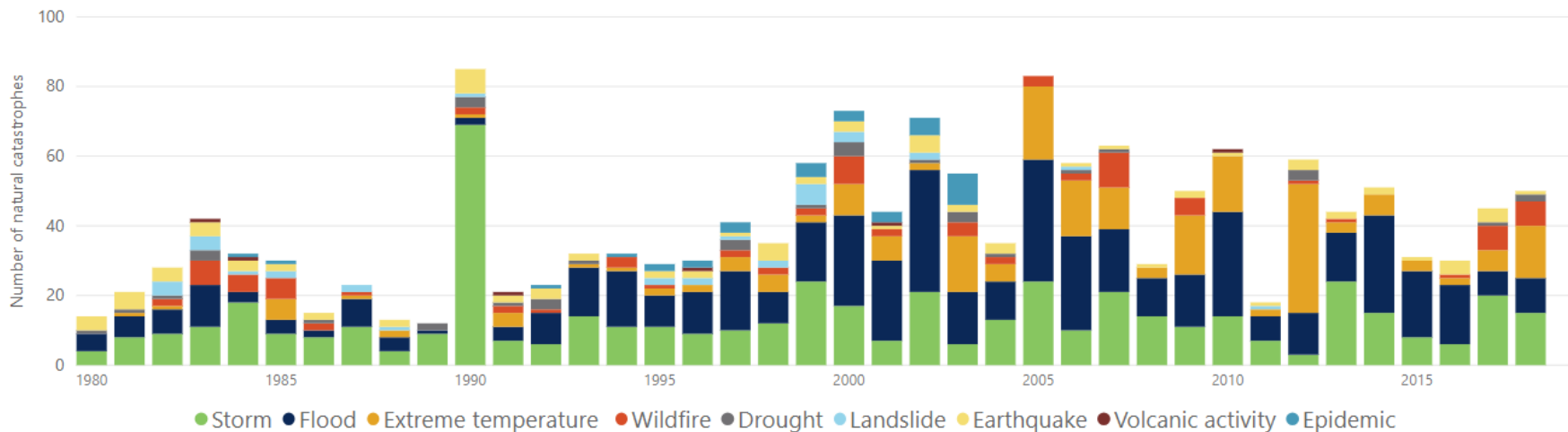
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1. Climate change → natural catastrophes

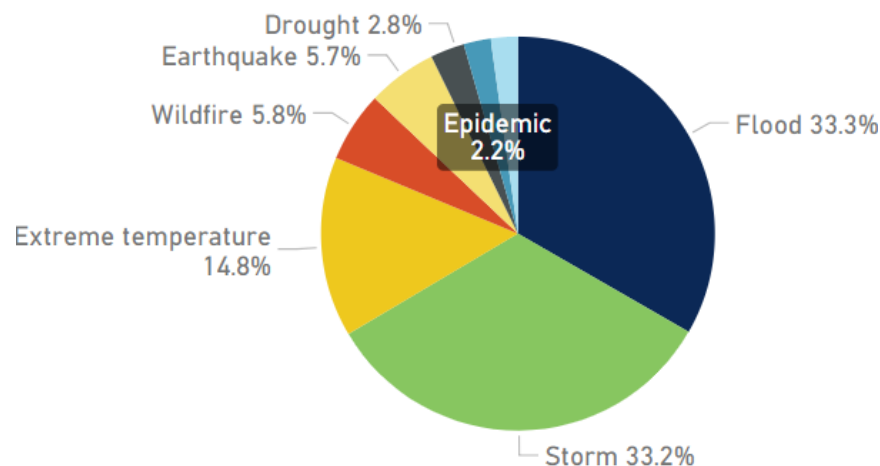
In Europe, climate-related risks dominate:



Source: EM-DAT, Munich Re

1. Climate change → natural catastrophes

In Europe, climate-related risks dominate:

