Final Insurance Europe response to EC climate resilience consultation

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General questions

1. How well informed do you consider yourself about the potential impacts of climate change that could affect you now and in the future?

	Fully informed	Slightly informed	Neutral	Slightly uninformed	Totally uninformed
Answer	☐	☐	☒	☐	☐

1.1. Optional: Please explain why?

Risk awareness regarding climate change impacts vary considerably among different groups, with some stakeholders having more awareness, information, and resources than others. Importantly, the accelerated pace of climate change means that available data is not always sufficient, up to date, or reflective of emerging trends. As a result, even well-informed stakeholders may face limitations when assessing future risks.

The insurance industry was among the first players to clearly see - and publicly highlight - the financial risks posed by climate change. Individual firms began highlighting potential climate-warming signals as early as the 1970s, long before the topic reached the EU agenda in 1990. Insurance Europe has been active on the topic for nearly as long. Within the insurance industry, awareness of climate-related risks is therefore very high, reflecting insurers' long-standing experience in assessing, pricing, and managing climate and natural catastrophe risks.

However, among the general public and other stakeholders, levels of risk awareness and preparedness remain uneven, underscoring the need for continued efforts to improve risk communication, data accessibility, and financial literacy.

2. How prepared do you consider yourself to face the potential impacts of climate change?

	Fully prepared	Slightly prepared	Neutral	Slightly unprepared	Totally unprepared
Answer	☐	☐	☒	☐	☐

2.1. Optional: Please explain why?

Across Europe, the level of preparedness for climate-related impacts varies widely. Within the insurance industry, preparedness is relatively advanced, reflecting insurers' expertise in risk assessment and modelling, as well as a strong focus on prevention-oriented approaches and risk-mitigation strategies in relation to climate and natural catastrophe risks. Moreover, the insurance industry is committed to finding ways to reduce protection gaps and guarantee an offer of affordable insurance solutions.

At the same time, reducing protection gaps and maintaining the availability and affordability of insurance solutions requires coordinated cross-stakeholder action, involving public authorities. In several Member States, public policy frameworks support prevention and climate adaptation measures that help reduce risk exposure and, in turn, improve insurability.
For example, France introduced the Barnier Act in 1995, establishing a prevention fund to help finance individual and collective prevention measures. In Denmark, homeowners can receive a total tax deduction of approximately DKK 17,500 per person per year if they carry out climate adaptation measures on their home. In addition, it was decided in 2025 that homeowners can apply to a fund for assistance to climate-proof their homes; DKK 150 million is made available in the fund annually.

Some other stakeholders have also made progress, putting preventive and adaptive measures in place that match their risk exposure and vulnerability. However, many - including individuals, small businesses, and local communities - still face challenges. They often lack the guidance, resources, or incentives needed to take effective action. As a result, large segments of society and the economy remain exposed to the growing risks that climate change brings.

Furthermore, a recent analysis (October 2025) by DeNederlandscheBank indicates that higher awareness of flood risk does not automatically translate into stronger household financial preparedness when public compensation is expected, underscoring the need to align awareness with relief mechanisms with prevention, protection behaviour incentives, and insurance uptake.

3. Who do you consider to be primarily responsible for preparing for the physical impacts of climate change?

☒ Individual citizens
☒ Businesses and private actors
☒ Local and regional authorities
☒ National governments
☒ The European Union
☒ Other

4. Which of the following would help you become better prepared for the impacts of climate change?

☒ Easier access to data and information relevant to my area/situation
☒ Expert support to prepare/protect my home/family/company etc. against possible risks, based on this data/information
☐ Easier access to funding or financing for my/our actions
☒ Greater local ownership of planning, implementing measures, and monitoring success
☒ Better planning and preparation by public authorities
☐ Other

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5. Please name the three policy actions that would most help you improve your risk awareness and preparedness for climate change impacts:

From the perspective of the European insurance sector, three policy actions stand out as most impactful for improving risk awareness and preparedness for climate change impacts:

- **Make climate risk information clear, accessible, and actionable for everyone**
  - It is essential that people, businesses, and communities can easily find out what climate risks they face - whether that's flooding (flash floods, coastal floods, fluvial), wildfires (surface fires, ground fires, crown fires), storms, or other hazards in their own area. This means providing open access to clear, up-to-date information about local exposure and measures taken, and in a way that is understandable and relevant to non-experts. It is important that this data and information lead to concrete action.
  - To support this, Europe needs a prevention-first framework that encourages households and businesses (including SMEs) to implement concrete resilience measures, aligns with existing national insurance arrangements, and links public financial support to appropriate risk-reduction efforts and insurance coverage. Making post-disaster public support conditional on both elements encourages prevention and is essential to avoiding widening protection gaps.
  - Stakeholders also need practical guidance on what actions they can take to reduce their vulnerability and increase resilience, such as strengthening properties, installing protective measures, or signing up for early warning systems. Local authorities play a key role in sharing risk information and supporting communities to take effective measures, including through land use planning and enforcement of building standards.
  - Public authorities could work with industry in developing standardised resilience certification schemes for buildings and infrastructure, encouraging the adoption of climate-adaptive design and retrofitting measures. Certifications could be linked to financial incentives such as preferential loan conditions and tax relief.
  - Making risk and public loss data widely available - and pairing it with actionable advice around prevention and resilience - facilitates informed decision-making at every level. Therefore, there is a need for open, publicly accessible NatCat risk data and hazard maps. Such information enables public authorities, businesses, and households to make informed decisions, and it provides stronger incentives for risk reduction. At the same time, to ensure consistency, reliability, and trust, it is important to clearly define roles and responsibilities for the production, validation, publication, and long-term accessibility of these data.

- **Build stronger partnerships between public authorities, insurers, and (business) communities**
  - Managing climate risks effectively requires close cooperation between public and private sectors, including public authorities, insurers, and the people and businesses most affected. This means working together to share knowledge and data, coordinate prevention efforts, and develop solutions that fit local needs.
  - At EU level, coordination can help spread best practices and support countries or regions that need extra help. EU-level coordination could focus on enabling a structured and consistent exchange of knowledge, tools, and comparable data between Member States. This includes facilitating access to best practices on climate-resilient planning, supporting the development of common technical guidance where appropriate, and helping countries or regions that lack the capacity or resources to develop such approaches on their own.

- **Support flexible, locally driven resilience strategies**
  - There is no one-size-fits-all solution to climate resilience. Different countries and regions face different risks and have different starting points. Policy actions should give Member

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States and local communities the flexibility to design and implement impactful solutions that work for their specific situation, whether that is new building codes, informed land-use planning, targeted investments, or community-based early warning systems.

- The EU can help by supporting local capacity building, encouraging the exchange of best practices, and providing technical or financial assistance where needed. This approach ensures that adaptation measures are relevant, effective, and truly meet the needs of each community. In addition, the EU could play a stronger role in clarifying expectations regarding land-use planning, notably by discouraging new construction in areas that are likely to be exposed to future climate risks, such as sea-level rise or river flooding. This could be supported by the Commission assessing how Member States take future climate risks into account in spatial planning, including through a review of national approaches and levels of awareness.

Climate resilience by design

Background info: The principle of 'climate resilience by design' means a proactive effort to consider and prevent plausible high-impact risks and losses from the very beginning when conceiving policies, investments and other measures. The 2024 Commission Communication on managing climate risks put it simply: 'planning decisions of today need to build on a sound anticipatory assessment of risks' likely to occur in the future. Climate resilience by design differs from measures taken to remedy the damage caused by climate impacts after they have already occurred.

The Commission intends to ensure that the future climatic conditions are duly integrated into all relevant EU policies and frameworks governing sectors and stakeholders vulnerable to climate change. It also seeks to encourage Member States and all public-sector authorities and private-sector stakeholders to embed this principle in their decisions, ensuring coordinated action across society.

