

Risk Data Hub Workshop

15 June 2022

EIOPA

RISK DATA HUB USE CASES AT EIOPA

- The pilot dashboard on insurance protection gap for natural catastrophes

This is the first pilot dashboard which depicts the insurance protection gap for natural catastrophes. The aim is to represent the drivers of a climate-related insurance protection gap in order to identify measures that will help in decreasing society's losses in the event of natural catastrophes.

- Physical climate change risk analysis

- Follow-up of the EIOPA climate-change sensitivity analysis with focus on physical risk.
- Aiming at understanding the materiality of the European insurance sector to climate-related perils.
- Report with key findings published in May 2022.

THE PILOT DASHBOARD ON INSURANCE PROTECTION GAP FOR NATURAL CATASTROPHES

- In light of climate change, EIOPA is concerned that affordability and insurability of natural catastrophes (Nat Cat) insurance coverage is likely to become an increasing concern.
- Currently, only 35% of the total losses caused by extreme weather and climate-related events across Europe are insured. The uninsured part is therefore equal to 65% of the losses for climate-related events, which shows that there is a protection gap.
- Climate change will continue for many decades to come. Improved climate projections provide further evidence that future climate change will increase climate-related extremes in many European regions.

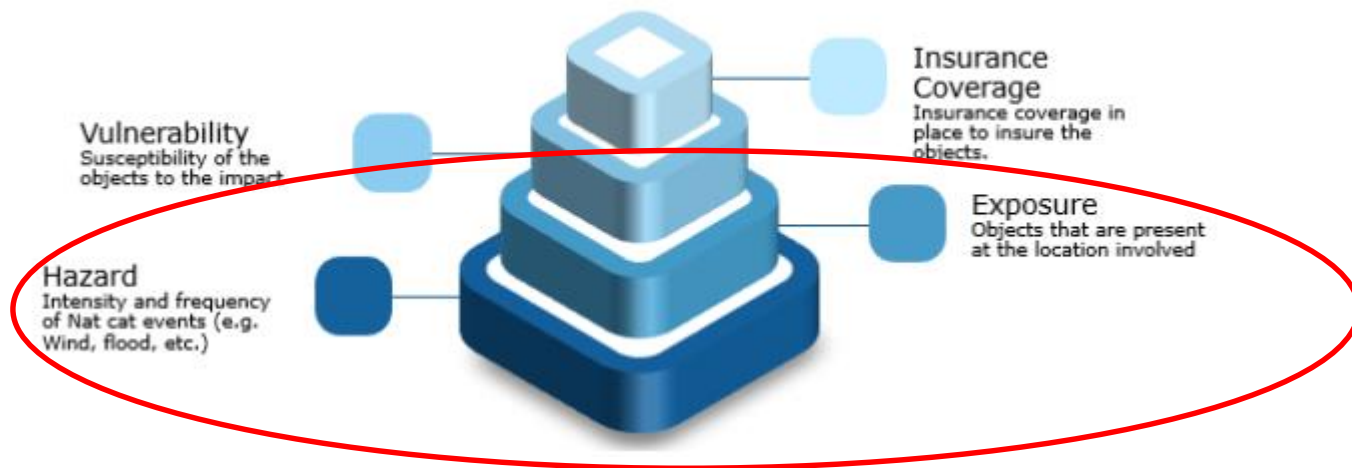
THE PILOT DASHBOARD ON INSURANCE PROTECTION GAP FOR NATURAL CATASTROPHES

The insurance protection gap is a combination of different elements:

