

# SHARED RESILIENCE SOLUTIONS FOR PANDEMIC RISKS

The wide-ranging nature of pandemics means traditional insurance risk transfer mechanisms are not always appropriate, making them too great a burden to be shouldered by insurance companies alone. Instead, solutions involving both the public and private sector are needed. The European Insurance and Occupational Pensions Authority (EIOPA) has published an issues paper highlighting options for developing shared resilience solutions for pandemic risk.

## ELEMENTS AND OPTIONS FOR SHARED RESILIENCE SOLUTIONS

### 1 RISK ASSESSMENT

To be able to assess NDBI risks associated with pandemic events, it is necessary to have access to relevant data and risk modelling tools.

- Establish an EU expert group for data sharing and risk modelling
- Use current catastrophe models to model NDBI risks related to pandemics

### 2 RISK PREVENTION

Private initiatives, including from insurers, can reinforce and implement measures put in place by public authorities, as well as provide additional sources of resilience.

- Reflect prevention measures in NDBI insurance premiums and policy conditions
- Create a platform for public and private coordination on prevention measures

### 3 PRODUCT DESIGN

NDBI insurance is not commonly offered in European markets and NDBI insurance for pandemics is generally excluded or mostly non-affirmative.

- Provide simple and transparent NDBI coverage for pandemics
- Offer parametric insurance cover for NDBI risks related to pandemics

### 4 RISK ASSESSMENT

A shared resilience solution comprises public and private sector participation, enabling a residual risk transfer between different layers of risk owners.

- Require mandatory cover for NDBI insurance across Europe
- Develop the role of the European Union in a shared resilience solution

## LEARN MORE



Read the paper: <https://eiopa.europa.eu/about-eiopa/work-programme>

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