1. **Which sectors are most important for integrating the principle of "climate resilience by design"?**

From the perspective of the insurance sector, integrating the principle of "climate resilience by design" is especially important in those sectors where physical assets, infrastructure, and economic activities are most exposed to climate-related risks and where insurance plays a critical role in supporting resilience and recovery.

In line with the conclusions from the report of the Reflection Group on Mobilising Climate Resilience Financing:

- **Public sector and local authorities**
  - Public authorities set the frameworks for resilience through land-use planning, building standards, and risk prevention requirements. Their decisions on where and how to build, maintain, and upgrade infrastructure have a direct impact on future risk exposure. Supporting local authorities in integrating climate resilience by design is essential for effective adaptation at scale.

- **Built environment and infrastructure**
  - Climate resilience by design is key for sectors responsible for the design, construction, and maintenance of buildings, transport networks, energy systems, and water management infrastructure. These sectors determine how well communities and economies can withstand and recover from extreme weather events, floods, droughts, and other climate impacts. Integrating resilience into the planning and construction phases ensures that assets are prepared for future climate risks throughout their lifecycle.

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- **Utilities and network operators**
  - Utilities, including energy, water, and telecommunications, as well as public emergency services (including hospitals, fire fighters, among others) provide essential services that are highly vulnerable to climate disruptions. Ensuring climate resilience by design in these sectors helps maintain reliable service delivery, protects revenue bases, and supports the resilience of broader economic and social systems.

- **SMEs, households, and local communities**
  - While large corporates and public authorities may have resources to invest in resilience, SMEs, households, and local communities often face greater challenges in accessing risk information and financing adaptation measures. Integrating climate resilience by design into property-level investments, local infrastructure, and community planning is crucial for narrowing protection gaps and ensuring equitable resilience across society.

2. Which policy areas or EU legislative frameworks should prioritise embedding this principle, and how should this be done?

Embedding the principle of "climate resilience by design" should be prioritised in EU policy areas and legislation that affect physical risk exposure and the resilience of communities, businesses, and assets.
From the perspective of the insurance sector, the most relevant areas include:

- **Infrastructure, urban planning and built environment:**
  - Land-use planning, zoning, and building standards are some of the most powerful levers to reduce future losses. Integrating climate resilience into planning, permitting, and building standards is essential. This includes requiring that new developments and infrastructure projects account for future climate risks by avoiding construction in high-risk zones, updating risk maps, and ensuring resilient design from the outset. This could also entail a construction stop at European level and/or the development of scientific criteria for determining limits, particularly for highly urbanised areas, so that municipalities are bound to comply. The use of nature-based solutions, such as green infrastructure for flood management or urban cooling, can also play a role in reducing exposure to climate risks.
    - In this context, it is also important to address infrastructure-related vulnerabilities, such as backflow damage in sewage systems. These issues can often be mitigated through surface-level management of heavy rainfall and the installation of check valves to prevent backflow into properties.
    - For example, the EU Floods Directive (Directive 2007/60/EC) provides a strong foundation for risk mapping, but its implementation could be strengthened by ensuring that flood risk maps are systematically used to guide land-use planning and permitting decisions. This would help prevent new construction in high-risk areas and reduce future losses.

- **Energy systems and critical infrastructure:**
  - Embedding resilience in the design, maintenance, and expansion of energy networks and other critical infrastructure helps prevent large-scale disruptions and supports the continuity of essential services.

- **Land use and environmental management:**
  - Land-use planning, zoning, and building standards are some of the most powerful levers to reduce future losses. Policies that encourage sustainable land management and the integration of nature-based solutions, such as restoring wetlands or enhancing urban green spaces, can help reduce climate-related risks across both urban and rural areas.

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3. **Are there any existing policies or legislation (at EU, Member State, regional, local level) that prevent you from taking effective action to be better prepared for the impacts of climate change? If so, which ones and please explain how they impair your efforts.**

Putting prevention first requires aligning rules and incentives across levels of government and sectors. There are instances where sectoral policies, such as environmental protection, water management, and disaster risk reduction, are not fully aligned. This misalignment can result in friction between policy objectives, and, at times, well-intentioned rules at national or local levels may inadvertently hinder the implementation of resilience measures. In addition, lengthy regulatory processes in some Member States can slow down the roll-out of climate adaptation actions, further delaying progress on building resilience.

Regulation on local self-determination can also create practical challenges when climate-resilience measures need to be implemented on the ground. Because the division of responsibilities between national and local authorities varies widely across Member States, local actors may lack either the mandate or the capacity to act swiftly or consistently

Furthermore, sharing information about risks concerning individual properties is a local or company decision, taken within the limits of the legal environment.

The implementation of the EU Floods Directive illustrates this: the interaction between the EU Floods Directive and national or local regulations on flood risk management and climate adaptation is not working optimally. The Directive (notably Articles 6 and 7) requires coordinated flood risk mapping and planning, aiming for an integrated approach across Member States. In practice, however, related responsibilities, such as stormwater management, land-use planning, or water quality, are often regulated separately at national or local levels, sometimes with different standards or administrative processes. This can result in regulatory fragmentation, where local decisions do not fully support the broader, integrated approach intended by the Directive. Such misalignment can make it difficult for insurers to accurately assess risks and incentivise resilience investments, as local measures may not reflect the comprehensive risk management objectives set at EU level.

More broadly, there is currently a lack of data about governments', companies' (including in particular banks) and individuals' true exposure to climate risks. Efforts should therefore be undertaken to change this reality, as understanding the true exposure to climate risks would help better understand the true cost of inaction and would therefore help all stakeholders take measures to reduce their exposure. Importantly, the accelerated nature of climate change means that, even where data exists or stakeholders have developed risk-awareness measures and plans, this information can quickly become outdated and require regular updating to remain reliable.

Finally, existing EU and Member State funding mechanisms often focus on disaster relief after events occur, rather than on proactive investment in resilience and prevention. This reactive approach can discourage long-term adaptation efforts and create reliance on public funding, rather than incentivise preventive action and resilience investments. Relying on ad-hoc support after disasters can also reinforce expectations of bailouts without encouraging appropriate risk-reduction measures and insurance cover. A prevention-first approach therefore requires shifting more resources toward ex-ante resilience, supported by clear and consistent conditions for any ex-post public assistance.

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Legislative framework for climate resilience

Background info: The European Climate Law requires the EU and Member States to ensure continuous progress on climate adaptation. Yet, Member States have very different policy frameworks for the assessments, strategies, plans and instruments, which limits the development of a shared understanding of the challenges and coordinated climate resilience actions across the EU. Policies are often not specific enough to address major climate risks, and the roles and responsibilities of individual sectors in adaptation planning and implementation vary widely.

Overall, progress in strengthening climate resilience in the EU is slow and uneven and is not keeping pace with accelerating climate change. EU and national resilience policies and measures are currently not fit for purpose.

Therefore, the Commission intends to prepare a legislative proposal to ensure a more comprehensive, robust and ambitious approach, while fully respecting the principle of subsidiarity, proportionality, avoiding unnecessary administrative burdens and ensuring coherence with sectoral policies. This section invites your views on the scope and key elements of the planned proposal.

The Commission considers that including the below aspects and requirements in its legislative proposal is essential to better prepare our economies and societies for climate change, and to prevent major losses and damage. What is your view on each of them?

