



Climate Resilience and the role of insurance

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Swiss Re Group Sustainability Strategy



UN Sustainable Development Goals



Integrating sustainability into underwriting at a deal and portfolio level



ESG Risk Framework

Environment

**Social /
Human
Rights**

Governance



**Agriculture,
Forestry & Food**



**Nuclear Weapons
Proliferation**



Defence



Oil & Gas



Hydro Dams



Thermal Coal



Mining

Why Disaster Risk Resilience matters to us

> 50%

of retail customers are concerned about future insurability for natural disasters.

[The Value of Insurance in a Changing Risk Landscape \(genevaassociation.org\)](https://www.genevaassociation.org)

Nat Cat Insured Losses

\$ 108bn (2023)

expected annual midterm growth 5-7%.

Over past 30 years relative loss burden compared to GDP has more than doubled.

[Sigma 1/2024](#)

Nature's Services

50%

of GDP is dependent on nature and its ecosystem services.

[World Economic Forum 2020](#)

Society and Protection Gap

Only 40%

of economic losses from natural catastrophes were covered by insurance in 2023 showing a significant Nat Cat Protection Gap.

[Sigma 1/2024](#)

Economic Dividend

Up to 1:10

positive economic dividend from resilience measures expected.

[Sigma 2/2023](#)

How Swiss Re can support you!

We offer tools & data, consulting and participate in risk transfer.

Understand risk and exposure

Pre-event resilience measures

Protect communities

Alert and contingency plan

Rapid Damage Assessment

Post-event Build Back Better (BBB)

Nat Cat hazard maps
Nat Cat Modelling Engine
Fathom Flood
Bellwether Wildfire
Climate risk scores
Climate change loss modelling

Explore assessment of measures through proprietary Nat Cat loss models

Consulting with risk engineering services

Public entity engagement across the globe

Derisking & pre-event financing via re/insurance

Innovative parametric covers, nature-based solutions

Parametric supply chain cover

Consulting with risk engineering services

Solution for USA, pilot for Germany & Japan

Provision of satellite data (Flood depth via ICEYE)

IT solution for the Swiss "Organization Earthquake Losses"

Explore assessment of BBB options via proprietary Nat Cat loss models

Allowing BBB costs to be ceded to treaty reinsurance

In line with the United Nations (UN)

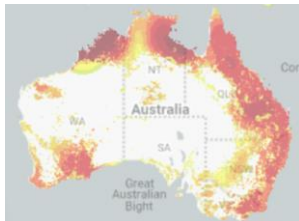
SUSTAINABLE DEVELOPMENT GOALS



Be prepared when disaster strikes!

Understand your exposure and resilience measures to reduce vulnerability.

Two industry examples



CatNet®

Mission to adapt 2m homes for climate and disaster resilience by 2030.

Bushfire Rating App provides a rating and recommends concrete resilience measures.

[Connecting people to a resilient future - Resilient Building Council](#)

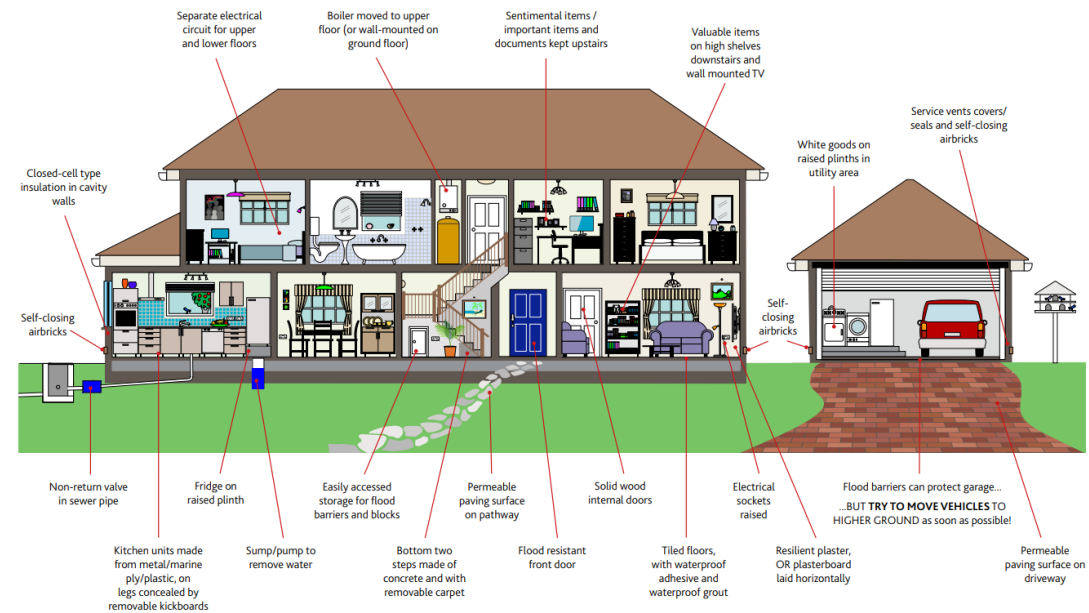
Property Flood Resilience Measures



CatNet®

Combined resistance and resilience measures

Keeping water out for as long as possible buys valuable time to raise / move your belongings.



Property Flood Resilience Measures - Flood Mary

Build Back Better

When rebuilding focuses on
resilience measures
to be prepared for
the next event and
maintain affordability.*

Challenges

- Who **pays**?
- Mismatch in **time taken** for **Rol**
- Will the customer stay?
- **Speed** of repair/replacement
- Customer **cosmetic** expectations

What works

- **Prepared insurers**, offering and benefits quantified and pre-organised, part of claims process.
- Show **individual options** and suppliers.
- Offer **premium reduction** for reduced risk.
- Loss adjustor understands full menu of available options.

