



The
Geneva
Association



UNEP **Finance Initiative**
Innovative financing for sustainability

Insurance Industry Perspectives

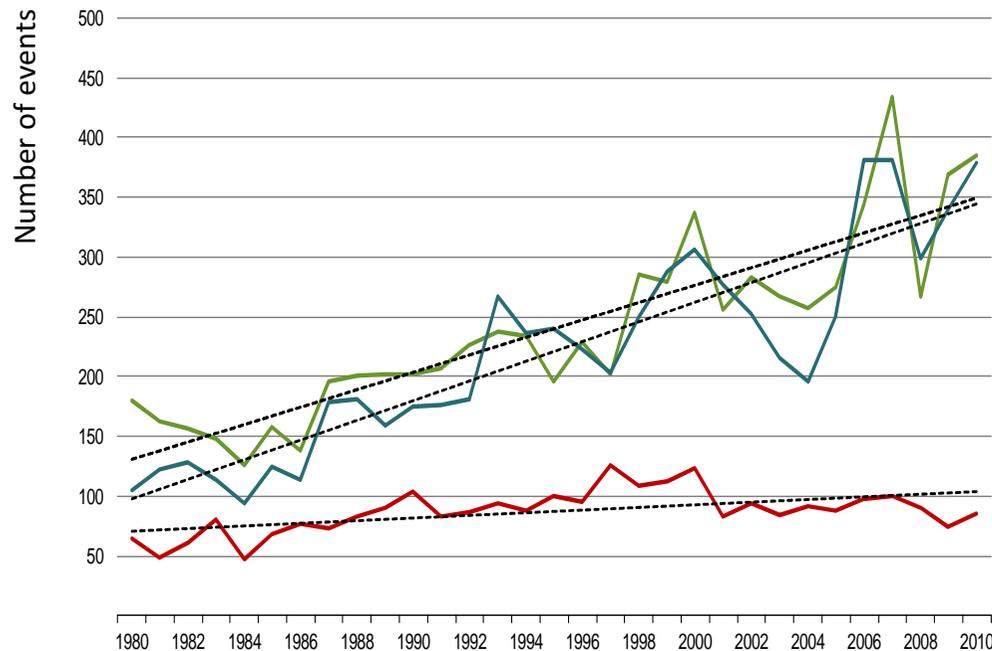
Tackling Loss & Damage from Climate Change

Introduction

- **Enhance adaptation by addressing loss and damage.** Insurance tools linked with disaster risk reduction have the potential to make adaptation efforts more effective, & save governments money.
- **Time to act now.** The UNFCCC process can catalyze activities to help governments get ahead of the curve by harnessing *ex ante* risk management tools to manage the devastating effects of weather-related disasters.

Studies & evidence show climate change already causes more weather extremes

Natural catastrophes worldwide, 1980 – 2010
Number of events by peril with trend



■ **Hydrological events**
(Flood, mass movement)
 ■ **Meteorological events**
(Storm)
 ■ **Geophysical events**
(Earthquake, tsunami, volcanic eruption)
 ■

© 2011 Münchener Rückversicherungs-Gesellschaft, Geo Risks Research, NatCatSERVICE – As at January 2011

Human contribution to more-intense precipitation extremes

Seung-Ki Min, Xuebin Zhang, Francis W. Zwiers & Gabriele C. Hegerl

Affiliations | Contributions | Corresponding authors

Nature 470, 378–381 (17 February 2011) | doi:10.1038/nature09763

Received 15 March 2010 | Accepted 17 December 2010 | Published online 16 February 2011

“... Here we show that human-induced increases in greenhouse gases have contributed to the observed intensification of heavy precipitation events found over approximately two-thirds of data-covered parts of Northern Hemisphere land areas. ..Changes in extreme precipitation projected by models and thus the impacts of future changes in extreme precipitation, may be underestimated because **models seem to underestimate the observed increase in heavy precipitation with warming**”.



Rising weather-related events, need for risk management tools in vulnerable countries

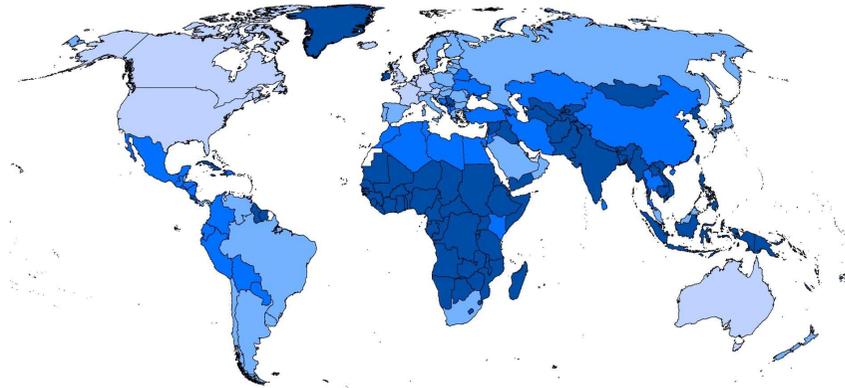
Floods, Pakistan
July – August 2010



Country affected	Overall losses	Insured losses	Fatalities
Pakistan	US\$ 9,500m	US\$ 100m	1,760