1. Common baseline climate trajectories/scenarios, and acceptable risk levels:

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Determination of the levels of global warming or a similar common baseline* for adaptation decisions that EU and national public policy and investments should consider, for example through common EU climate reference trajectories/scenario(s) ** An example is the decision by France to establish a Reference Trajectory for Adaptation to Climate Change (TRACC), setting +1.5°C by 2030, +2°C by 2050, and +3°C by 2100 as reference for national and regional adaptation strategies. Respondents to the Call for Evidence supported the development of minimum precautionary levels for climate resilience / common reference scenarios / reference warming trajectories.*	☒	☐	☐	☐	☐
Duty to consider a common baseline (e.g. reference trajectories/scenarios) of global warming, as described in the preceding bullet point, in climate risk assessments.	☒	☐	☐	☐	☐
Duty to apply a precautionary approach by integrating a common baseline into planning decisions by the EU and Member States	☒	☐	☐	☐	☐
Common approach for deciding what level of residual risks society / public authorities choose not to eliminate: a way to determine what are we willing to live with and why	☐	☒	☐	☐	☐

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1.1. **Comments**:

Insurance Europe supports the European Commission's intention to establish a more coherent and ambitious legislative framework for climate resilience. We agree that a common (both short-term and long-term) baseline for climate reference scenarios can provide public authorities, businesses, and communities with a clearer understanding of future climate conditions, supporting more consistent and forward-looking adaptation decisions across the EU. For insurers, this supports more comparable and transparent risk assessments across regions and over time. It also helps to create a clearer basis for dialogue with policymakers and other stakeholders (such as developers, property owners, banks, etc) on long-term resilience needs. At the same time, it is indeed important that such consistency allows for the flexibility needed to address local and sector-specific circumstances.

At the same time, we advise caution regarding the introduction of mandatory EU-wide climate trajectories or scenarios, as a rigid baseline could be misaligned with existing regulatory frameworks (including prudential requirements) and widely used industry methodologies, and may not provide the flexibility needed to reflect evolving science.

It is key for any EU-level baseline to remain compatible with scientific advances and to allow for sufficient flexibility at national and local levels. Climate impacts and adaptation needs vary significantly across Europe, and effective planning must accommodate more granular, location-specific assessments, especially for risks such as floods, droughts, or wildfires.

When determining acceptable levels of residual risk, Insurance Europe encourages a careful and inclusive process. Decisions about what risks societies choose to tolerate involve complex political, social, and economic considerations. Clear governance structures and transparent criteria will be essential to support implementation and maintain public trust. The right approach depends on local realities.

Finally, we note that progress in strengthening climate resilience remains uneven across Member States, partly due to differences in policy frameworks and the specificity of adaptation measures. A legislative proposal should therefore aim to foster greater alignment and clarity in roles and responsibilities, while fully respecting the principles of subsidiarity and proportionality.

2. Climate risk assessments:

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Development of climate risk assessments that would also cover the most affected policy sectors, at European level	☐	☒	☐	☐	☐
Development of climate risk assessments that would also cover the most affected policy sectors, at national level	☒	☐	☐	☐	☐
Common parameters for the scope and content of both EU and national climate risk assessments (e.g. climate scenarios, regularity, sector coverage)	☐	☒	☐	☐	☐

2.1. **Comments**:

Insurance Europe supports efforts to strengthen climate risk assessments, as these are essential for informed and coordinated adaptation planning. For insurers, robust and comparable risk assessments provide a clearer view of evolving hazards and exposure patterns, which in turn supports more effective risk prevention and long-term resilience strategies.

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Common parameters can help ensure comparability, but they should be flexible enough to reflect regional specificities and the different risk profiles across Member States. EU-level assessments, even if sectoral, risk overlooking local realities and are therefore not encouraged.

Insurers can contribute significant expertise here, particularly on nat cat modelling, and emerging risks. Ensuring that risk assessments make use of the appropriate data, while remaining transparent and accessible for public authorities and communities, is crucial for improving decision-making and strengthening Europe's collective resilience. Naturally, data processing must comply with GDPR rules and exclude any commercial purposes.

It is key to ensure that any new assessment processes do not duplicate or conflict with insurers' existing risk analysis frameworks and do not generate unnecessary or duplicative data requests. Alignment with current industry methodologies and reporting requirements will help ensure that new assessments genuinely add value and support resilience objectives without creating administrative burdens.

3. Adaptation planning and determination of risk owners:

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Definition of climate resilience and adaptation targets (possibly including sectoral / thematic targets) for EU institutions and Member States	☐	☒	☐	☐	☐
Robust obligation on the EU/Commission to prepare and implement an EU adaptation strategy and plan	☒	☐	☐	☐	☐
Climate resilience and adaptation plans should also cover the most affected policy sectors at EU level	☒	☐	☐	☐	☐
Robust obligation on Member States to develop national adaptation strategies and plans	☒	☐	☐	☐	☐
Climate resilience and adaptation plans should also cover the most affected policy sectors at national level	☒	☐	☐	☐	☐
Identification of risk owners responsible for and mandated to address the identified vulnerabilities	☒	☐	☐	☐	☐

3.1. Comments:

We welcome the ambition to reinforce adaptation planning through clear resilience targets and robust obligations for EU institutions and Member States. Predictable and forward-looking adaptation strategies can help de-risk investment decisions and support efforts to manage the long-term economic and social impacts of climate change. However, it is essential that these targets and strategies be regularly reviewed and adjusted to keep pace with accelerating risks and evolving scientific evidence. Crucially, climate mitigation - particularly ambitious emissions reduction - must remain a top priority alongside adaptation, as only progress on mitigation will ensure that adaptation efforts are effective and not outpaced by worsening climate impacts.

Defining "risk ownership" is a step towards strengthening accountability and accelerate implementation at the most appropriate level. Insurers can support this process by offering insights on where risks are building up, where prevention is most effective, and how public and private actors can work together to reduce exposure and vulnerability and increase protection.

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4. Complementing action at EU level by Member State action, in compliance with subsidiarity principle

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Member States adopting national legal frameworks on climate resilience and adaptation (covering issues such as administrative set-up and coordination mechanisms, regular climate risk and vulnerability assessments, adaptation planning, early-warning mechanisms, governance at regional and local levels, alignment with subnational strategies and plans, inclusion of stakeholders and vulnerable groups, monitoring and evaluation framework).	☒	☐	☐	☐	☐
Member States carrying out evaluations at appropriate levels to identify regions and groups of people that are particularly vulnerable to climate change, and developing plans for targeted adaptation measures to help these regions and groups	☒	☐	☐	☐	☐
Member States involving all relevant stakeholders, including particularly vulnerable groups, in adaptation policy planning	☒	☐	☐	☐	☐

4.1. Comments:

We support the objective of Member States evaluating and identifying regions and populations that are especially vulnerable to climate impacts and developing targeted adaptation measures to address their specific needs.

Involving stakeholders, including vulnerable groups, helps ensure that plans and policies are responsive, inclusive, and effective. National legal frameworks and targeted support (through EU and national funding) can empower local authorities and communities to implement adaptation measures effectively.

5. Monitoring, reporting, evaluation, and learning

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Development of a limited number of performance indicators for both the EU and Member States, for measuring the effectiveness of climate adaptation and resilience measures	☐	☒	☐	☐	☐
In line with the simplification agenda, improvement and streamlining of monitoring, reporting, evaluation and learning practices at EU and national levels, through more targeted reporting on climate impacts	☐	☐	☒	☐	☐
Incorporation of corresponding resilience progress indicators into existing sector legislation to avoid duplication and new reporting requirements	☐	☒	☐	☐	☐

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5.1. Comments:

Insurance Europe supports the development of indicators to measure adaptation progress but recommends integrating them into existing legislation to avoid duplication and administrative burden. Indicators should focus on outcomes and tangible resilience improvements rather than excessive process reporting.

6. Please specify other impactful measures with transformational impact that the Commission should include in its legislative proposal on climate resilience:

Prioritise funding for resilience-building before disasters occur, rather than relying mainly on post-event payouts. The European Commission could consider establishing an EU-level Climate Resilience Investment Fund to provide grants or low-interest loans for resilience upgrades in vulnerable communities and risk areas and sectors, especially where market incentives alone are insufficient.

