

# EESC Public Hearing

Climate change and its impact on the economy

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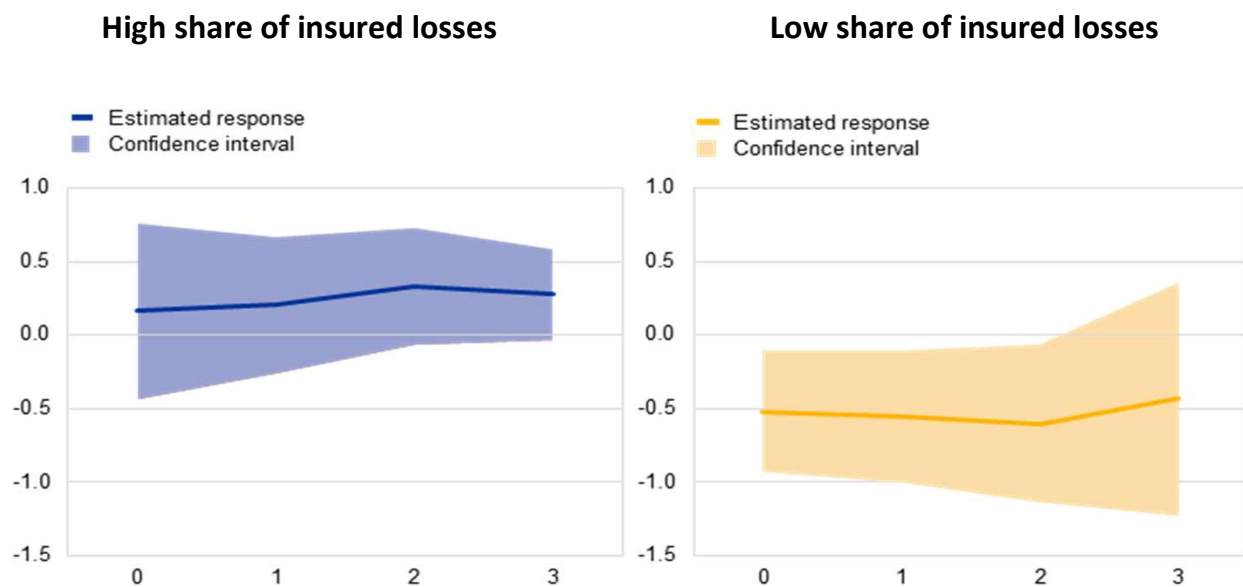
Head of Sustainability Unit



# INSURANCE SECTOR SUPPORTS FASTER ECONOMIC RECOVERY

## Impact of insured vs uninsured losses from a large-scale disaster on annual GDP growth rate

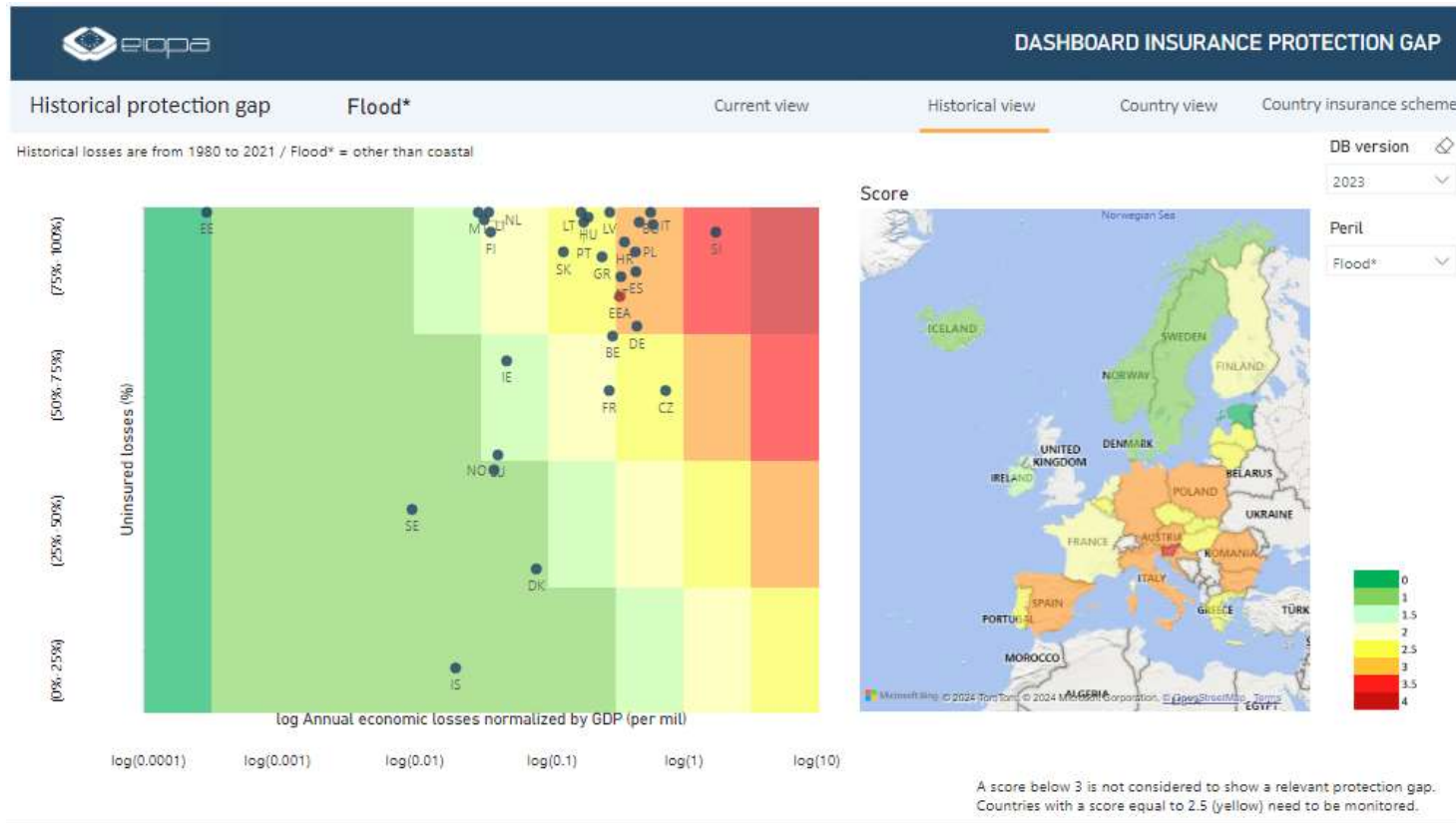
(y-axis: impact on annual GDP growth rate (%); predictions up to three quarters ahead after a large-scale disaster)