Source: Reuters

The insured and non-insured world
Property insurance premium per capita – Overview



Insurance Groups:

Highly insured countries
(>1,000 US\$)

Well insured countries
(101 - 1,000 US\$)

No data

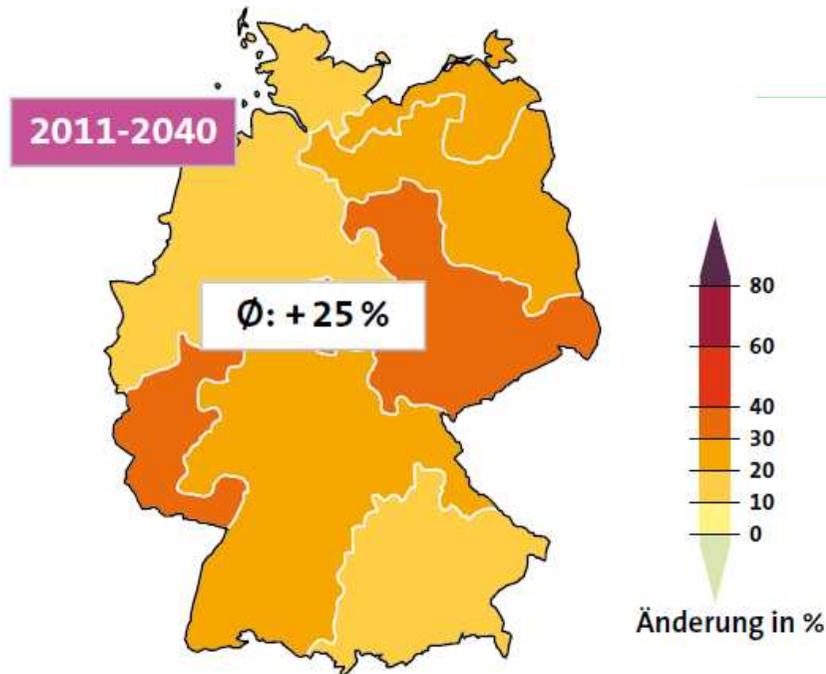
Basically insured countries
(11- 100 US\$)

Inadequately insured countries
(< 10 US\$)

Source: Munich Re, Property insurance premium (non-life including health), per capita in 2008

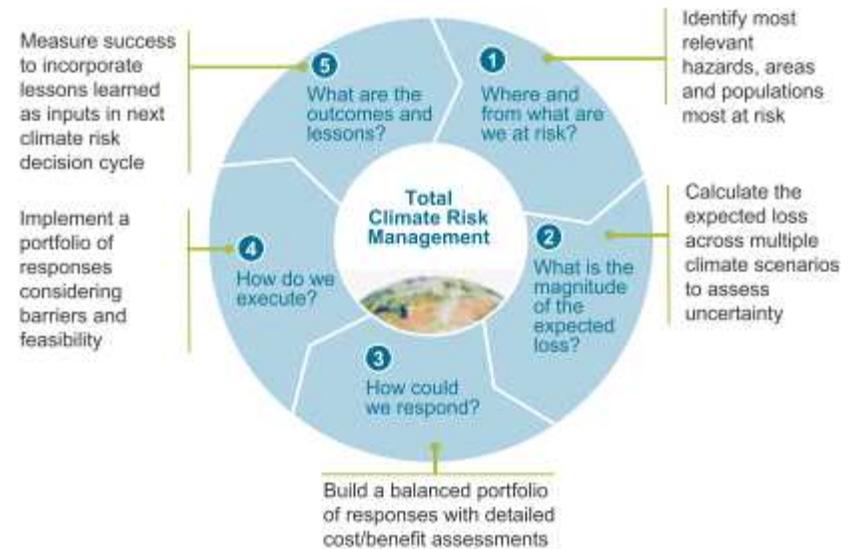
Risk assessment & pricing tools support adaptation decision making

Insurance data contributes to analysis of future climate-related risks in Germany



Risk assessment aids adaptation planning

A framework for assessing and addressing total climate risk



Our commitment to reducing loss & damage

Over the course of the SBI Work Program, we commit to bring to Parties the experiences, lessons learned through both mistakes and successes with different risk management, risk reduction, and risk transfer approaches and tools.

