



Invitation to FWF-DK Guest Lecture and  
Wegener Center Lunch Seminar

# Risks and Chances of Climate Change for the Insurance Industry

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Friday February 26<sup>th</sup>, 2016 | 11.30 to 13.00  
at the Steiermarkhof, Krottendorferstraße 81, A-8052 Graz

Please register at [dk.climate-change@uni-graz.at](mailto:dk.climate-change@uni-graz.at) until February 24<sup>th</sup> so that we can prepare some titbits for the buffet after the talk!

## Abstract

As extreme weather events affect the core business of insurance, this industry has quite early addressed potential effects of global warming on natural catastrophe hazards. Munich Re's experts have been researching loss events caused by natural hazards around the globe for more than 40 years. These losses are documented in the NatCatSERVICE database currently documenting more than 37,000 single events. The analyses of the NatCatSERVICE data clearly show a long term trend to an increase in the number of natural catastrophes around the globe, with ever growing losses. As the rise in the number of natural catastrophes is predominantly attributable to weather-related events like storms and floods, with no relevant increase in geophysical events such as earthquakes, tsunamis, and volcanic eruptions, there is some justification in assuming that changes in the atmosphere, and global warming in particular, play a relevant role.

As long as the risks from weather related disasters stay calculable and the insureds can afford a risk adequate premium there is no danger that such risks become uninsurable. Insurers, however, have to invest more resources into analyses of trends and have to assure that premiums for the risks they cover always reflect the dynamic hazard pattern.

Industrialized countries, which predominantly have caused global warming, have a responsibility to support the most vulnerable people in developing countries in their adaptation to the already unavoidable changes. Insurance can contribute to a higher resilience after weather related disasters. This has been acknowledged by the last G7 summit in June 2015 where a large insurance project (InsuResilience) has been decided. The objectives of this project is to provide basic insurance against the effects of increasing weather extremes to 400 million people in developing countries, who did not have access to insurance by now. In the Paris Agreement, the binding outcome of COP21, insurance is also seen as part of the solution in adaptation mechanisms.

The insurance industry also can support climate change mitigation by providing new insurance solutions for climate friendly technologies and by investments into clean energy and energy efficiency projects. So e.g. Munich Re has been the initiator of the Desertec Industrial Initiative, in order to develop renewable energy projects in the deserts.

Last but not least the provision of the profound expertise of the insurance industry in risk reduction and loss prevention to governments and UN organization is a strong support for adaptation programs to the consequences of global warming.

Organised by the FWF-DK Climate Change in cooperation with the Wegener Center for Climate and Global Change at the University of Graz