

# Report on non-life underwriting and pricing in light of climate change

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The frequency and severity of natural catastrophes is expected to increase due to climate change. As underwriters of natural catastrophe risks, the (re)insurance sector can be particularly impacted by climate change. The increasing risk can lead to insurance coverage becoming unaffordable for the policyholder, widening further the insurance protection gap.

The report investigates the opportunity for (re)insurers, as risk managers and underwriters, to contribute to climate adaptation and mitigation, supporting the insurability of climate change-related risks. By applying their data, expertise and risk assessment capacity they can incentivise policyholders to mitigate insured risks. Via risk-based pricing, contractual terms, and underwriting strategy (re)insurers should promote prevention measures for climate change adaptation and/or mitigation. This is what EIOPA calls 'impact underwriting' in light of climate change.

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

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