We will share with Parties technical standards and requirements of the ideas they propose to manage loss and damage.

Global Insurance Industry Statement on Adaptation to Climate Change in Developing Countries, 2010.



Insurance has key role in managing climate change risks

- Risk Management is Core Business
- Insurance gives Risks a Price Tag
- The first Alerter to Global Warming in Industry - Creating Awareness of the Problem
- Providing Insurance Solutions for Mitigation
- Providing Insurance Solutions for Adaptation
- Investor into Climate Change Mitigation Processes
- Leader in Carbon Neutral Business Operation

What we could achieve with the UNFCCC process for adaptation

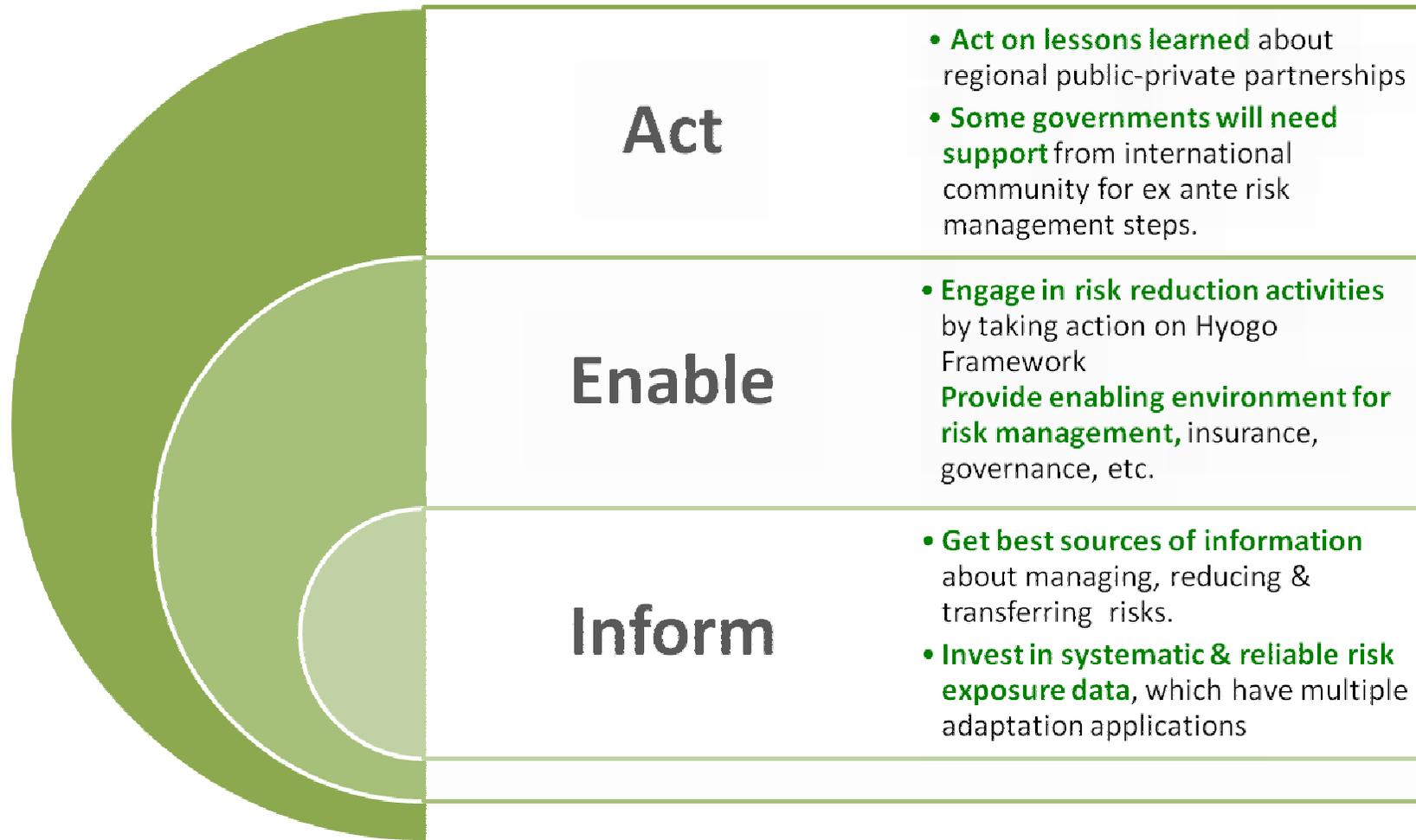
Help create a blueprint for adaptation information support systems, with other relevant stakeholders in the UN family & expert communities: standards around weather observation, data & information collection & management to improve risk management

Support analysis of ways to strengthen risk management capacity at the national & sub-national level, such as ways to help institutions create & enforce appropriate loss avoidance measures like building & safety codes.