Concrete cases

- **Flood Re** in the **UK**, 70% market take up rate, £10k in addition to claim payout.
[Build Back Better - Flood Re](#)
- **IBHS** in Alabama, in the **USA**, buy endorsement to upgrade to **Fortified Roof** after a loss.
[Fortified Roof - Insurance Institute for Business & Home Safety](#)
- **ICLR** in **Canada** offering resilience in recovery program for communities.
[Resilience - Institute for Catastrophic Loss Reduction](#)

*In some high-risk zones rebuilding might not make sense.

Parametric cover for emerging needs

Innovative structures
subject to a **suitable trigger**
and **reliable data &
reporting**.*

Areas of use

- **Nat Cat** where no indemnity cover exists/suits.
- Meet **urgent needs immediately** after an event
emergency money, mitigation action, supply chain interruption, contingent business interruption.

Customers

- **Households** as add on to indemnity policy.
- Commercial & industrial **companies** for holistic risk management.
- **Public entities** as pre-event financing instrument.

Concrete cases

- **Soil moisture deficit index** drought insurance with help of **satellite data from Planet**.
[Drought is insurable - Swiss Re](#)
- **Flood** cover for **low-income** communities in New York City with **satellite data from ICEYE**.
[Parametric for low-income - Swiss Re](#)

***Trigger** to be **fortuitous**, able to **model** and **correlated** with the **financial exposure** of the insured to limit basis risk.

NATURE BASED SOLUTIONS

CRITICAL ROLE OF NATURE IN RISK PREVENTION, MITIGATION AND ADAPTATION

The challenge

- Nature and biodiversity are under threat.
- 50% of GDP is dependent on nature and its ecosystem services*.
- Nature protects properties and assets but has not been given a concrete value and assessment of expected loss reduction is challenging.

The solution

- Protect nature from Nat Cat. New SRI analyses show empirically that the presence of natural coastal protection can reduce flood losses.
- Nature can be insured to be restored as soon as possible after an event.
- Interest often on community level. Public entities or affected business owners.
- Value of nature can be included in risk selection and costing.

Examples



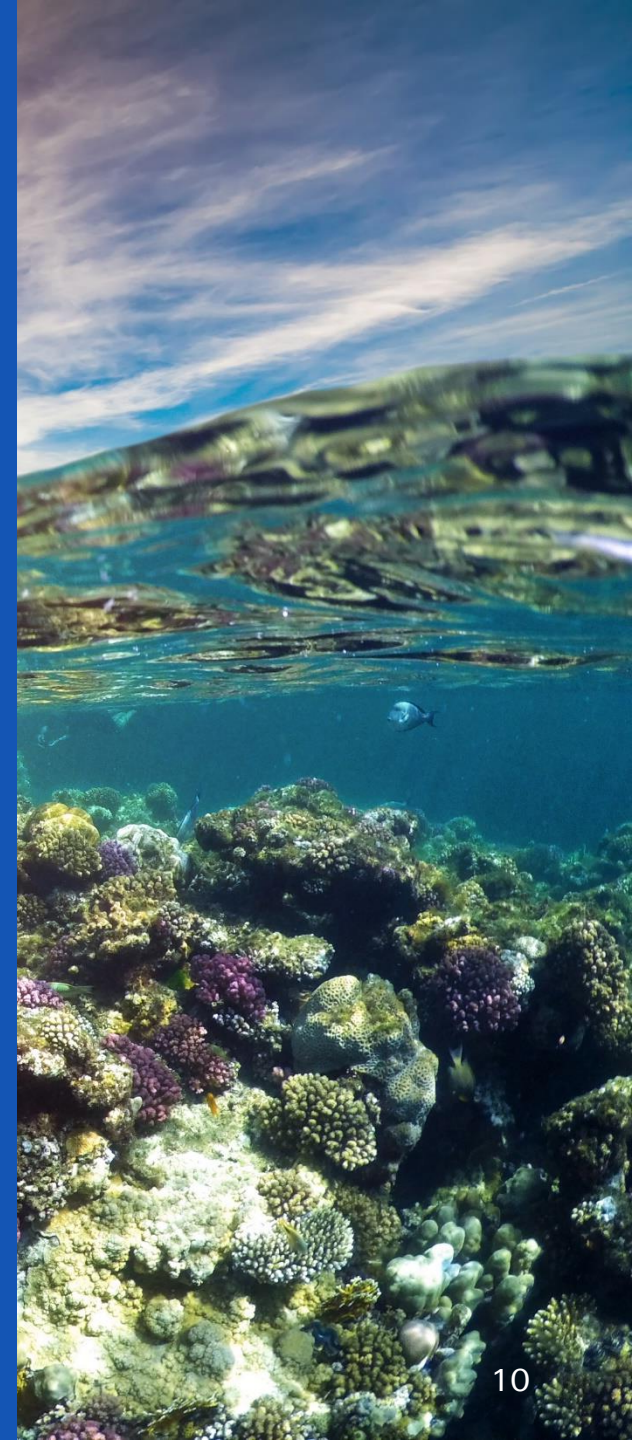
Protect natural assets with insurance

Parametric hurricane cover for coral reef in Mexico. Payout used for repairing the reef right after the event.



Green infrastructure

Protection for the island of Texel in the Netherlands by creating a landscape gradient from sand and planting marram grasses. Protection from erosion and enhancement of local natural habitat. Swiss Re provided construction cover.



Thank you!

Contact us



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