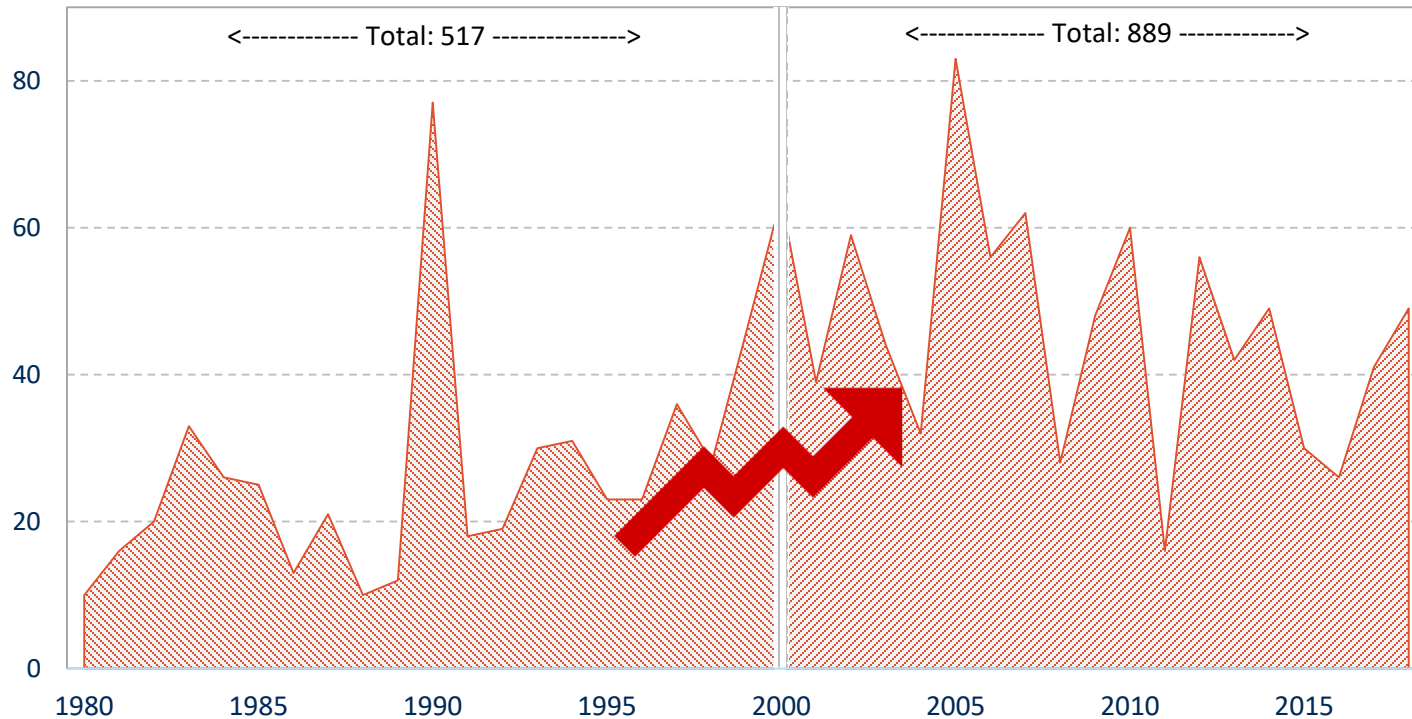


Flood, storm, extreme temperature, wildfire, drought: **87%**

Source: EM-DAT, Munich Re

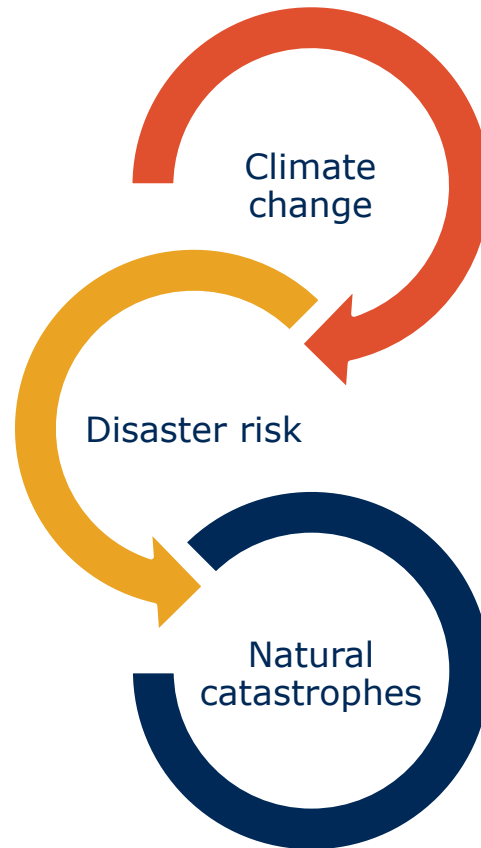
1. Climate change → natural catastrophes

Number of climate-related risks has increased:



1. Climate change → natural catastrophes

Climate change: fueling more natural catastrophes



1. Climate change → natural catastrophes

Climate change: fueling more natural catastrophes

ipcc
INTERGOVERNMENTAL PANEL ON climate change

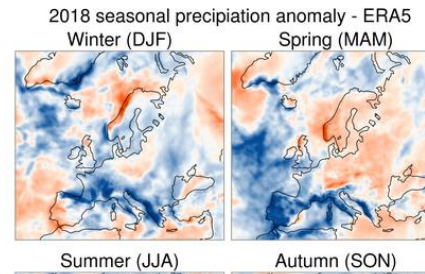
Global Warming of 1.5°C
An IPCC Special Report on the impacts of global warming above pre-industrial levels and related global greenhouse gas emissions scenarios in the context of strengthening the global response to the threat of climate change, and efforts to eradicate poverty.

ipcc
INTERGOVERNMENTAL PANEL ON climate change

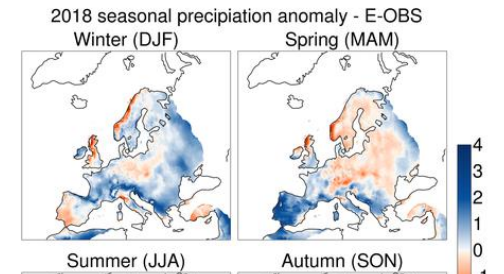
Climate Change and Land
An IPCC Special Report on climate change, desertification, land degradation, sustainable land management, food security, and greenhouse gas fluxes in terrestrial ecosystems.

