

Questions to Stakeholders

Q1: Do you agree that climate change could lead to increasing premiums and wider exclusions, potentially negatively impacting the affordability and availability of insurance covers over the long term?

- ☐ Yes
☐ No

Please explain.

Q2: Do current underwriting and pricing practices already take into account the expected impact of climate change?

- ☐ Yes
☐ No

Please explain. If yes, please outline in which manner.

Q3: What are in your opinion the main obstacles to maintaining insurability and affordability in the context of climate change?

Q4: Do you see a role for coordinated industry solutions or Public-Private Partnerships to maintain availability and affordability of insurance covers?

- ☐ Yes
☐ No

Please elaborate on the pros and cons of such mechanisms in your view.

Q5: Do you think that insurers developing impact underwriting would impact positively or negatively the availability and affordability of insurance?

- ☐ Yes
☐ No

Please explain.

Q6: Are you aware of other measures such as tax rules or local GAAP which could improve the availability of insurance cover for climate risks[1]?

[1] In particular, some authors have suggested that governments could incentivise the building up of equalisation provisions to improve the availability of insurance cover for climate risks (Paudel, 2012 "A Comparative Study of Public—Private Catastrophe Insurance Systems: Lessons from Current Practices. ")

- ☐ Yes
☐ No

If so, please list the countries and if possible the relevant references to national law.

Q7: Should underwriting and pricing practices make allowance for wider climate change considerations that go beyond direct impacts on the insured risk[1]?

[1] Direct and indirect impact of insurer's contribution to climate change adaptation or mitigation on the insured risk: (a) direct - insurers contribute to climate change adaptation and mitigation and the insured risk is directly decreased (for example incentivise policyholder to take prevention measures against flood risk contributes to climate change adaptation and also directly reduces the insured risk) (b) indirect - insurers contribute to climate change adaptation and mitigation but it does not directly decrease the insured risk; it is expected to have an impact at long-medium term on the overall climate related risks exposure of the insurer (for example offering insurance coverage for photovoltaic panels does contribute to climate change mitigation but the insured risk is not directly impacted. The impact on the insured risk could be materialised in the future as GHG emissions are reduced on a longer term).

- ☐ Yes
☐ No

Please provide examples in your answer and indicate what are the challenges to including such considerations, in particular how to comply with risk-based actuarial principles.

Q8: What role do you see for direct risk prevention measures (at policy level) in insurance underwriting within the context of climate change?

Q9: Do you think that considering long-term insurance contracts (similarly to what is done for life insurance) could help insurers maintain availability and affordability of insurance in light of climate change?

- ☐ Yes
☐ No

Please elaborate on the main pros and the cons for developing multi-year non-life insurance covers.

Q10: Do you think that the development of long-term insurance contracts to deal with climate change would require specific regulatory treatment, for example for future premiums?

- ☐ Yes
☐ No

Please explain.

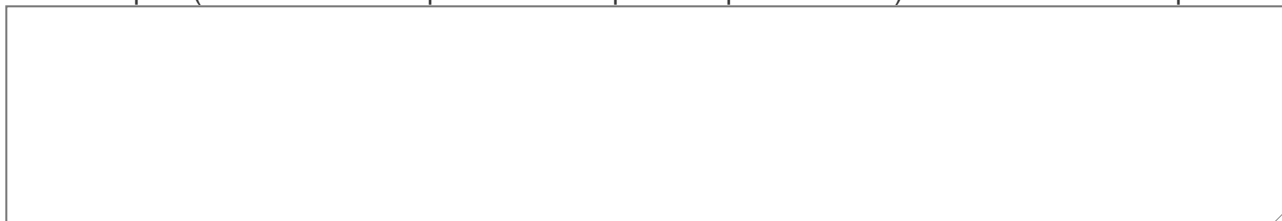
Q11: Do you see potential solutions to the lower flexibility for the insurer and less efficient use of capital as a consequence of long-term non-life insurance contracts? Please explain.

Q12: In your view, what would be the pros and cons for policyholders if they were offered multi-year contracts?

Q13: How could insurers quantify in their underwriting and pricing practices the incentives on the risks insured, and any wider incentives to reduce greenhouse gas emissions?



Q14: In which ways could indemnification promote climate resilience by going beyond simple 'like-for-like' replacement of vulnerable properties? Please provide examples (either from real experience or as potential product ideas) and elaborate on the pros and cons to going in this direction.



Q15: Are you aware of other insurance products not mentioned in this paper and which would fit with the definition of impact underwriting?

- ☐ Yes
☐ No

Please describe the products.



Q16: Are you aware of other insurance services not mentioned in this paper and which could contribute to climate change adaptation or mitigation?

- ☐ Yes
☐ No

Please describe the services.

* Q17: Do you have any other comments on the draft Opinion?

- ☐ Yes
☐ No

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