



IN BRIEF

#INSURANCE #CATASTROPHE #DATA

CENTRE OF EXCELLENCE FOR CATASTROPHE MODELLING AND DATA

Catastrophes such as extreme floods, fires, earthquakes, and cyber attacks have a damaging effect on the society and cause significant losses. Such losses will only increase in the coming years as global temperatures rise and the nature of threats evolves.

This has significant consequences on catastrophe risks and, ultimately, for the insurance industry, EU citizens and businesses.

In its capacity as a centre of excellence for catastrophe modelling and data, EIOPA is providing European supervisors and insurers with **expertise, studies, tools and data** to enable them to effectively assess, monitor and supervise these catastrophe risks.

Moreover, the centre of excellence allows national and European public authorities to gain a common understanding of catastrophe risks, take preventive measures and address the insurance protection gap. Lastly, it improves public awareness of risks related to catastrophes.

RECENT NATURAL CATASTROPHES



In the first half of 2024, worldwide losses reached US\$ 120bn, surpassing the 30-year average. Of this US\$ 60 billion was insured losses, marking a significant increase compared to previous years¹.



In 2023, 68% of total losses and 76% of insured losses were caused by natural disasters such as severe thunderstorms, flooding and forest fires.



Floods had a serious impact in the first half of 2023 in Europe. The costliest loss event was a flooding in southern Germany with total losses of US\$ 5bn, including US\$ 2.2bn in insured losses.

INSURANCE PROTECTION GAP

There is a significant insurance protection gap in the EU.

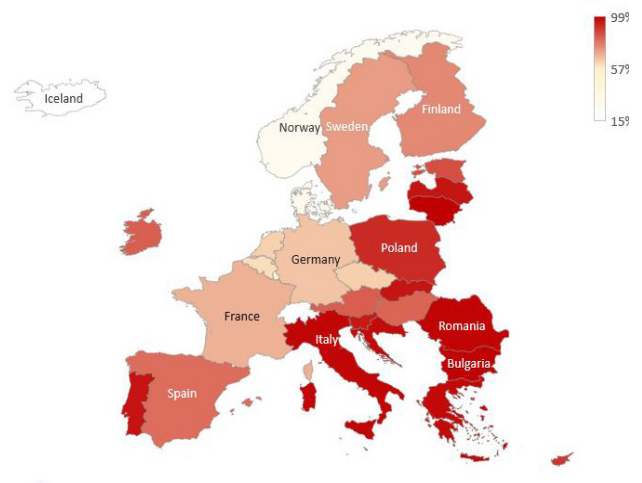
Only a **quarter of the natural catastrophe losses was insured in Europe** in the past².

The protection gap is therefore significant, and it is expected to widen. **We need to address the insurance protection gap in the EU** to protect citizens and to facilitate the transition to a more sustainable and resilient economy.

The insurance sector and supervisors need access to the right data and models to be able to monitor and assess the risks and vulnerabilities related to natural catastrophes.

Equally, public authorities and citizens need data to be able to understand where and how to take prevention measures.

Uninsured nat cat losses from 1980 to 2023



1. Source: *Severe thunderstorms and flooding drive natural disaster losses in the first half of 2024* | Munich Re
2. Reference period: 1980-2023. Source: EIOPA's *Dashboard on insurance protection gap for natural catastrophes*

FOCUS AREAS OF THE CENTRE OF EXCELLENCE

OUR AMBITION:

Raise awareness about catastrophe risk

Bring an EU-wide perspective to catastrophe risk

Facilitate knowledge sharing

Enable open access to insurance data related to catastrophes

Foster better catastrophe risk assessment, adaptation measures and innovation

HOW WE ACHIEVE THIS:

By organising public events and providing tools to enhance risk awareness and understanding of prevention measures

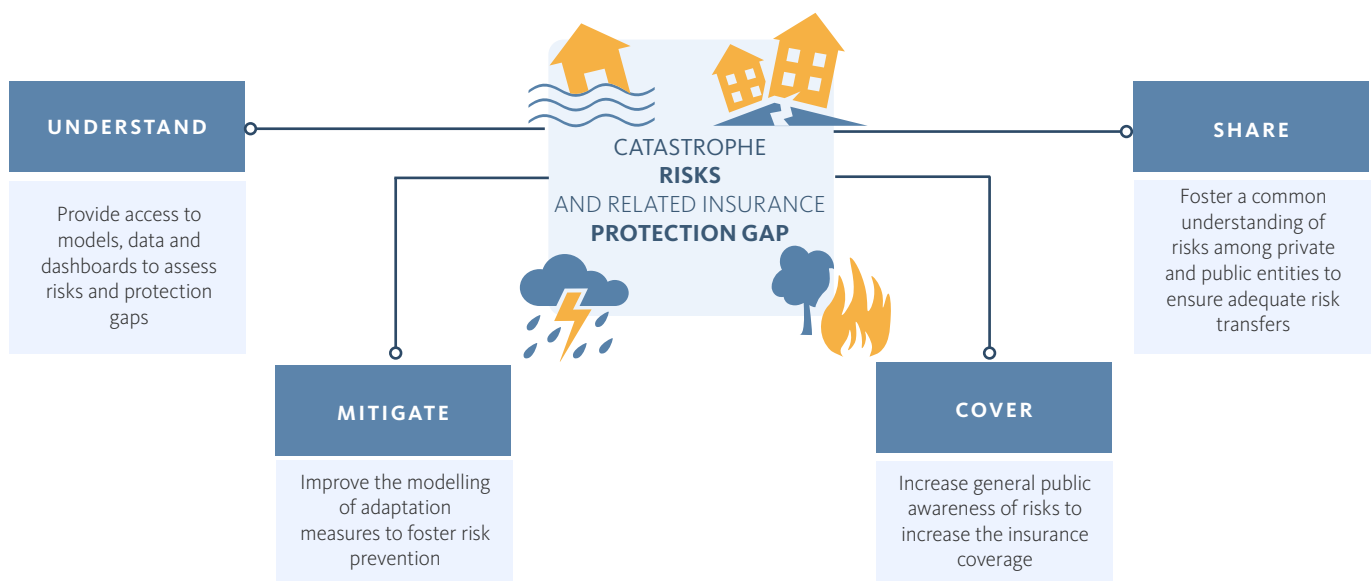
By collecting EU-wide information and by providing advice

By sharing expertise with supervisors and by facilitating exchange between supervisors and model providers

By facilitating access to more and better data

By promoting easy-to-use open-source models

Knowledge sharing, data and modelling expertise contribute to addressing the catastrophe insurance protection gaps.



CURRENT INITIATIVES RELATED TO CATASTROPHE MODELLING AND DATA:

- Dashboard on insurance protection gap for natural catastrophes
- Open-source tools for the modelling and management of climate change risks
- Data hub for natural catastrophes
- Application guidance on climate change materiality assessments and climate change scenarios in ORSA
- Discussion paper on physical climate change risks
- Methodological paper on potential inclusion of climate change in the Nat Cat standard formula
- Staff Paper on Policy options to reduce the climate insurance protection gap
- Trainings and events for knowledge sharing:
 - Insuring wildfires - the need for more models and prevention measures
 - Catastrophe Model Training for Supervisors



Visit the dedicated webpage:
<https://www.eiopa.europa.eu>

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Westhafenplatz 1,
 60327 Frankfurt am Main Germany
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