

# Methodological paper on potential inclusion of climate change in the Nat Cat standard formula

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The frequency and severity of natural catastrophes is expected to increase due to climate change. To ensure continuing policyholder protection and stability of the insurance market, the Solvency Capital Requirements (SCR) for natural catastrophe underwriting risk should reflect the expected impact of climate change.

The methodological paper discusses the methodology used so far for the Nat Cat SCR calibration and presents perils and countries, which may be materially impacted by climate change. The paper elaborates on how to include climate change in the Nat Cat SCR calibration in the standard formula.

The publication of the report follows [public consultation on a discussion paper](#) from December 2020 to end February 2021.

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