

Insurance solutions addressing climate change related risks

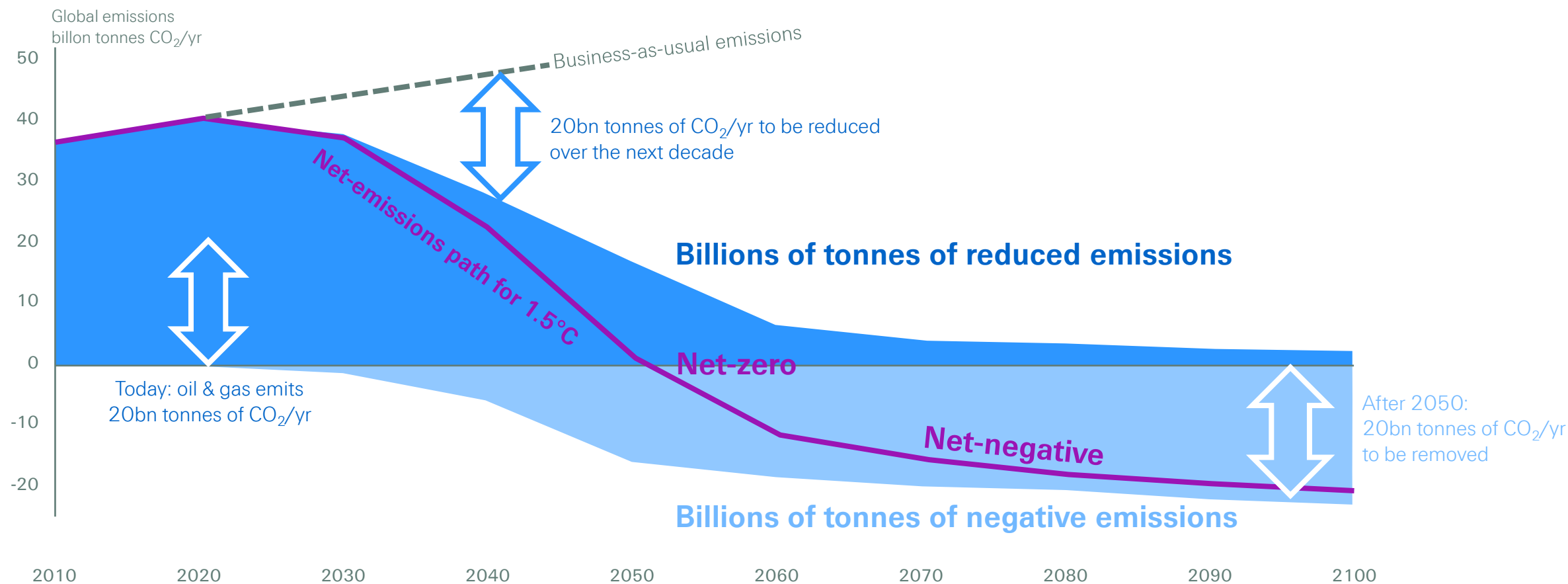
Swiss Sustainable Finance – Annual Event – 17 June 2025
Martin Weymann, Head Group Sustainability, Swiss Re



01

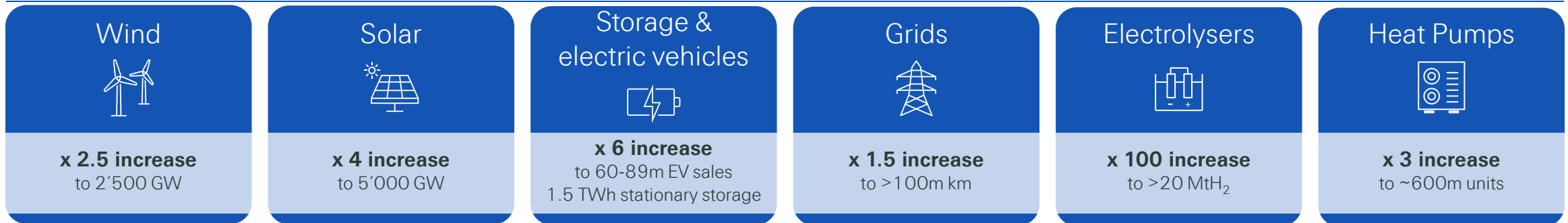
The transition to net-zero ...
... and the role of re/insurance in
climate change mitigation