Summary for Policymakers

WG I | WG II | WG III



EEA Report | No 12/2012



Climate change, impacts and vulnerability in Europe 2012
An indicator-based report



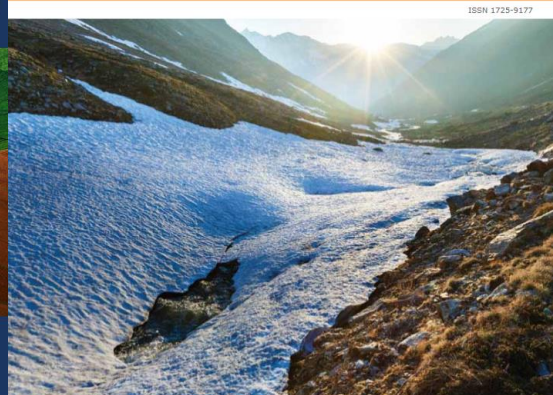
JRC TECHNICAL REPORTS

PESETA III:
Agro-economic analysis of climate change impacts in Europe

Final Report

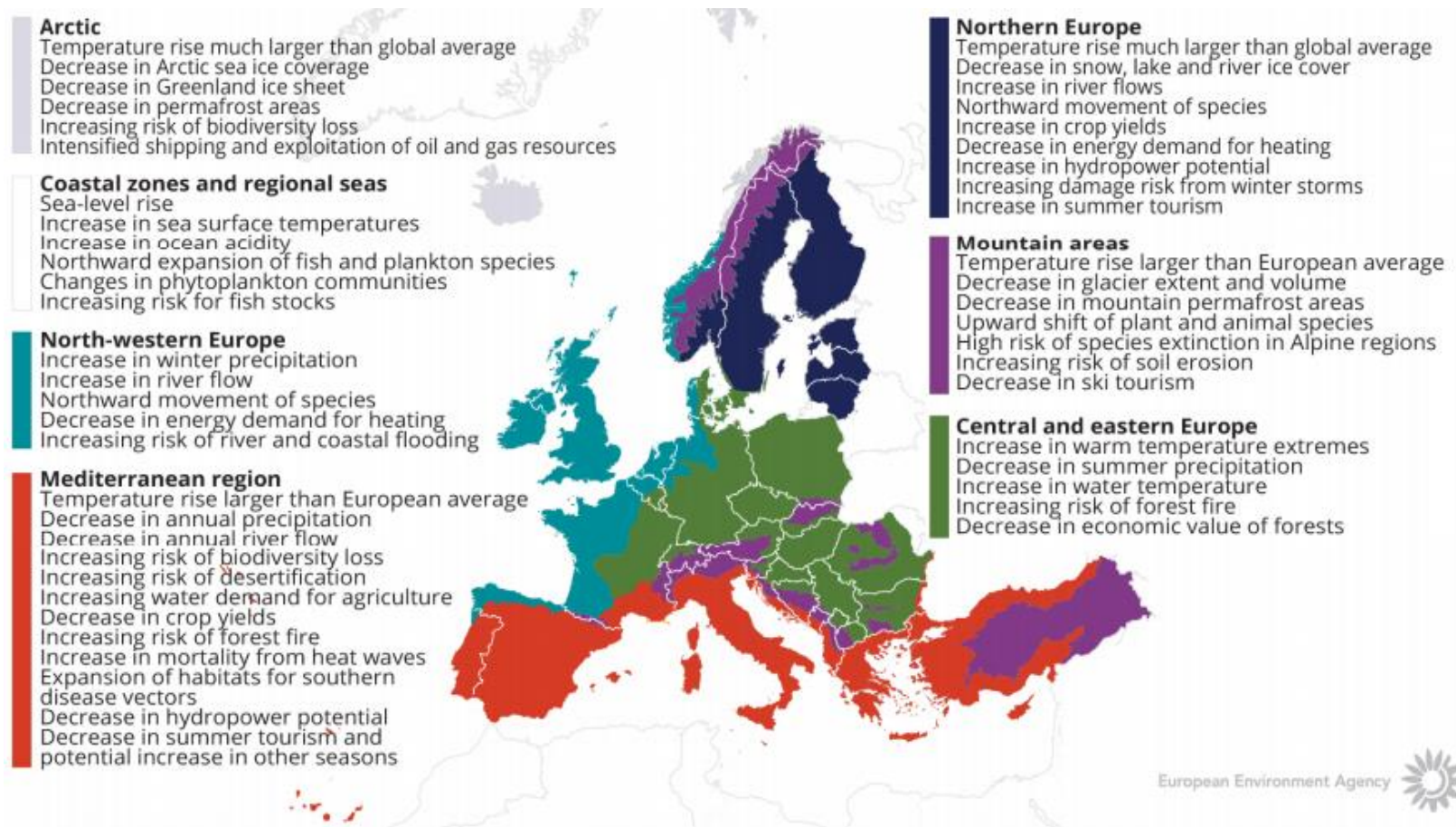
Ignacio Pérez Domínguez
Thomas Fellmann

2018



1. Climate change → natural catastrophes

When climate changes:



