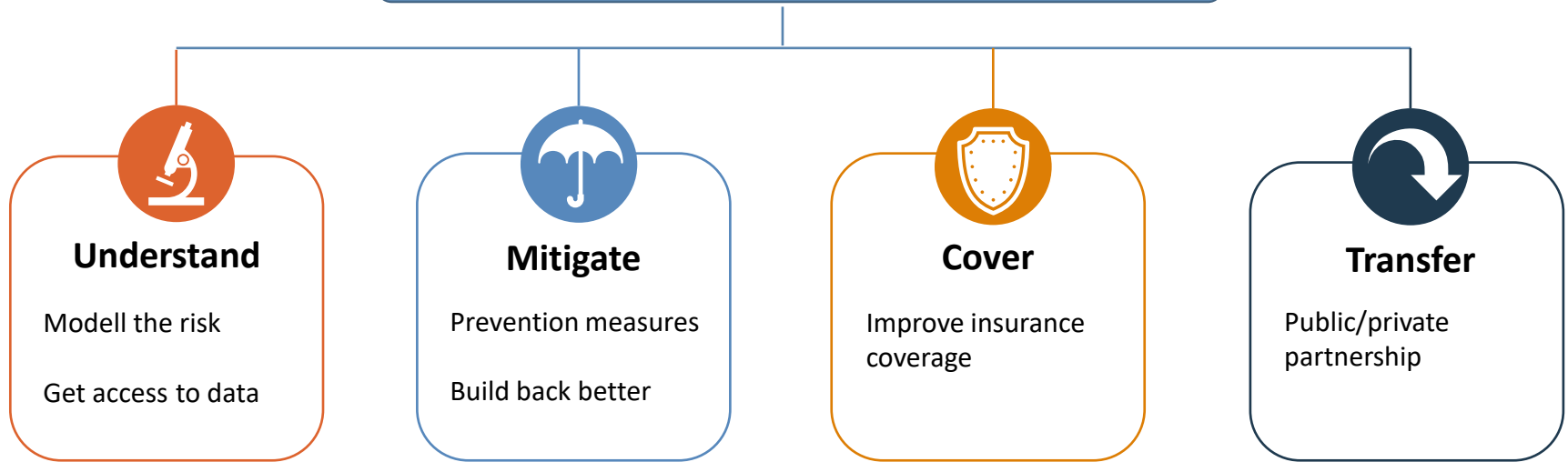


Addressing protection gap for natural catastrophes

EIOPA conference

Presenter: Marie Scholer
Date: 07 December 2022

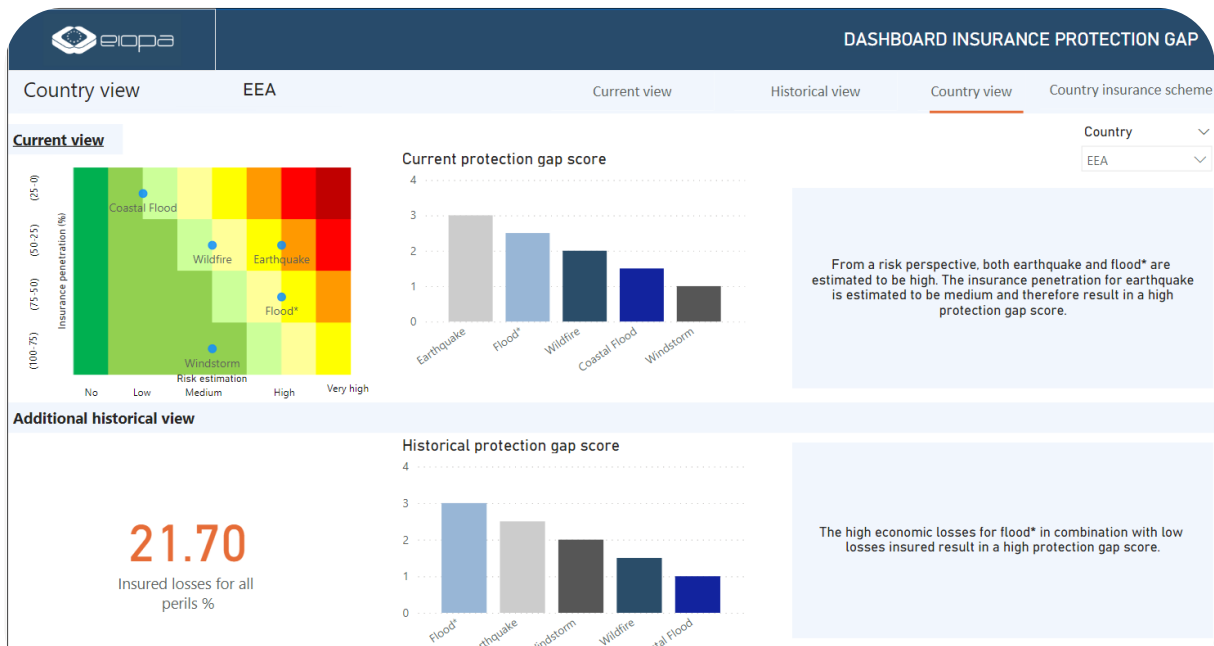
How to address the protection gap?