Net-zero transition – to limit warming to safe levels, we need three things:
1) halve emissions by 2030; 2) net-zero by mid century; 3) net-negative beyond 2050

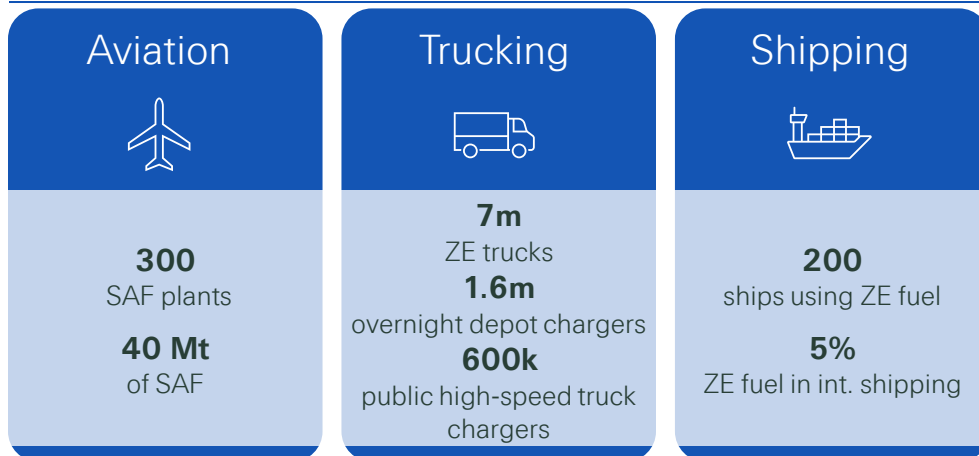


“Halve emissions by 2030” → requires massive **deployment of climate solutions** and low-carbon alternatives