2. The role of insurance



Climate change →
natural catastrophes



Diverse NatCat
insurance schemes

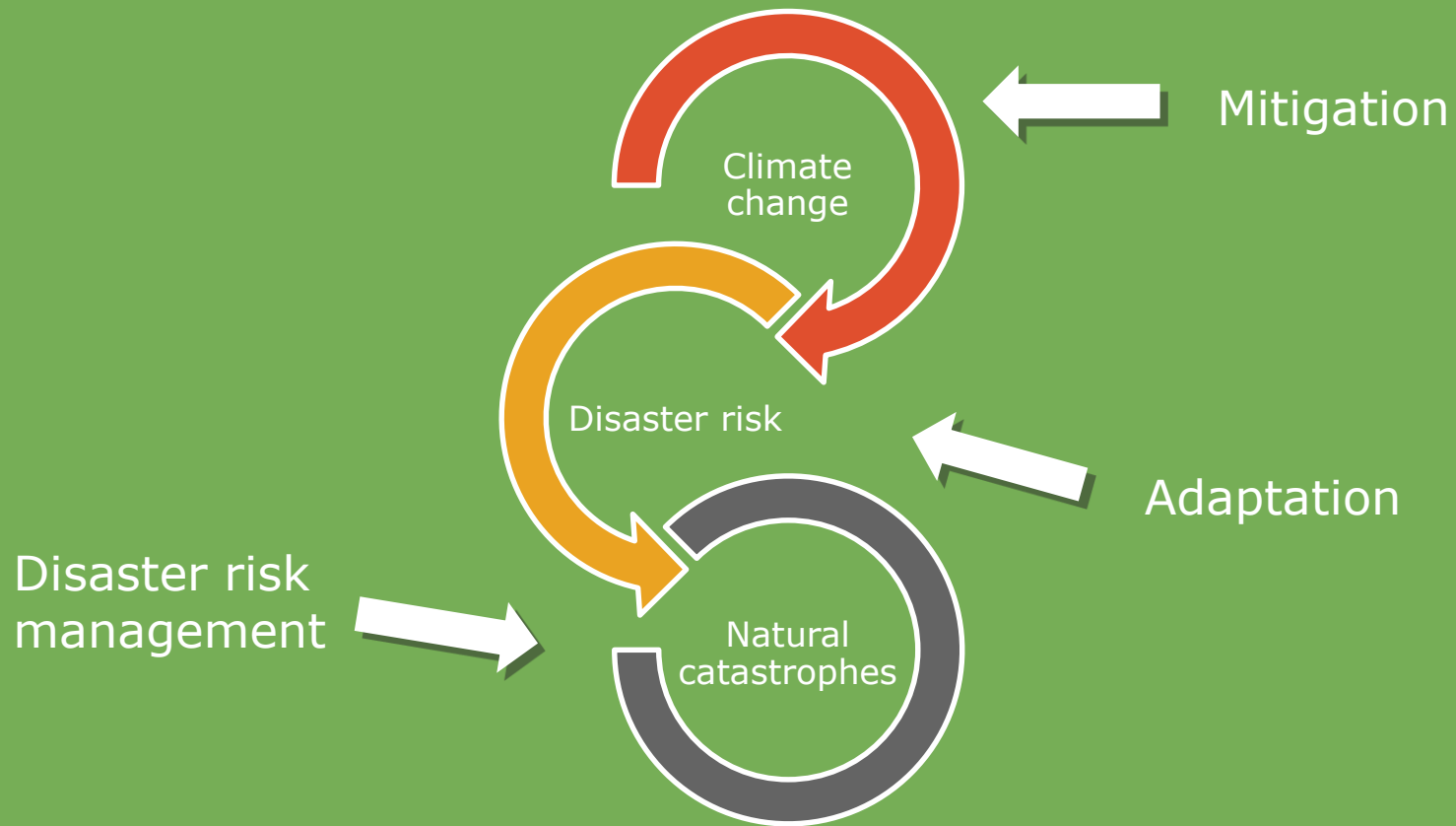


Insurance:
an important tool



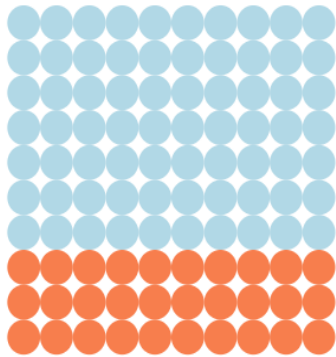
Protection gap:
closing but still wide

2. The role of insurance



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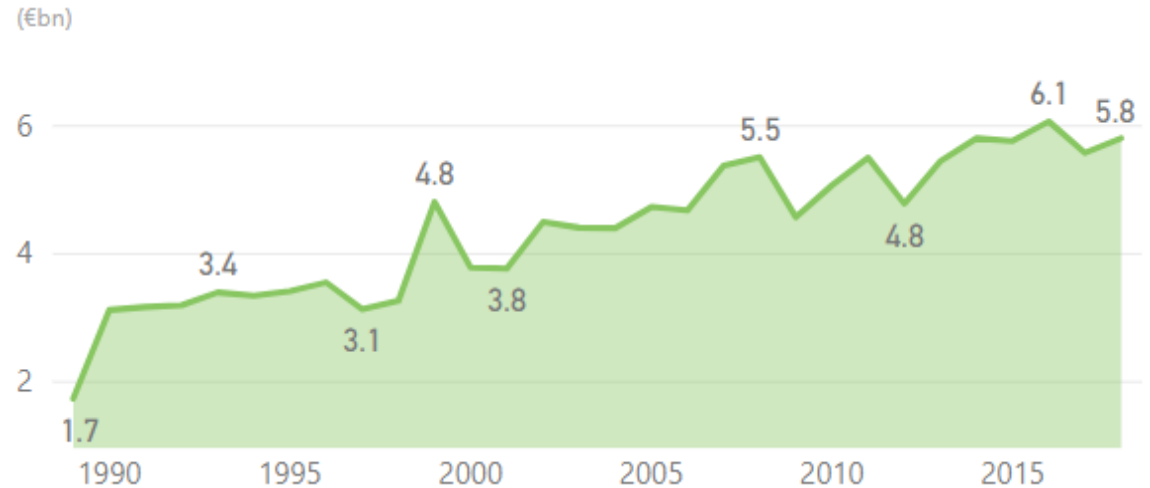
Insured losses % economic losses