Help Parties design & implement demonstration & implementation activities around risk management, risk reduction, & risk transfer-- If Parties articulate their needs and invite stakeholder input through the UNFCCC process

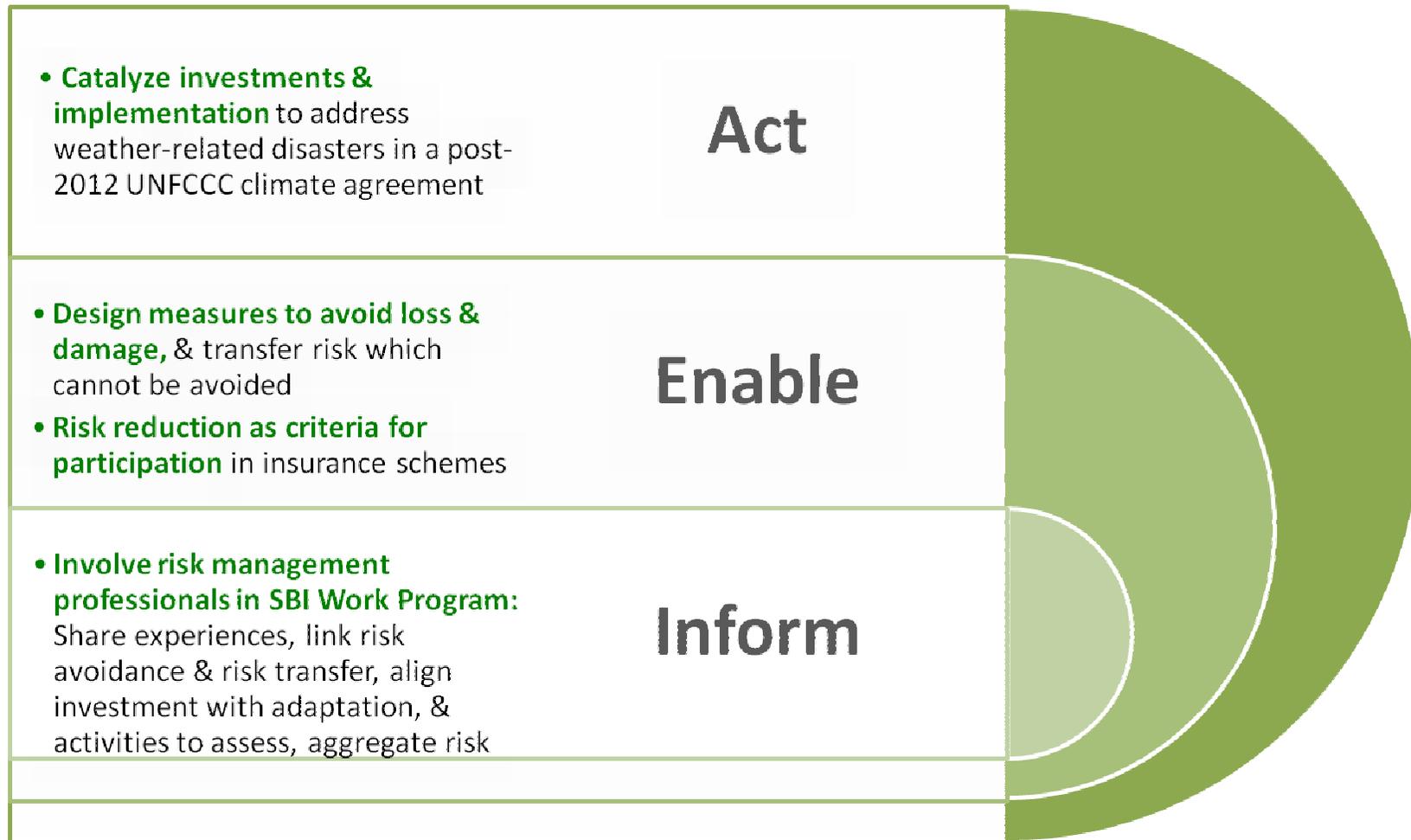


In practical terms, we call on governments to



Global Insurance Industry Statement on Adaptation to Climate Change in Developing Countries, 2010.

In practical terms, we call on the UNFCCC process to



Reward for change

- By working with the SBI Work Program on Loss & Damage & with relevant stakeholders, governments can leverage this potential, increase protection of individuals & the economy, reduce weather impacts & foster sustainable development.
- In co-operation with regional, national and international actors insurance solutions have the potential to provide tangible results for the most vulnerable countries and soften the blow of climate-related disasters.

