

Consultation DG Clima *Future Resilience*

What policy / regulatory measures -based on market-based mechanisms- do you propose to address the increasing insurance gap and improve access to affordable insurance?

What kind of risk pooling and transfer mechanisms would be most suitable to increase insurance cover for secondary perils in the European Union?

How can insurers in the Union access new capital to back climate-related policies?

How to mobilise private investor interest in insurance-linked investment vehicles?

Is there a need for a European marketplace where climate-related risk can be pooled among insurance companies and non-insurance investors?

What policy measures would be needed to avoid climate insurance protection gaps from having negative repercussions on financial or macroeconomic stability?

- Promote innovative climate risk diversification and/or transfer approaches to mitigate the concentration of risk within specific sectors or regions.
- Encourage market-based solutions that connect those who can afford to finance risk with those seeking climate risk coverage - this helps ensure business continuity and avoid disruptions caused by natural catastrophes.
- Other



Extract from DG Clima's report: *Reflection Group on Mobilising Climate Resilience Financing*

Private sector approaches aimed at improving insurance coverage, increasing affordability, and fostering consumer awareness of climate-related risks are increasingly demanded by a variety of stakeholders. The potential of capital market platforms that bring together capital providers, underwriters, and insurance seekers (such as corporate risk managers) could be explored. Promoting shared transfer of climate-related property and business continuity risks through structured risk-transfer mechanisms (such as e.g., parametric insurance, or the issuance of insurance-linked securities) could help distribute risks across a wider set of market participants and match the growing demand for climate risk insurance with diversified sources of supply. The ECB/EIOPA joint paper⁵³ proposed solutions to increase the insurance coverage for natural catastrophe risks, including by pooling private risks and perils across the EU, exploiting economies of scale and benefits of diversification across sectors and regions. A balanced approach between public and private sectors is needed to help ensuring the long-term availability and affordability of private insurance while also narrowing existing protection gaps.