Reducing the causes of climate change and adapting to the risk is a must



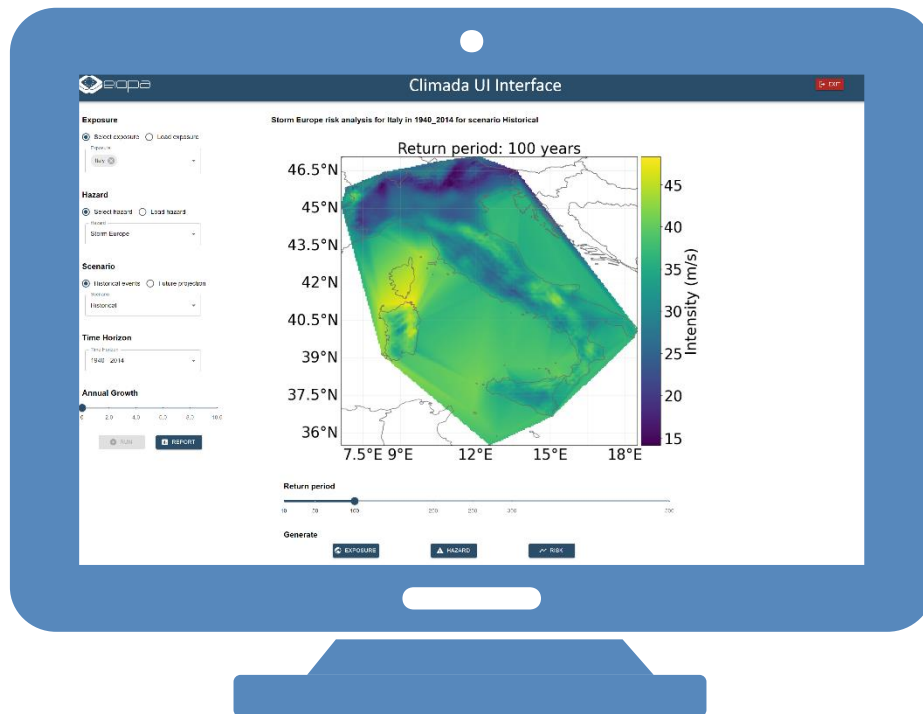
UNDERSTAND THE PROTECTION GAP





PROMOTE USE OF OPEN SOURCE MODEL AND DATA

Open source



User friendly



MITIGATE THE RISK



(Re)insurers can play a proactive role to reduce climate change risks



COVER THE RISK

Need to address the demand-side issues:

- Tendency to underestimate disasters
- Important to **raise awareness** about the risks
- Promote **contract simplicity**
- Ensure a more **customer-centric approach** to the treatment of exclusions

SUPERVISORY STATEMENT ON
EXCLUSIONS IN INSURANCE
PRODUCTS RELATED TO RISKS
ARISING FROM SYSTEMIC
EVENTS

EIOPA-22/419
26 August 2022



COVER THE RISK

Understanding supply-side issues:

- EIOPA (incl. together with the ECB) has been working to assess the **macro-economic impact** of the protection gap.
- Important to foster the development of private (re)insurance.
- However, as NatCat may not be perfectly insurable and risks are expected to grow -> need to consider alternative solutions such as **public-private partnerships**.

CLIMATE CHANGE,
CATASTROPHES AND
THE MACROECONOMIC
BENEFITS OF INSURANCE

<https://eiopa.europa.eu/>



CONCLUSIONS

- Climate change is a **growing risk** for the insurance sector but also creates **vast opportunities for insurers, supervisors** to be part of the **solution** to address climate change risks.
- Indeed, with **data, innovation and incentives** it is possible to help people and businesses to prepare for the future risks.



Discussion with prof. Dr. David N. Bresch



THANK YOU!

For more information visit:
<https://www.eiopa.europa.eu>