Other impactful measures could include:

- Establishment of a European public natural hazard portal, inspired by Austria's HORA system, to make hazard and risk information widely accessible.
- Support for national public-private partnership (PPP) mechanisms to mobilise additional resources for resilience projects.
- Financial support for prevention and adaptation measures through dedicated EU or national funding programmes.
- Adoption of clear climate resilience criteria for building and construction decisions, including avoiding new development in areas with high flood or natural hazard risk. This approach helps prevent the creation of new exposures while allowing flexibility for strategically important infrastructure where necessary.

Decision-support tools for climate resilience

Background info: Access to clear, reliable and practical information about how climate change affects us and what we can do about it, is essential to better manage the risks and develop effective solutions. Open-access web-based tools can help meet this need by reaching large audiences with tailored, visually engaging and interactive information. However, most existing tools are designed for experts focusing on scientific rather than practical needs. Furthermore, tools targeting different geographies, climate hazards or sectors often use different methods and reference points to quantify future changes, making comparison difficult. Cross-border information is often missing. The Commission would like to get feedback on how it can best use Europe's wealth of climate data and digital capabilities to improve access to clear, reliable, practical and coherent information on climate risk and adaptation solutions across regions and sectors.

1. Where do you look for information about how climate change could affect you or your activities?

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Sectoral organisations resources, including advisory and support networks	☒	☐	☐	☐	☐
Regional and/or local authorities' resources	☒	☐	☐	☐	☐
National government resources, including national meteorological services	☒	☐	☐	☐	☐
European climate adaptation platforms and/or climate services	☒	☐	☐	☐	☐
European scientific programmes and networks	☒	☐	☐	☐	☐
Reach out to a consultancy to find and analyse this information for me	☐	☐	☒	☐	☐
In the media, social media and online	☐	☒	☐	☐	☐
Using artificial intelligence	☐	☐	☒	☐	☐
I have never looked for such information	☐	☐	☐	☐	☒

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2. What information would help you determine if and how to take action to better prepare for the effects of climate change?

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Recent economic losses or damage caused by climate events in my area or in activities related to my job	☒	☐	☐	☐	☐
Current severity of extreme or unseasonal weather in the area where I live or work (e.g. expected number of days with temperatures exceeding 35 °C)	☒	☐	☐	☐	☐
Estimates of future severity of extreme or unseasonal weather in the area where I live or work	☒	☐	☐	☐	☐
Current impacts of extreme or unseasonal weather on my community and me in terms of health (e.g. excess mortality due to dangerous heat waves), and economic activities (e.g. crop production losses from heat, damage to energy infrastructure due to floods, etc).	☒	☐	☐	☐	☐
Estimates of future impacts of extreme or unseasonal weather on my community and me in terms of health and well-being, and economic activities	☒	☐	☐	☐	☐
Information on insurability of exposed assets	☒	☐	☐	☐	☐
Benefits of specific adaptation solutions in reducing impacts on health and wellbeing and specific economic activities.	☒	☐	☐	☐	☐

2.1. If other information, please specify:

Despite the increasing severity and frequency of weather-related events, there remains a significant disconnect between perceived and actual climate risks exposure. As highlighted in the Commission's Climate Resilience Dialogue report, risk perception is often shaped by personal experience, cultural factors, and limited access to relevant information, which can lead individuals and businesses to underestimate their true exposure to climate hazards. This is particularly relevant for private property, including real estate, where climate risk exposure is often not well understood despite its importance for financial and insurance decision-making. Concepts such as "one-in-100-year" floods or droughts are difficult to relate to, making it challenging for people to take meaningful action.

To address this, it is essential to make high-quality, granular, standardised, and understandable hazard and aggregated loss data accessible to all stakeholders, including individuals, SMEs, and local authorities. Initiatives such as Climate Resilience Certificates (CRCs) for determining what makes a real estate asset resilient to climate impacts could play a useful role in this context. Importantly, CRCs could complement, not replace, more detailed, property-specific risk assessments, which remain essential for granular analysis, underwriting, and targeted adaptation advice. A harmonised certificate can improve transparency and comparability, while still allowing for the deeper assessments required by insurers and other specialists.

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In addition, tailored risk awareness campaigns and practical tools, such as local risk maps and smart and tailored real-time alerts, can help bridge the gap between perception and reality, empowering communities to better prepare for and reduce the impacts of climate change.

3. The Commission considers developing a user-friendly web-based tool for non-experts that provides authoritative and harmonised quantitative information on climate change across Europe. This tool could translate the common climate scenarios into national, regional and local climate and weather conditions, which can be expected under these scenarios, and help to find possible solutions for addressing the identified risks. The Commission considers this tool essential for informing EU policies, addressing cross-border risks, and supporting people and businesses lacking alternatives. Would you benefit from such a tool?

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Answer	☐	☐	☒	☐	☐

3.1. What features would help you use that tool?

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Simple language that does not require specialist knowledge	☒	☐	☐	☐	☐
Tutorials and onboarding information	☒	☐	☐	☐	☐
Visual presentation of information, e.g. on a map	☒	☐	☐	☐	☐
Ability to download data or summary reports	☒	☐	☐	☐	☐
Clear link between climate risks and adaptation solutions	☒	☐	☐	☐	☐
Navigation support through an AI-powered chat	☐	☐	☒	☐	☐
Links to other trusted sources for more specialised information	☒	☐	☐	☐	☐
Access to a help desk	☒	☐	☐	☐	☐

3.2. What other features would you find helpful?

Insurance Europe supports the development of a user-friendly web-based tool translating climate scenarios into local conditions, with clear links between risks and adaptation solutions. While one-size-fits-all solutions should be avoided, features should include visual presentation, tutorials, and data download capabilities, ensuring accessibility for non-experts. High-quality, understandable hazard and aggregated loss data is essential to bridge the gap between risk perception and reality, enabling individuals, businesses, and local authorities to take effective preventive action

At the same time, it is essential that the information provided can be validated. This requires trusted parties to meet clear criteria for the publication, verification, and use of such data, in order to ensure reliability and confidence. Beyond awareness-raising, these tools could also be used to support spatial and land-use planning decisions, helping to better align development choices with future climate risk exposure.

It is however important to point out that a number of tools already exist, tools developed by public authorities, research bodies, and insurers, which raises questions about the added value of creating a new platform. To avoid duplicating existing efforts or generating unnecessary additional costs, it will be important to clarify how any new EU tool would coordinate with and complement ongoing initiatives, including those already launched or proposed by EIOPA.

Finally, we believe that the most valuable role for public institutions, particularly the European Commission, is to improve access to high-quality, standardised public hazard and exposure data. Strengthening the availability of such data would support insurers in enhancing their climate risk models and would benefit all stakeholders, irrespective of the tools they choose to use.

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Protecting people and supporting regional and local action

Background info: Climate change has a detrimental impact on human health, lives and livelihoods, disproportionately affecting the most vulnerable. The new framework should drive EU and Member States measures that help individuals and local communities to be better equipped to face climate risks. Because climate risks vary across Europe, action under the framework should be place-based and co-designed with local and regional authorities and communities. Launched in 2021 as a pilot initiative to support pioneer regional and local authorities, the EU Mission on climate adaptation is providing direct support and empowering European regions and local authorities to develop and implement place-based measures towards climate resilience. The new framework provides an opportunity to scale up this support to all regions and communities across Europe.

