

Natural catastrophes protection gap in EU

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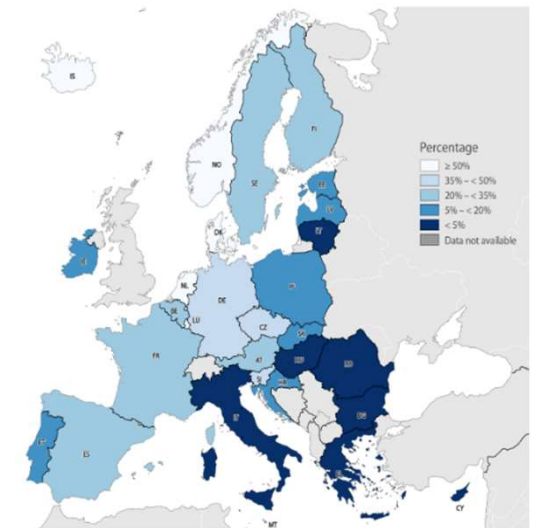
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THE EU INSURANCE NAT CAT PROTECTION GAP

- Natural catastrophe losses in EU are increasing and so are national and EU government interventions for disaster relief.
- Only 1/4 of climate-related catastrophe losses are historically insured in Europe (= 75 % insurance protection gap).
- Causes are multifaceted (hazards, exposure, vulnerability, demand & supply of insurance)
- The protection gap impacts the resilience of households and the economy and puts pressure on financial stability and governments' fiscal burden.
- Without action, a further widening of the protection gap to be expected.

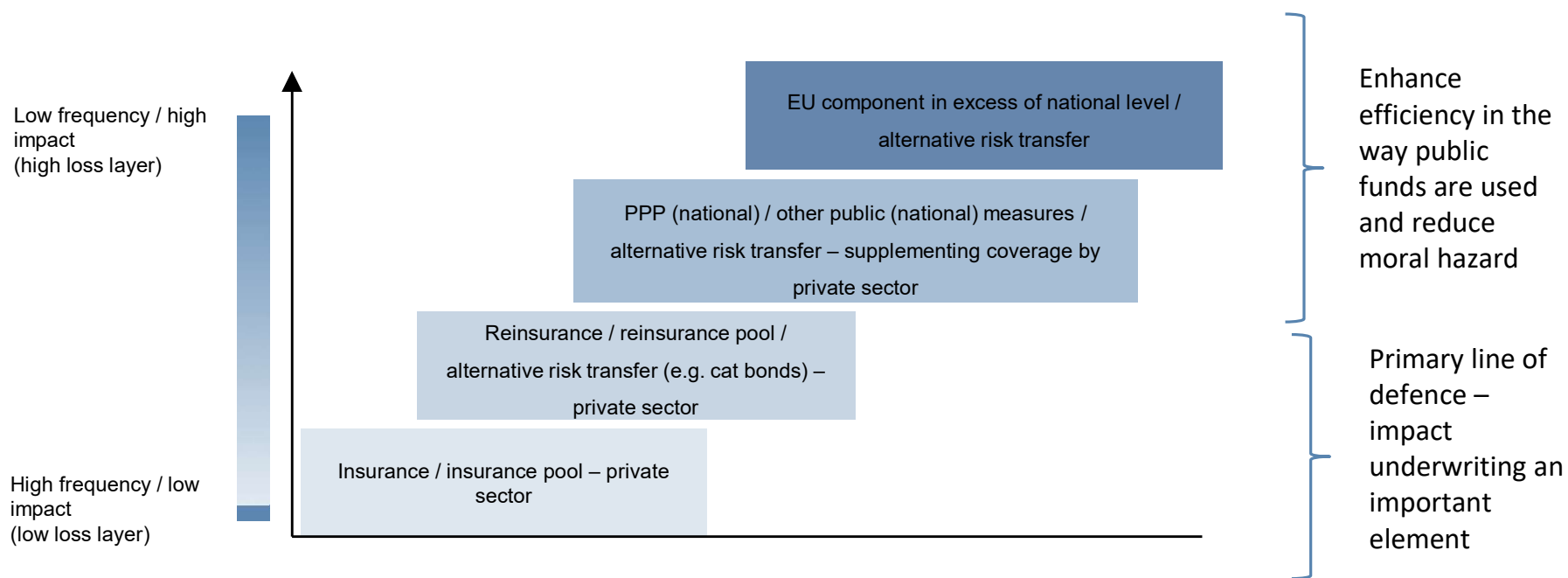
This calls for improving insurance coverage and risk prevention at national and EU level

Average share of insured economic losses caused by weather-related events in Europe



Source: [EIOPA dashboard on insurance protection gap for natural catastrophes](#), European Environment Agency CATDAT

A LADDER OF INTERVENTION FOR PRIVATE AND PUBLIC ACTION



[See: EIOPA-ECB joint paper on policy options to reduce the climate insurance protection gap](#)

MEASURES TO ADDRESS THE PROTECTION GAP

	Type of activity	Policy measures
1	Identify the gap	Dashboard on insurance protection gap for natural catastrophes - EIOPA Measures to address demand side aspects of the natcat protection gap - EIOPA Open-source tools for the modelling and management of climate change risks (Climada app)
2	Improve risk awareness	The supervisory statement on exclusions - EIOPA Centre of excellence for catastrophe modelling and data – EIOPA Blueprint for improving risk awareness (Dec. '24)
3	Incentivise risk prevention	Report on non-life underwriting and pricing in light of climate change - EIOPA Further discussions on the prudential treatment of adaptation measures (EIOPA, NGFS) and transition financing
4	Create and enable regulatory/supervisory environment for availability and take up of insurance	IAIS - A call to action: the role of insurance supervisors in addressing natural catastrophe protection gaps
5	Public-private partnerships	EIOPA and ECB call for increased uptake of climate catastrophe insurance G7 - High Level Framework for PPIPs against Natural Hazards

THANK YOU!

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