Source: [“Climate change, catastrophes and the macroeconomic benefits of insurance”](#), *Financial Stability Report*, EIOPA, July 2021

- The negative impact of large-scale disasters on GDP growth rates is higher when insurance coverage is low.
- Widening insurance protection gap may also pose financial stability risks

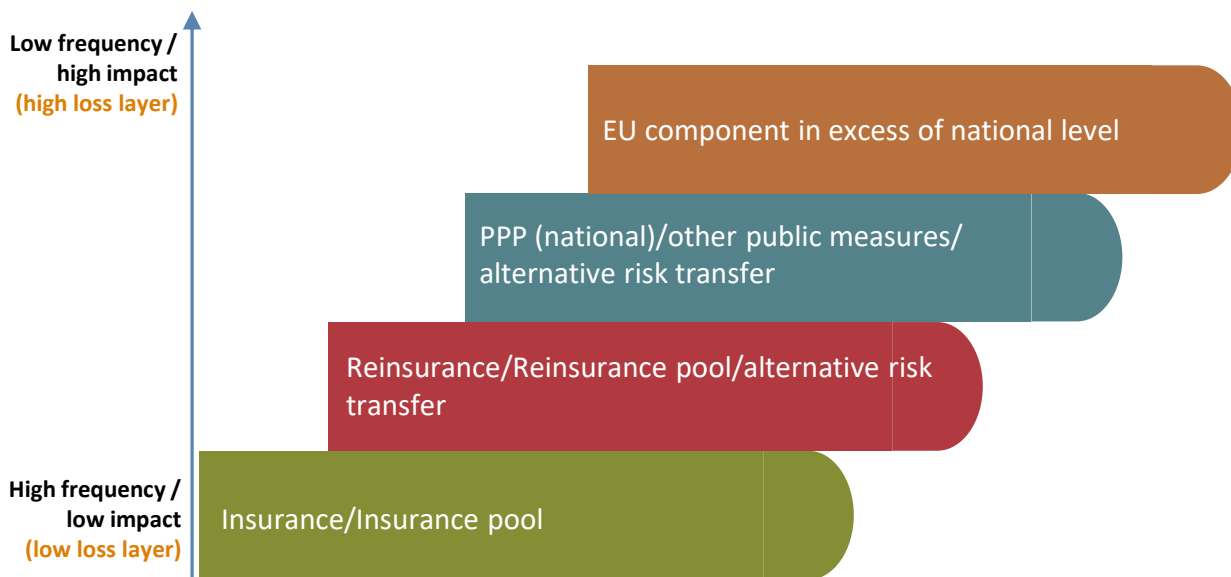
# DASHBOARD INSURANCE PROTECTION GAP FOR NAT CAT



[Dashboard on insurance protection gap for natural catastrophes - European Union \(europa.eu\)](https://europa.eu)

# POLICY OPTIONS TO ADDRESS PROTECTION GAPS

## The ladder approach to catastrophe insurance



[Policy options to reduce the climate insurance protection gap \(europa.eu\)](https://europa.eu)



Private (re)insurance should be the first line of defence



Natural catastrophe risks are expected to grow and become more difficult to insure



Policymakers to consider putting in place frameworks to deal with extreme events and minimise future costs



Public-private partnerships (PPPs) – which could be reinforced by an EU-wide component – together with risk mitigation

**THANK YOU!**

For more information visit:  
<https://www.eiopa.europa.eu>