1. **What policy measures should the EU and Member States take to ensure that the most vulnerable groups and geographical areas receive adequate support and are protected from the disproportionate impacts of climate change?**

EU:

- The European Commission should set out overarching guidance and establish funding frameworks that specifically address the needs of vulnerable groups and high-risk areas. This includes supporting Member States in developing targeted measures, such as early warning systems, resilient infrastructure, and financial instruments, while ensuring these efforts are aligned with EU priorities.
- The Commission can play a key role in promoting the involvement of local authorities, communities, and vulnerable groups in adaptation planning and delivery. By recommending participatory approaches, the EU can help ensure that adaptation strategies are grounded in the real needs and experiences of those most affected.
- EU legal and financial frameworks should include dedicated funding streams for adaptation, with a focus on the regions and groups most at risk. This could involve cohesion funds, resilience grants, and incentives for risk reduction and resilience investments, ensuring that support reaches those who need it most.
- However, public funding and relief mechanisms should encourage prevention rather than unintentionally disincentivising it (avoid moral hazard). Therefore, conditioning certain forms of public support on ex-ante risk mitigation can strengthen preparedness, improve insurability and support well-functioning insurance markets.
    - To maximise the impact of public spending and avoid unintended disincentives, a targeted review of existing EU solidarity and disaster-relief mechanisms could assess how they interact with national schemes and private (re)insurance markets. The objective would be to strengthen prevention signals, ensure rapid and predictable support after events, and explore whether transferring a portion of extreme losses to private reinsurance could improve cost-effectiveness for taxpayers. Any initiatives should respect subsidiarity, safeguard well-functioning national arrangements and maintain clear, prevention-first conditionalities.

Member States:

- Member States should carry out ongoing risk assessments using hazard maps, socio-economic data, and climate projections. This process should actively involve local authorities and communities to identify specific neighbourhoods, infrastructure, and population groups, such as low-income households, the elderly, or those in remote areas, that are most at risk. The findings should directly inform how adaptation measures and funding are targeted.

- To ensure that vulnerable groups are truly prepared, Member States should launch tailored awareness campaigns and practical tools. This includes developing and updating risk maps, real-time alerts, and communication strategies that reflect local risk cultures, languages, and exposures. Collaboration with local authorities and communities is essential to make these efforts relevant and effective.

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- Local authorities, communities, and vulnerable groups should be directly engaged in the design, implementation, and monitoring of adaptation measures. This can be achieved through formal consultation processes, participatory workshops, and feedback mechanisms, ensuring that the voices and needs of those most affected are reflected in local adaptation plans and projects.

- National legal frameworks should provide local authorities and communities with clear mandates, decision-making powers, and access to dedicated funding for climate adaptation. This includes simplifying procedures for accessing resources, offering technical support, and ensuring that local governments have the autonomy and capacity to tailor adaptation actions to their specific risks and priorities.

- However, public funding and relief mechanisms should encourage prevention rather than unintentionally disincentivising it (avoid moral hazard). Therefore, conditioning certain forms of public support on ex-ante risk mitigation can strengthen preparedness, improve insurability and support well-functioning insurance markets.

2. What measures should the EU and Member States take to protect people's health against the impacts of climate change?

EU:

- The Commission should ensure that climate-related health risks are systematically considered within EU health, adaptation, and urban planning policies. This integration will help mainstream climate resilience across sectors.

- The Commission should collaborate across DGs to develop recommendations for strengthening health infrastructure, establishing early-warning systems, and improving crisis management protocols to better prepare for climate-related health emergencies.

- Encouraging the adoption of nature-based solutions and urban greening initiatives as part of adaptation strategies can help mitigate heat stress, improve air quality, and enhance overall public health.

- The Commission should support the development of health risk mapping, data-sharing platforms, and research into the links between climate change and health. This will enable better monitoring, preparedness, and response across Member States.

- The Commission can play a key role in facilitating the exchange of best practices, modelling tools, and adaptation strategies among Member States, helping to raise standards and accelerate progress.

Targeted technical support and funding for pilot projects in cities and regions most at risk can help demonstrate effective approaches and scale up successful solutions.

Member States:

- Member States should embed climate-health risk considerations, such as heatwaves, floods, air pollution, and vector-borne diseases, into their health strategies and emergency preparedness plans at both national and local levels.

- Adaptation and crisis management plans should be tailored to the specific needs of vulnerable populations, with active engagement of communities in planning and implementation.

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- Investments should be made to ensure that health infrastructure can withstand extreme climate events. This includes retrofitting hospitals, expanding green spaces, and improving cooling systems to protect public health during heatwaves and other emergencies.

- Prevention efforts be mindful of those most at risk, ensuring that early-warning systems, outreach, and support are accessible to vulnerable groups.

- Member States should work closely with insurers and other stakeholders to co-design innovative partnerships, mobilise resources, and reduce protection gaps, ensuring comprehensive health protection in the face of climate change.

3. What measures should the EU and Member States take to provide greater support to regional and local stakeholders?

EU:

- The Commission should broaden Mission Adaptation-type support, making technical guidance, capacity-building, and data resources more broadly available. This would help ensure that every region, regardless of its starting point, can access the expertise needed for effective adaptation.

- EU funding programs should offer clearer and simpler pathways for local authorities to access resources for adaptation projects. Streamlining application processes and providing targeted guidance can help local stakeholders take full advantage of available support.

- The EU-level can play a key role in facilitating the exchange of best practices and knowledge between regions and countries, especially on cost-effective prevention measures and nature-based solutions. This helps local authorities learn from each other and adopt proven approaches.

Member States:

- Member States should set up coordination platforms that bring together regional and local authorities, insurers, and other key stakeholders. These platforms can help align adaptation agendas, share information, and foster collaboration.

- It is important that Member States support local authorities implement their adaptation plans. Dedicated resources will enable local stakeholders to move from planning to action.

- Local authorities should have access to ongoing training and technical assistance, enabling them to translate climate risk assessments into concrete adaptation measures. Building local capacity is essential for effective and sustainable climate resilience.

4. What targeted initiatives should the EU and Member States implement to specifically support the EU's outermost regions in adapting to climate change, considering their particular exposure to extreme weather events and their unique geographical and socio-economic contexts?

EU:

- The Commission should encourage and support the development of PPPs that are specifically adapted to the local risk profiles of outermost regions. This ensures that solutions are accessible and relevant to the unique hazards and socio-economic realities these regions face.

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- Through resilience and cohesion funds, the Commission can provide technical support and co-financing to help establish or strengthen PPPs in outermost regions, particularly where such partnerships are not yet in place.

- The Commission should prioritise investment in preventive infrastructure, such as flood defenses, wildfire barriers, and resilient buildings, and ensure that funding instruments are accessible and responsive to the needs of outermost regions.

- The Commission can help fund and promote local awareness campaigns and training for communities and SMEs, leveraging public-private collaboration to build local capacity and preparedness for climate risks.

Member States:

- Member States should enhance emergency response systems, including logistics and evacuation infrastructure, to address the specific challenges of remote or dispersed territories in outermost regions.

- National building codes should be reviewed and adapted to reflect the unique hazard profiles of outermost regions, ensuring that new construction meets resilience standards appropriate to local risks. This should be done with a long-term perspective, ideally considering a horizon of up to 100 years, and should include prohibitions on construction in high-risk zones. For example, in Denmark a bill will be presented in March 2026 that, among other things, aims to tighten the Planning Act's requirements for climate adaptation so that, in the future, new construction will only be permitted if it is climate proofed to at least a 100-year event.
    - If a property is built in an area exposed to major flooding every ten years and typically suffers €50,000 in damage per event, the actuarially "fair" premium would exceed €5,000 per year. In such cases, improved pooling mechanisms, enhanced risk transfer and greater access to capital may provide some support. However, where exposure is structurally high and extreme weather events intensify, financial engineering alone cannot prevent protection gaps from emerging.

Ensuring long-term affordability and insurability ultimately requires reducing risk at source. This calls for decisive public action, including robust and effectively enforced building codes, as well as forward-looking land-use planning and zoning rules that limit development in high-risk areas.