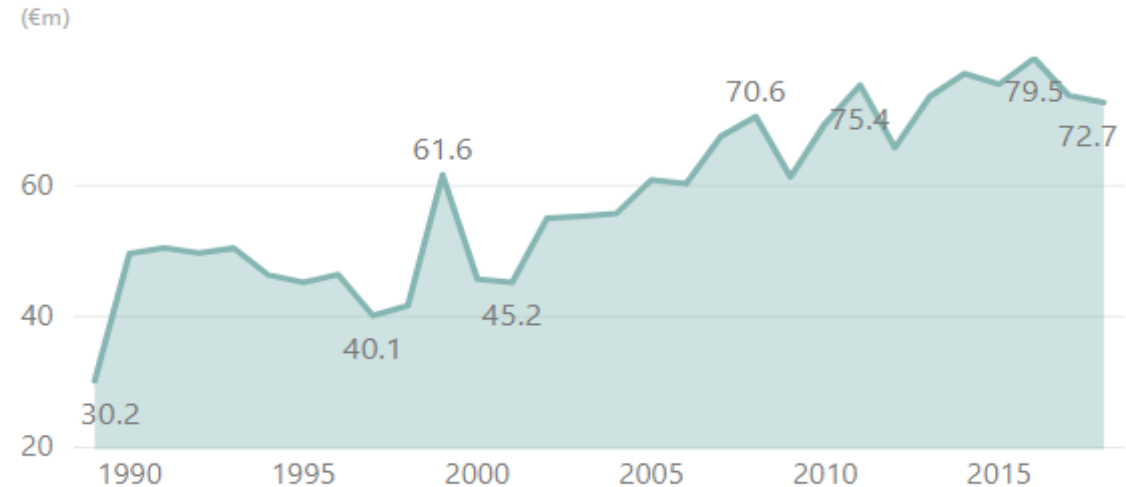
30%

Source: EM-DAT, Munich Re

(10-year) average of insured losses:



(10-year) average of insured losses per natural catastrophe:



2. The role of insurance

Target 2 degrees: how insurers are influencing climate adaptation and mitigation



<https://www.insuranceeurope.eu/climate-change>

3. Diverse NatCat insurance schemes



Climate change →
natural catastrophes



Diverse NatCat
insurance schemes



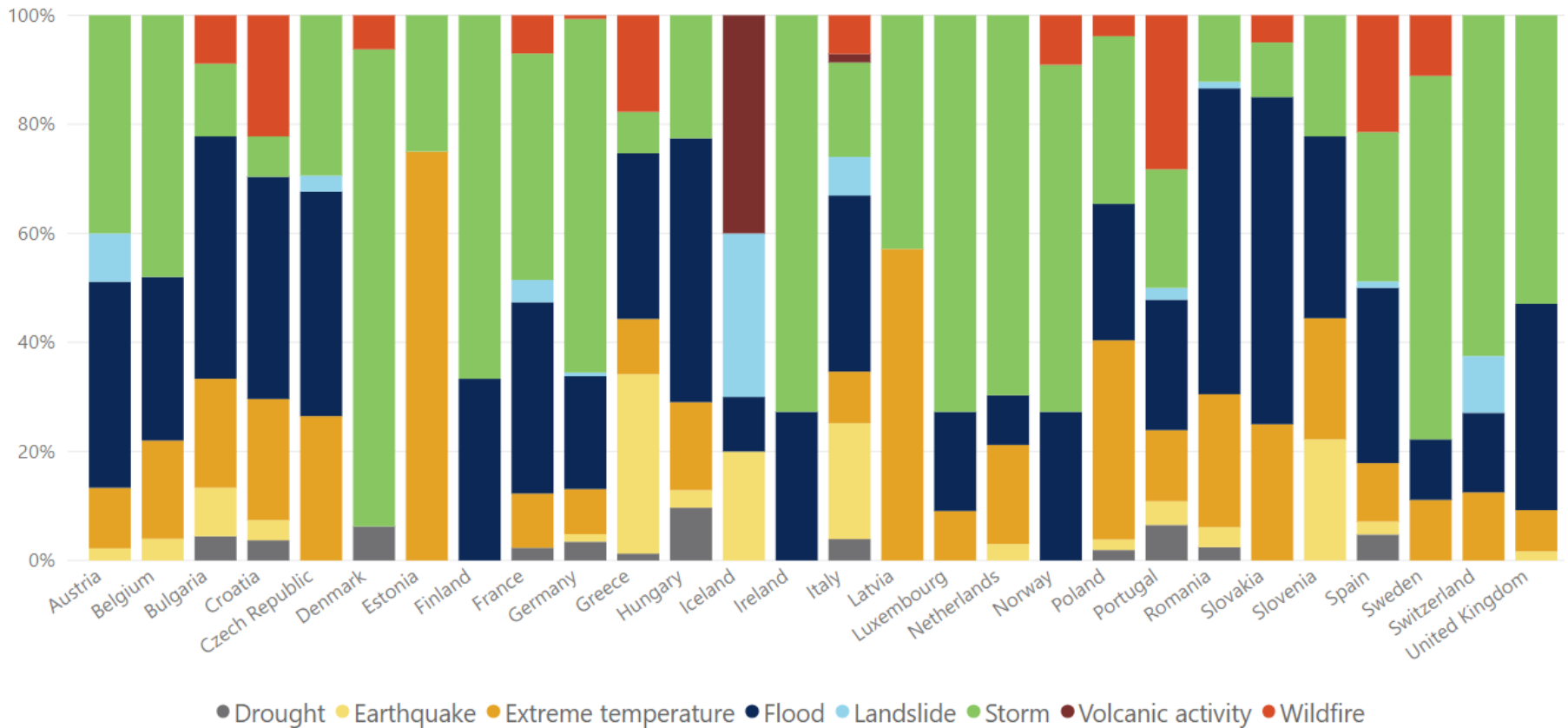
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Protection gap:
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3. Diverse NatCat insurance schemes