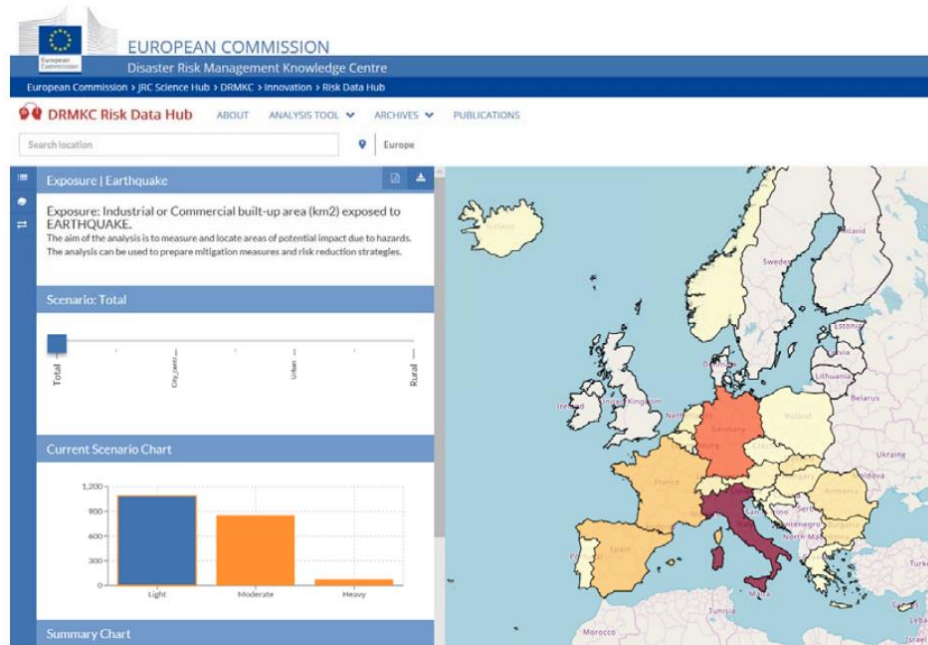


THE PILOT DASHBOARD ON INSURANCE PROTECTION GAP FOR NATURAL CATASTROPHES

The insurance protection gap is a combination of different elements:



THE PILOT DASHBOARD ON INSURANCE PROTECTION GAP FOR NATURAL CATASTROPHES



Commercial building (km2) impacted by earthquake hazard

THE PILOT DASHBOARD ON INSURANCE PROTECTION GAP FOR NATURAL CATASTROPHES

HAZARD&EXPOSURE EARTHQUAKE

Source link <https://drmkc.jrc.ec.europa.eu/risk-data-hub/>

Data RISK DATA HUB

See source below for Earthquake*

See source below for Flood**

See source below for Wildfire***

[WISC](#) and ESPON for windstorm

Legend

0	no risk
1	low risk
2	low/medium risk
3	medium/high risk
4	high risk
n/a	not available

		Earthquake					
ISO Code	Country	Intensity scale VI (Light potential damage zones) (Residential and commercial km2)	Intensity scale VII (Moderate potential damage zones) (Residential and commercial km2)	Intensity scale VIII (Heavy potential damage zones) (Residential and commercial km2)	Economic value of residential and commercial square kilometres impacted by earthquake hazard normalised by GDP	Score based on ESPON maps	Final Score Earthquake
AT	Austria	182.0	9.7	0.0	0.0003		1.0
BE	Belgium	98.6	17.4	0.0	0.0005		1.0
BG	Bulgaria	319.1	280.2	0.0	0.0010		3.0
HR	Croatia	106.2	66.1	0.0	0.0005		2.0

THE PILOT DASHBOARD ON INSURANCE PROTECTION GAP FOR NATURAL CATASTROPHES

DASHBOARD				
	Estimate of protection gap today	Exposure to hazard	Vulnerability	Insurance coverage
COUNTRY	Earthquake			
Austria	1.8	1.0	4.0	3.0

Final score

PHYSICAL CLIMATE CHANGE RISK ANALYSIS

Data collection on 44 large European insurance groups and solos

1. Quantitative - current insurance sectors':

- Exposures;
- Premiums;
- Claims...

2. Qualitative questionnaire:

- *risk management actions;*
- *reinsurance strategies taken or planned;*
- *forward looking physical risk assessment.*

Focus on *property insurance*, content and BI.

Key perils:

- Wildfire;
- Windstorm;
- River flood;
- Coastal flood.

Broader scope:

- Subsidence;
- Drought;
- Flash flood;
- Hail.

PHYSICAL CLIMATE CHANGE RISK ANALYSIS

Three main areas:

1. Case studies on *historical trends* - consequences of 3 large disasters:
 - 2020 windstorm Ciara
 - 2017 wildfire in Portugal
 - 2013 European flood
2. *Current exposure* (and materiality) of the European insurance sector to weather-related perils.
3. Current and possible future *developments* in light of climate change based on insurers' expectations.

FUTURE NEEDS OF THE RDH FOR EIOPA

- Need to get access to the raw data used to derive the risk scores.
- Need to get access to additional perils such as windstorms, wildfires for similar return periods.
- Possibility to download granular data at NUTS level for all EEA countries in one go.



THANK YOU!

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