5. What are the most pressing barriers that should be removed to enable action at regional and local level?

☒ Lack of sufficiently specific data and information about current and future risks to design science-based policies
☐ Limited access to specialised support (specialist language, too technical, etc.) to help develop impactful measures, provided at national or EU level
☒ Insufficient funding or financing for regional and local measures, including access to dedicated national and EU funds
☐ Insufficient institutional capacity to absorb funding and develop a project pipeline.
☒ Limited engagement of local communities in designing and implementing measures
☒ Existing legislation that complicates efforts to deal with climate impacts
☐ Lack of consistent monitoring and reporting schemes that would provide incentives to act
☒ Other

6. How could the EU Mission pilot be leveraged or replicated to support action by all European regional and local stakeholders?

☒ Encourage Member States to develop Mission-type national initiatives with dedicated financial resources for their implementation
☒ Define the roles and responsibilities of National Missions within the Framework

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☒ Mandate Member States to set up national platforms or coordination tables where local and regional stakeholders have a legally recognised role and responsibility
☒ Encourage Member States to dedicate financial resources to support regional and local action
☒ Connect EU funding opportunities with the relevant stakeholders to scale up the regional and local climate adaptation solutions developed within the Mission.
☐ Other

Competitiveness – harnessing innovation opportunities

Background info: Climate resilience and preparedness go beyond minimising and managing risks. They open a new world of commercial opportunities and potential to innovate and create new project pipelines and markets. There is a rapidly growing demand for resilience products and services, such as water technologies, regenerative agriculture solutions, heat and drought resistant crops, climate risk insurance, climate services and the use of space data, risk modelling tools, developing smart systems to predict and prevent supply chain disruptions, climate resilient construction materials and designs, technologies for resilient energy and transport infrastructures, or health system adaptation solutions and innovation. Deploying such technologies can enhance the competitiveness of EU companies and key economic sectors by improving adaptive capacity and opening new export markets. The new Framework aims to support EU companies, SMEs and start-ups in seizing these opportunities, helping position Europe as a global leader in climate resilience innovation.

1. **In your sector/industry/area, what are the climate resilience technologies/innovations that you need to develop or scale up to make your sector/industry more competitive?**

- In the insurance sector, climate resilience is being advanced through a range of innovative technologies and solutions. To further enhance the industry's competitiveness and support society's adaptation to climate change, insurers are focused on developing and scaling up the following:
  - Insurers are actively co-creating new data-sharing partnerships with public authorities, enabling the secure exchange of aggregated loss data and local hazard information. These partnerships enable evidence-based prevention, help target high-risk assets, and support smarter adaptation decisions at the local level.
  - The industry is investing in sophisticated risk modelling tools, including AI-driven analytics and real-time hazard monitoring, to better anticipate and price evolving climate risks. Insurers are also encouraging energy-efficient retrofits or resilient building measures.
  - Insurers are co-developing new awareness campaigns, digital tools, educational resources, and early-warning systems with public bodies. These initiatives help close the gap between risk perception and reality, empowering households, businesses, and communities to take preventive action before extreme events occur.
  - Insurers are increasingly directing capital into projects like wetland conservation, which not only reduce natural catastrophe risks, such as flooding, but also deliver long-term ecological and social benefits. These investments help to absorb excess water during extreme rainfall events, protect biodiversity, and support local communities.

- To further scale up such initiatives, insurers need enabling conditions, such as:
  - Open access to high-quality, local hazard and aggregated loss data.
  - Stable and coherent regulatory frameworks that incentivise prevention and support innovative insurance solutions.
  - Strong public–private collaboration at all levels, including technical assistance and co-financing for pilot projects.
  - Funding mechanisms that lower barriers for insurers to support, underwrite, or invest in resilience projects particularly in regions most exposed to climate risks.

- In a context of Europe scaling up smart grids, flood-defence automation, water and transport control systems, early-warning systems, and digital portals, climate resilience increasingly depends on the cyber resilience of these climate-critical digital systems. A severe cyber outage during or after extreme weather can amplify losses, disrupt emergency coordination, and delay recovery, undermining adaptation

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investments. To keep Europe competitive and resilient, insurers support cyber-by-design innovation for climate-critical assets: full-scale testing of operational technology (OT/IT) interfaces, secure-by-default architectures, real-time monitoring, red-teaming/exercises, and continuity/fallback protocols.

- Recognising that integrated climate-cyber stress testing might prove highly complex, over a 5–10 year horizon, the Commission could pilot a "digital–physical resilience sandbox" for climate-critical infrastructures (energy, water, transport, emergency communications), co-designed with operators, insurers and cybersecurity agencies. The sandbox should test (i) minimum cyber resilience baselines for climate-critical systems, (ii) interoperable incident-response and data-integrity standards for hazard/early-warning tools, and (iii) targeted public–private approaches for extreme, correlated cyber events that would otherwise magnify climate losses.

2. What measures could improve the competitiveness and innovation of climate resilience products/services in your sector/industry the most?

	Very relevant	Relevant	Neutral	Not very relevant	Not relevant at all
Increased public funding and investment	☒	☐	☐	☐	☐
Increased private funding and venture capital	☐	☒	☐	☐	☐
Improved access to specialised expertise/workforce	☐	☒	☐	☐	☐
Improved market certainty and regulatory support	☒	☐	☐	☐	☐
Access to technologies/ modernisation of equipment	☐	☒	☐	☐	☐
Increased consumer awareness and demand	☒	☐	☐	☐	☐
Innovative climate risk management and insurance tools (e.g. parametric coverage)	☐	☒	☐	☐	☐

2.1. If other, please specify:

Innovation in climate resilience depends critically on Europe's capacity to test, train for, and lead in advanced fire-safety, explosion safety and performance solutions for emerging technologies. Electrification and digitalisation accelerate and the deployment of batteries, EV charging, hydrogen systems, and renewable energy infrastructure are fundamentally changing risk profiles across buildings, transport, energy and other critical infrastructures.

At present, Europe lacks sufficient large-scale, integrated testing and demonstration facilities to generate the empirical evidence needed for robust standards, regulation, insurance models and prevention-by-design approaches. This has resulted in a growing reliance on standards and test data developed in the US and China, which are not fully aligned with European climate conditions, construction practices, urban density or resilience objectives. The consequence is slower innovation, higher uncertainty for insurers and regulators, and reduced competitiveness of European industries in climate-resilience markets.

Strategic investment in European fire- and explosion-testing facilities, combined with capabilities for full-scale testing, system integration, training and knowledge dissemination, would enable faster development of EU-made standards and prevention solutions. This would support safer deployment of new technologies, reduce loss potential, strengthen climate resilience and ensure that Europe retains technological, regulatory and industrial leadership in managing emerging climate-related risks.

Initiatives such as Climate Resilience Certificates (CRCs) for determining what makes a real estate asset resilient to climate impacts could play a useful role in this context. Importantly, CRCs could complement, not replace, more detailed, property-specific risk assessments, which remain essential for granular analysis, underwriting,

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and targeted adaptation advice. A harmonised certificate can improve transparency and comparability, while still allowing for the deeper assessments required by insurers and other specialists.

Finance and insurance

Background info: Climate change is already imposing significant measurable costs on consumers, businesses and economies. Extreme weather events and chronic risks such as sea level rise or soil subsidence - damage assets, disrupt supply chains, and reduce productivity, turning them into a mainstream financial concern. Therefore, it is crucial to factor in climate resilience in investment and financial decisions, to reduce climate-related economic losses and minimise disruptions to the business continuity and maintain revenues. To fully address the risks, the building of climate resilience would need to be complemented by insurance. Currently, only 25% of the losses are insured and the insurance premiums continue to rise. The scale and systemic nature of climate-related economic impacts make it impossible for governments to bear their cost and will require engagement, including financial contributions, from all levels of governance, economic sectors and the public. The new Framework will put forward policy measures to scale up resilience finance needed to fund the expanding project pipeline. It will also include measures aiming to improve access to affordable insurance and reduce the widening insurance-protection gap.