Diverse disaster risks shown by their shares, 1980 – 2018:



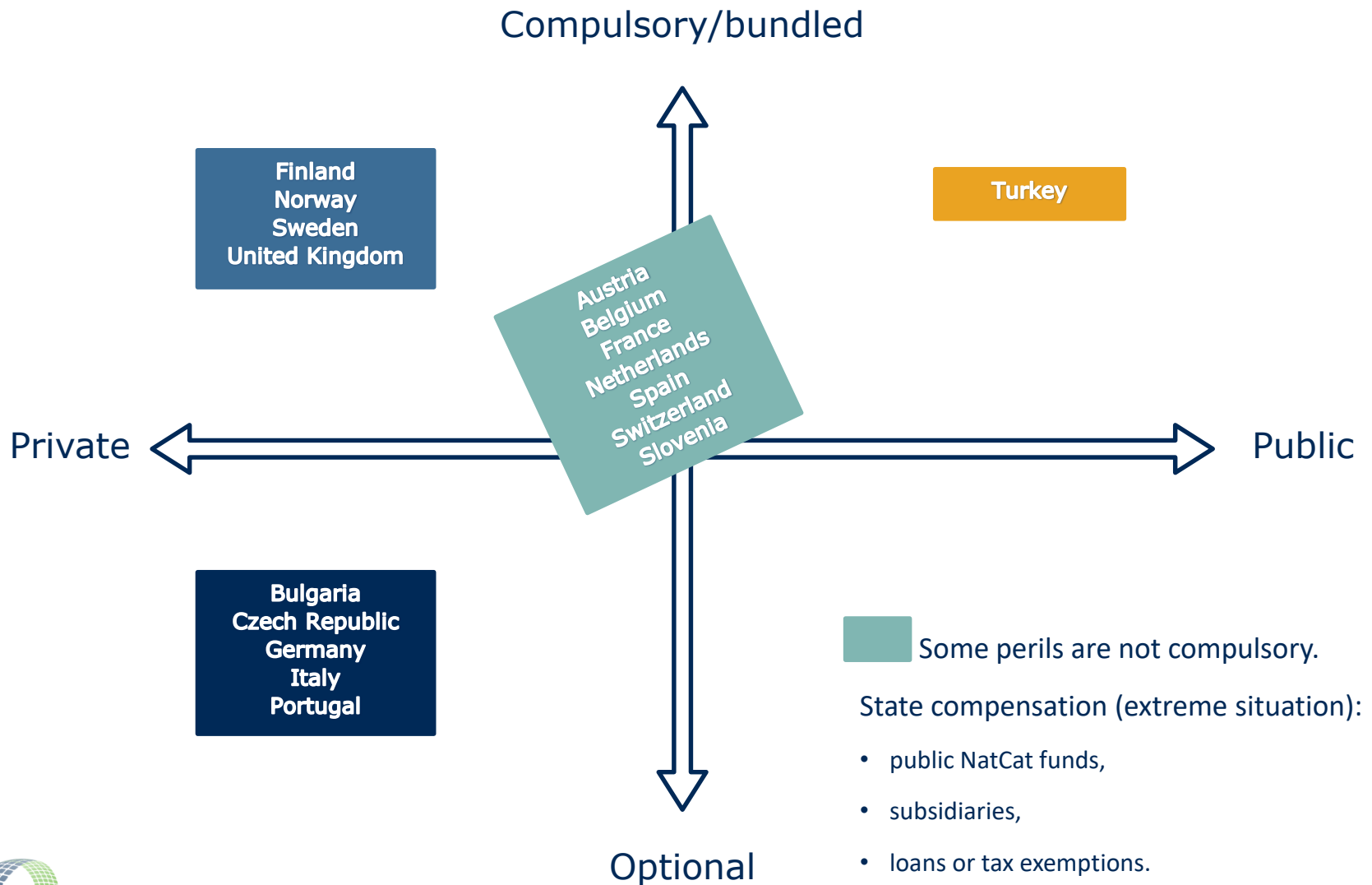
Source: EM-DAT, Munich Re

3. Diverse NatCat insurance schemes

More differences:



