

CLIMATE RESILIENCE

The insurance industry's perspective

Climate change is resulting in increasingly severe and frequent weather-related events. Floods, droughts, heatwaves and (hail)storms are directly affecting people's lives and livelihoods, communities, businesses and even entire essential economic sectors, such as food production, transport or electricity production.

The insurance industry is affected as well, and sees the impact of increasingly severe climate events reflected in losses all over the world. Experts [warn](#) that, in the EU, climate change-related losses are "projected to increase at least two-to-threefold" by 2050 in a 1.5°C global-warming scenario. They additionally emphasise that the losses will be much higher in a 2°C or 3°C global-warming scenario.

But it is not only climate change that is triggering an increase in losses. Economic growth and urbanisation also increase exposure, notably because, for instance, they result in new properties being built in coastal areas that are prone to flooding.

Total economic losses from natural catastrophes in 2023 amount to US\$260bn, of which US\$100bn were insured.

Swiss Re, preliminary 2023 figures

Between 1980 and 2022, an estimated €650bn in assets were lost due to weather- and climate-related incidents in the EU.

Source: [European Environment Agency](#)

Action in three areas is critical to increasing resilience

Mitigation

Without drastically reducing greenhouse gas emissions, the climate will continue to change at a rapid pace, causing more and more damage, and making it increasingly costly to insure certain types of events.



Adaptation

In light of our changing climate, it is of paramount importance that adaptation efforts are intensified, for instance by revising rules around land-use planning or building codes.



Protection

It is vital to increase the proportion of people that are protected against natural catastrophes, for instance by increasing awareness about the benefits of insurance or by introducing protection schemes tailored to local circumstances.



In all these areas, cross-sectoral efforts are crucial to making progress. European insurers are willing to play their part. Many are already sharing their risk management expertise and know-how with public and other private stakeholders. Visit our [Sustainability Hub](#) for more information.