1. Public sector role in funding climate resilience

	Yes	No
Is it necessary to integrate climate resilience considerations in fiscal planning and financial decisions at all levels of the public sector as well as in the private sector?	☒	☐
Would incorporating climate resilience considerations in investments, including public spending and procurement limit economic losses from climate events?	☒	☐

2. Private-sector investments and climate resilience

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
National adaptation plans should be designed to serve as resilience and adaptation investment plans, unlocking the full potential of private-sector funding.	☒	☐	☐	☐	☐
The private sector needs more guidance on how to incorporate climate resilience into investment and business decisions.	☐	☐	☒	☐	☐
Effective public-private risk sharing mechanisms for climate adaptation investments (such as public-private partnerships, blended finance, disaster bonds, etc.) would increase resources invested in climate resilience and adaptation.	☒	☐	☐	☐	☐

3. What are the key obstacles for scaling up investments strengthening climate resilience and adaptation?

- A major challenge is that many stakeholders, from public authorities and businesses to investors, do not have access to clear, actionable data on their true exposure to climate risks. This lack of information makes it difficult to understand the real cost of inaction and to prioritise investments in resilience. Improving the availability and quality of local hazard and aggregated loss data is essential for better risk assessment, more informed decision-making, and ultimately, for unlocking greater investment in adaptation.
- Insurers are committed to supporting resilience investing, yet many adaptation projects, such as dykes or wetland restoration, do not generate direct financial returns. That makes them challenging to justify

as standalone investments. While these projects can reduce future risk, the benefits are indirect and often insufficient for insurers to meet fiduciary responsibilities around policyholder funds.

- Regulatory fragmentation across Member States, inconsistent approval processes, and a lack of harmonised standards create uncertainty and increase the cost and complexity of investing in resilience. Legal uncertainty, excessive bureaucracy, and differences in insolvency frameworks all undermine investor confidence and slow down the flow of capital into long-term, cross-border projects. A more predictable, harmonised, and stable regulatory environment is needed to unlock the insurance sector's full investment potential.
- Finally, there are not enough incentives for households and small businesses to invest in risk-prevention measures. Without clear signals, such as tax incentives, or targeted grants, many will not take proactive steps to reduce their vulnerability. Public policy should focus more to encourage and reward preventive action at local level, making resilience a shared responsibility.

4. What policy measures would help overcome these obstacles and boost climate resilience finance?

- Support the creation of an EU-level platform that improves access to consistent, high-quality hazard and exposure data, enabling greater transparency and data sharing between public authorities, insurers, academia and investors.
- Ensure that EU and national legislation and policy frameworks are coherent and mutually supportive. By resolving inconsistencies and facilitating the exchange of best practices, policymakers can create a more predictable environment that increases investors' confidence to put capital to resilience projects.
- Encourage collaboration between public authorities, insurers, and financial institutions to co-design solutions that build on private-sector expertise. Public-private partnerships and blended finance can help de-risk projects and crowd in private capital for large-scale resilience initiatives.

5. Does the existing EU accounting framework duly reflect the climate physical risks in the valuation of assets? If not, what policy measures do you propose?

- Yes, the existing EU accounting framework duly reflects the climate physical risks in the valuation of assets. IFRS 9, IFRS 13 and IAS 36 provide appropriate general principles and sufficiently detailed guidance that are applicable to climate physical risks for the valuation of financial, tangible and intangible assets (including goodwill). They cover:
    - The valuation methodologies (fair value, value-in use);
    - The determination of the useful life of assets;
    - The conditions of recognition and derecognition of impairments or expected credit losses;
    - The frequency of assumptions' review;
    - The disclosure requirements (also noting that the IASB issued examples in November 2025 that illustrate how entities have to disclose uncertainties in the financial statements, in particular resulting from climate risk).
- Climate risks are therefore among the contextual elements, assumptions, judgments to be made, or input data considered in the valuation of assets; depending on their nature, their materiality, and according to the applicable accounting principles, some climate issues may impact the financial statements in the form of recorded items or information in the notes, while others do not generate any immediate effect or information presented in the financial statements.

6. Do the other existing policy / regulatory frameworks duly account for the climate physical risks? If not, what policy measures do you propose?

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The prudential framework for European insurers, Solvency II, is a risk-based system which is intended to capture all risks, including climate physical risks, to which insurance undertakings are exposed.

The risk-based nature of the Solvency II supervisory regime contains comprehensive and appropriate requirements for addressing sustainability risks, which materialise across established risk categories inherent to insurance activities and capital investments. The market-consistent valuation of technical provisions and assets already incorporates a best estimate expectation of adverse developments, through the expected value and the risk margin. In addition, the solvency capital requirements are calibrated to a severe 1 in 200-year loss scenario over a one-year horizon. For natural hazards, the relevant risk factors to the standard formula capital requirements are regularly reviewed by EIOPA to reflect evolving climate risks and will be updated in January 2027 to reflect the latest assessment by EIOPA.

In addition, sustainability risks are explicitly embedded in the prudent person principle and in insurers' risk-management frameworks. As part of the ORSA, undertakings are required to conduct scenario analyses of both physical and transition climate risks to identify vulnerabilities at an early stage and take preventive action. These requirements are complemented by EIOPA's and/or national supervisory authorities' regular stress tests, which have previously included adverse scenarios related to climate risks. Against this background, no further policy measures are considered necessary in insurance regulation.

7. Climate risk insurance

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Location-specific comprehensive information on climate hazards could improve insurance uptake.	☒	☐	☐	☐	☐
Climate risks insurance products need to be clearer on the hazards they cover	☒	☐	☐	☐	☐

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

- There is significant diversity across Europe in the size and nature of the insurance protection gap, reflecting differences in risk exposure, market maturity, and national policy frameworks.

It is also important to acknowledge that insurance only comes at the end of a chain, which includes many other actors and aspects, such as, in the case of property insurance, where we build, how we build and maintain properties, as well as the quality of interventions in case of an event, the quality of early warning systems, etc. The questions of insurability and affordability of insurance have to be looked at in conjunction with all these different aspects. Increasing insurability requires improvements in all these aspects, and this is why it is a whole-of-society effort.

There is also a potential role for market-based measures that would reinforce the core function of insurance - managing and transferring risk. Indeed, insurance is fundamentally about pooling unpredictable risks across many policyholders. By collecting premiums, insurers create a financial safety net that helps individuals and businesses recover from unexpected events. This risk-sharing mechanism is most effective when risks are uncertain and spread widely. When risks become predictable or concentrated, such as repeated flooding in the same area, insurance alone is not enough, and broader resilience measures are needed.

Should market-based measures be considered to reduce the protection gap, the following principles should be observed:

- **Facilitate data sharing and transparency.**

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- Encourage the sharing of aggregated government and hazard data with insurers and academic institutions. This improves risk modelling, enables more accurate pricing, and helps insurers design products that reflect real risk and support broader access. At the same time, ensure that consumers also have access to natural hazard tools, empowering individuals, households, and businesses to better understand their exposure and take informed preventive action.