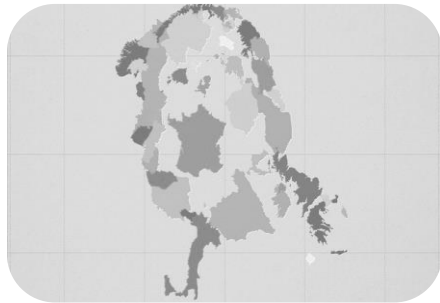
3. Diverse NatCat insurance schemes



4. Protection gap



Climate change →
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Diverse NatCat
insurance schemes



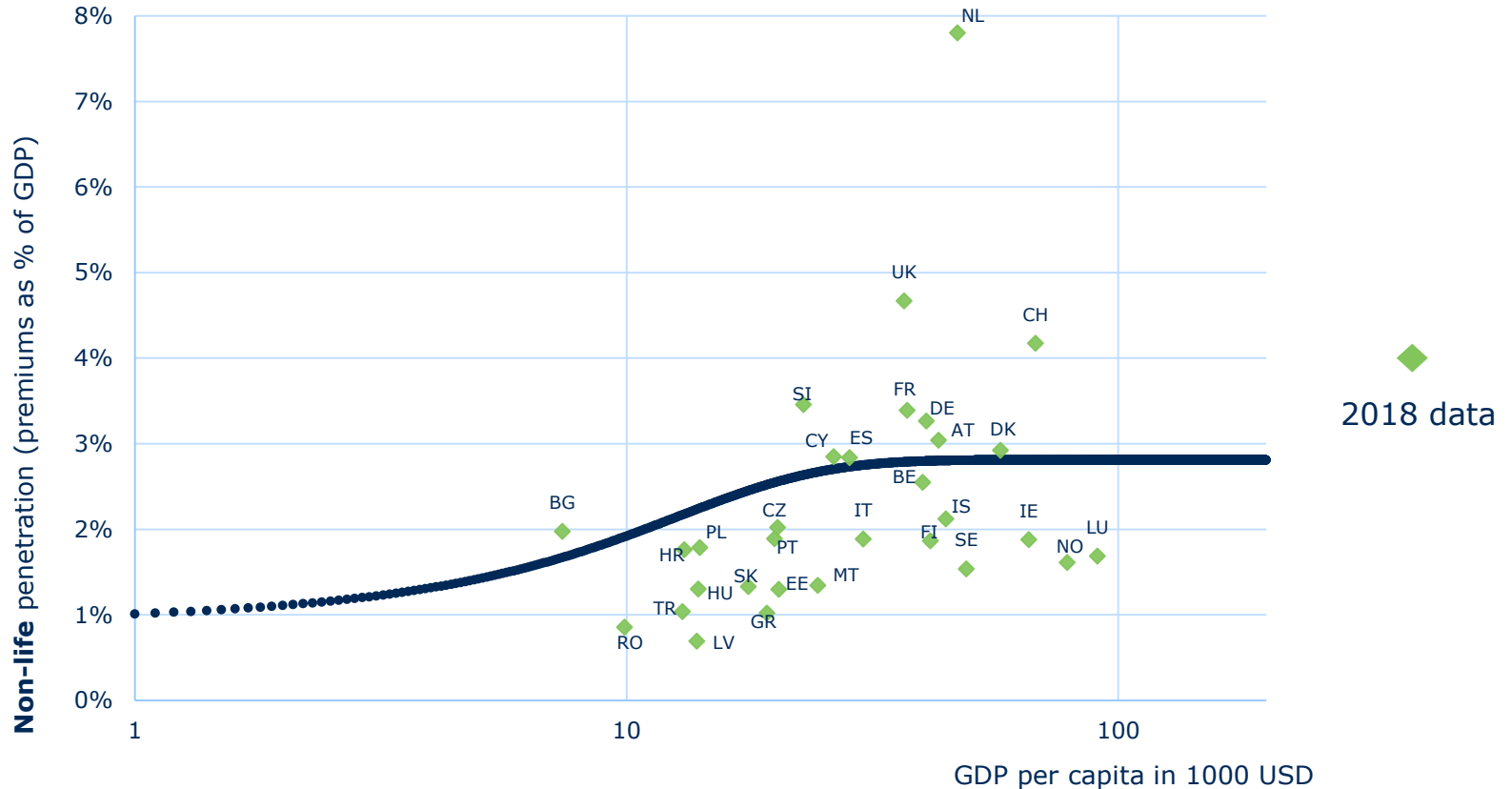
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Protection gap:
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4. Protection gap

Underinsurance = amount of insurance economically beneficial (S-curve) – amount of insurance actually purchased

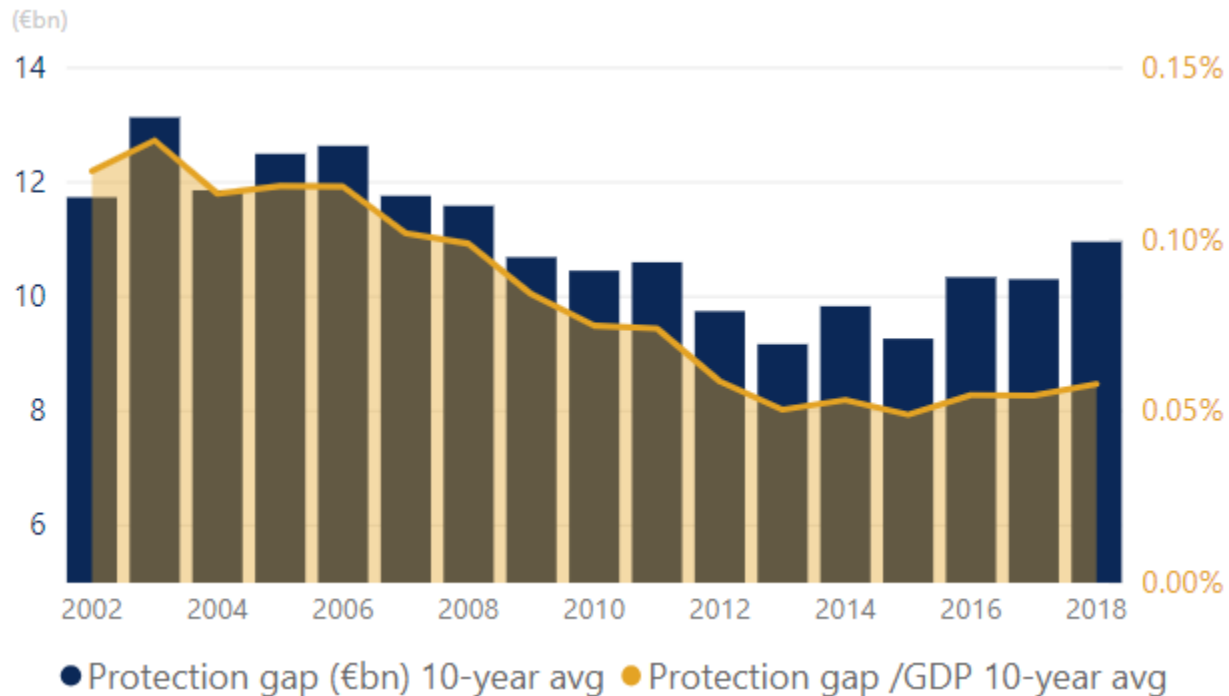


Source: 'The S-Curve Relation Between Per-Capita Income and Insurance Penetration', Rudolf Enz, The Geneva Papers on Risk and Insurance, Vol.25, July 2000.

4. Protection gap

NatCat protection gap = economic losses – insured losses

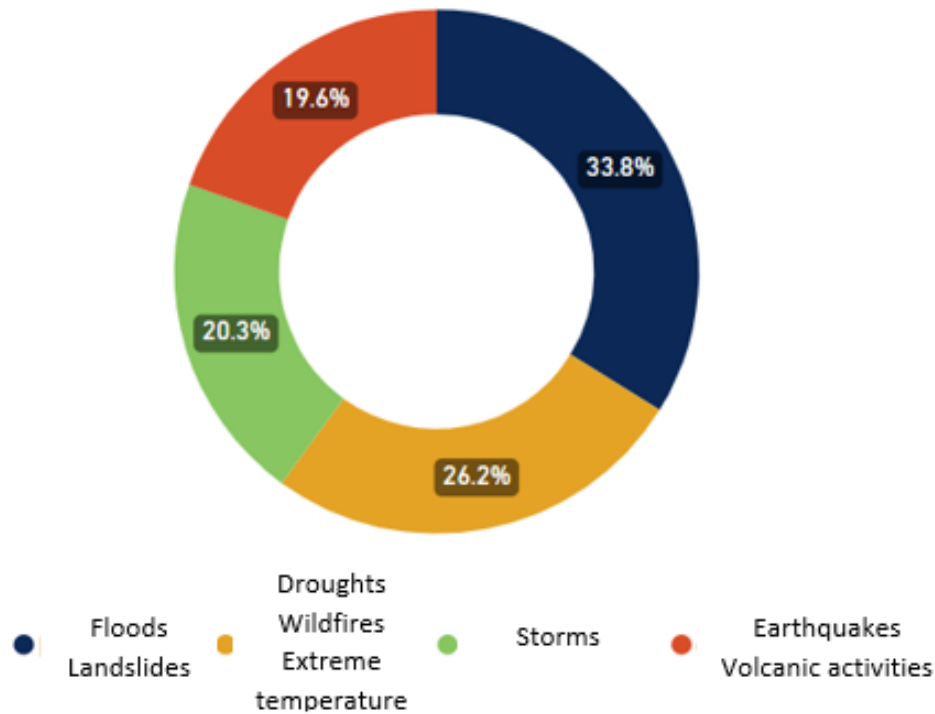
Sometimes also expressed as protection gap/ GDP



Closing, but still wide

4. Protection gap

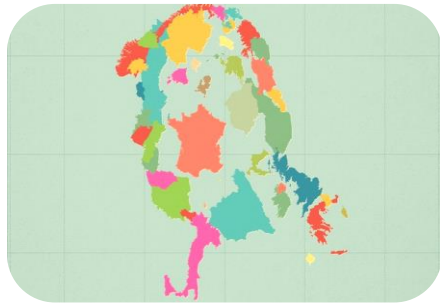
Climate-related: majority



Summary



Climate change →
natural catastrophes



Diverse NatCat
insurance schemes



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Questions

1. Recommendations?
2. National development on data?
3. Other?



For more information

www.insuranceeurope.eu

Twitter: @InsuranceEurope