- **Promote innovative insurance models.**
  - Enable a regulatory environment that encourages innovation.
- **Encourage public-private partnerships tailored to national contexts**
  - Public-private partnerships are part of the toolkit for managing climate-related risks, but their design and operation should reflect each country's unique risk profile, governance framework, and insurance market. Rather than imposing a one-size-fits-all model, EU-level initiatives should complement and support established national systems.
  - Policymakers can facilitate the exchange of best practices, data, and modelling tools across Member States, and provide technical assistance where needed. Collaboration between public authorities and insurers, supported by targeted incentives and awareness campaigns, can strengthen resilience and improve access to insurance. These partnerships work best when responsibilities are clearly defined, risk awareness and prevention are central, and flexibility is maintained to adapt to local needs. In addition, existing well-functioning PPPs could serve as examples, encouraging other Member States to develop partnerships adapted to their specific local conditions.
- **Invest in prevention and resilience.**
  - Prioritise investments in disaster preparedness, infrastructure, and risk mitigation. Insurance works best when supported by strong public policies that reduce underlying risk. Public authorities at all levels can collaborate with insurers to design risk-reduction initiatives and incentivise climate-resilient choices.
- **Recognise that risk-based pricing plays an important role in many markets**
  - While approaches differ across Member States, risk-based underwriting can help signal and incentivise reduction of underlying risk, and so encourage prevention. It is therefore vital that regulatory regimes allow premiums to reflect actual exposures and vulnerabilities.
  - NatCat schemes based on single-rate premiums operate effectively in some EU Member States, ensuring a relatively high insurance penetration (over 70%) and effective claims handling. Nevertheless, if replicated in different geographies and markets, such an approach could obscure the true view of risk and hinder the implementation of appropriate climate adaptation measures. The focus should be on ensuring that systems across Europe maintain adequate incentives for prevention and remain financially sustainable in the face of rising climate risks.
  - Any consideration of market-based measures should acknowledge the diversity of systems across Europe, and avoid imposing uniform pricing expectations across Europe in the nat cat area where they do not reflect national practice or needs. In this field, there is no one-size-fits-all solution.
- **Avoid creating moral hazard**
  - Ensure that public financial support after disasters does not discourage individuals and businesses from taking preventive measures or purchasing insurance.
  - Ensure that subsidies or rules requiring lower-risk customers to cover the costs of higher-risk ones do not reduce incentives for people or businesses to ignore risks, for instance relating to building or living in flood-prone areas.

Two additional regulatory considerations:

- The taxation of insurance products has a direct impact on affordability. Encouraging citizens and businesses to finance their own risk protection reduces the potential burden on public finances after

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disasters. However, increasing the cost of insurance through taxation undermines this objective. Recognising that taxation remains a national competence, in several Member States, premium taxes on home insurance range between 8% and 15%, and can reach up to 25%. Reducing or removing such taxes would be one of the most effective levers to improve affordability and strengthen financial/climate resilience.

- Efforts to enhance climate resilience should avoid introducing additional regulatory burdens unless they are clearly necessary and proportionate. New requirements inevitably generate compliance costs, which are ultimately reflected in premiums. For example, proposals to introduce a harmonised Insurance Guarantee Scheme (IGS) at EU level would add costs for insurers and policyholders, without clear evidence of added value in well-functioning national systems. Regulatory initiatives should therefore carefully assess cost implications and ensure that measures genuinely contribute to resilience rather than inadvertently weakening affordability and market capacity.

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

To strengthen insurance coverage for secondary perils in the EU, Insurance Europe recommends:

- Partnerships that combine private sector expertise and capital with targeted public support and resources can help address coverage for secondary perils and high risk-zones, which differ from one region to another. These partnerships should be tailored to national contexts, respecting local risk profiles, governance frameworks, and market practices, and the role of private (re)insurance markets as the primary engine of risk management.
- These mechanisms work best when they are supported by strong public policies that prioritise prevention, risk reduction, and climate adaptation, helping to reduce underlying vulnerabilities and improve long-term insurability. The insurance industry can support public authorities by sharing risk management expertise and helping to design resilience-focused initiatives.

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

To further facilitate insurers' involvement in directing capital into climate-related policies and nature-based investments, EU initiatives should be designed in close coordination with insurance and investment frameworks. Specifically:

- EU initiatives such as the nature credits system should be developed in alignment with frameworks like the Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy. This ensures that insurers can invest in projects that deliver both financial returns and climate resilience.
- Complementing these initiatives with blended finance mechanisms can help unlock long-term capital, enabling insurers to contribute to resilience and adaptation projects.

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

European insurers collectively manage over €9.5 trillion in assets, providing a stable source of capital for large, long-term and strategic EU projects. To successfully mobilise private investor interest in insurance-linked investment vehicles, several key conditions must be met:

- Projects should typically be in the €50–100 million range, often structured as club deals to pool resources and diversify risk.
- Investment vehicles should offer maturities of 10–40 years, aligning with the lifespan of the underlying assets and the long-term investment horizon of insurers.
- Returns must be consistent with insurers' risk appetite, providing both stability and competitiveness relative to other asset classes.

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- Administrative and reporting requirements that projects give rise to, beyond existing risk management and investment requirements, should be kept to a minimum.
- Preferably, investments should be investment grade or supported by guarantees to ensure robust risk management and meet regulatory requirements.
- Regulatory certainty, proportionate capital requirements (under Solvency II), and harmonised tax and accounting standards are essential to unlock insurer investment at scale.
- Public-private partnerships and blended finance models, such as those used in major infrastructure projects, can help de-risk investments and crowd in private capital.
- Insurance-linked vehicles that integrate ESG criteria and support the EU's green and digital transitions are increasingly attractive to institutional investors.
- Clear, transparent structures and efforts to improve financial literacy further support mobilisation and confidence.

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

It is not evident how such a centralised EU pool would deliver additional benefits beyond what existing national systems and international markets already provide, particularly given well-functioning private sector solutions, Europe's diversity in terms of risks exposures, and existing well-established public-private arrangements. Furthermore, experience and analysis suggest that such a system would not, on its own, address the underlying challenges posed by accelerating climate change.

In reflecting on the possibility of a European marketplace, the following key considerations should be kept in mind:

- Any European risk pooling initiative should complement, not substitute, well-functioning national public-private partnerships and private (re)insurance markets. Many countries have tailored schemes that reflect their specific risk profiles and market dynamics. A one-size-fits-all approach risks undermining effective national solutions and could destabilise established systems.

- The core issue is not a lack of (re)insurance cover, but rather insufficient adaptation and risk reduction measures at national and local levels. Efforts should focus on incentivising climate adaptation, enforcing building codes, investing in preventive infrastructure, and promoting resilience. Without these measures, maintaining insurability and affordability will be challenging, regardless of the pooling mechanism.

- Insurance penetration and risk exposure vary significantly across the EU. A centralised marketplace may not fully account for these differences, and could result in uneven benefits or burdens among Member States.

- The benefits may be limited by the relatively small size and correlated risk profiles within Europe. Global diversification is often more effective. Because financial markets are global and instruments such as catastrophe bonds routinely attract overseas investors, any EU framework should remain open architecture and avoid restricting access to international capital.

- The governance structure, funding, and risk-based pricing of any such marketplace would need to be clearly defined to avoid adverse selection and ensure long-term viability. Participation incentives, financial sustainability, and a clear exit strategy are essential to prevent long-term dependency on public support. It is also important to consider the competition-related aspects of such a marketplace.

- Insurers could support initiatives by providing high-level, aggregated loss data, provided this complies with GDPR and does not compromise competitive positioning.

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Instead of creating a centralised EU marketplace, the European Commission may explore alternative avenues to further boost the market, such as, for instance:

- creating a more supportive environment and level-playing field for insurance-linked securities (ILS) and traditional reinsurance, drawing on international and EU experience, to help attract additional private capital.
- focusing EU action on practical enablers, such as improving access to aggregated hazard and aggregated loss data, promoting interoperable tools, and facilitating an ex-ante prevention framework, among others.

9. 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

Insurance Europe is the European insurance and reinsurance federation. Through its 39 member bodies — the national insurance associations — it represents insurance and reinsurance undertakings active in Europe and advocates for policies and conditions that support the sector in delivering value to individuals, businesses, and the broader economy.

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