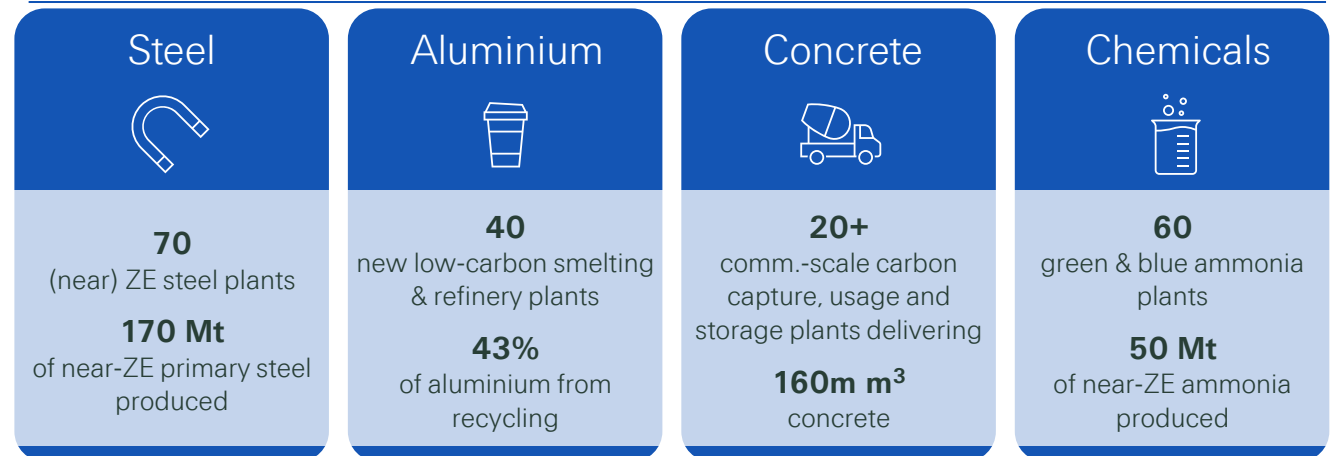
Power & Heat



Transportation



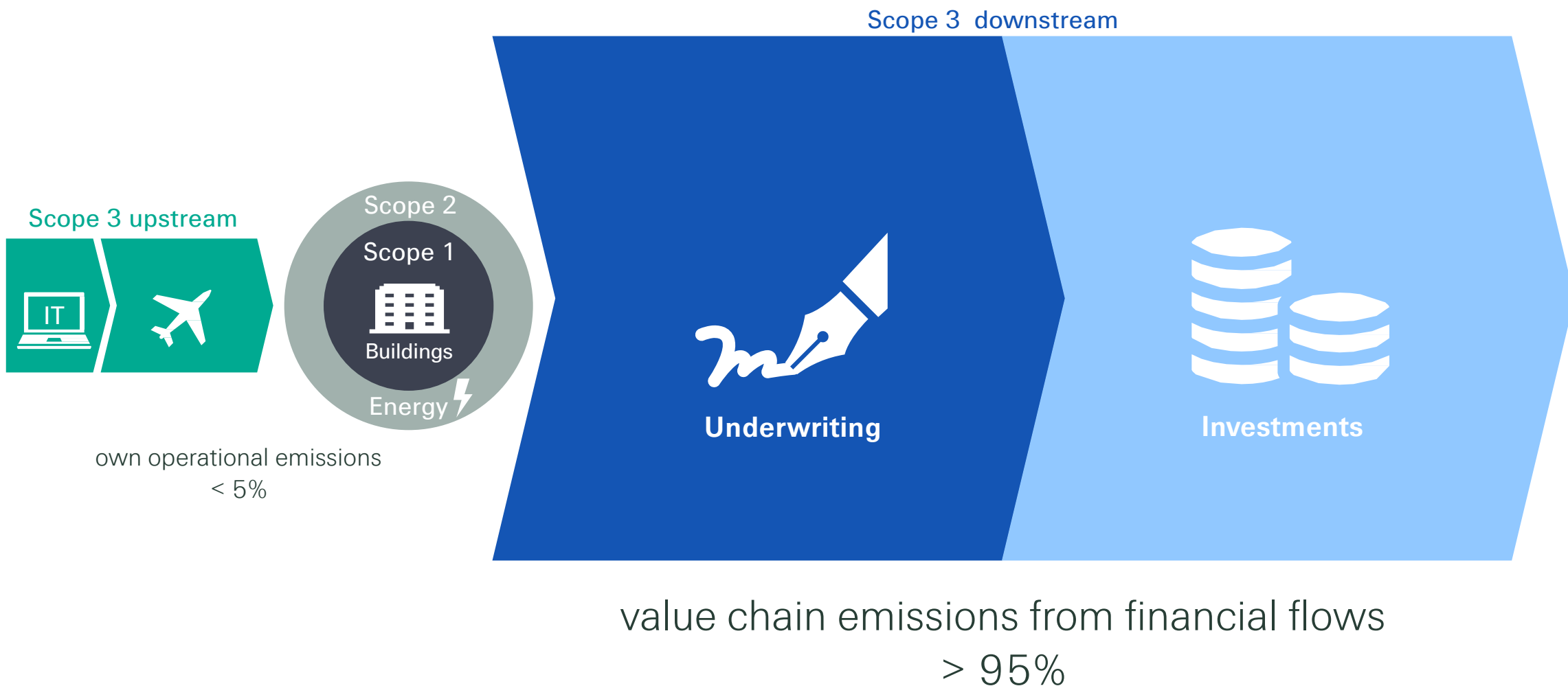
Industry



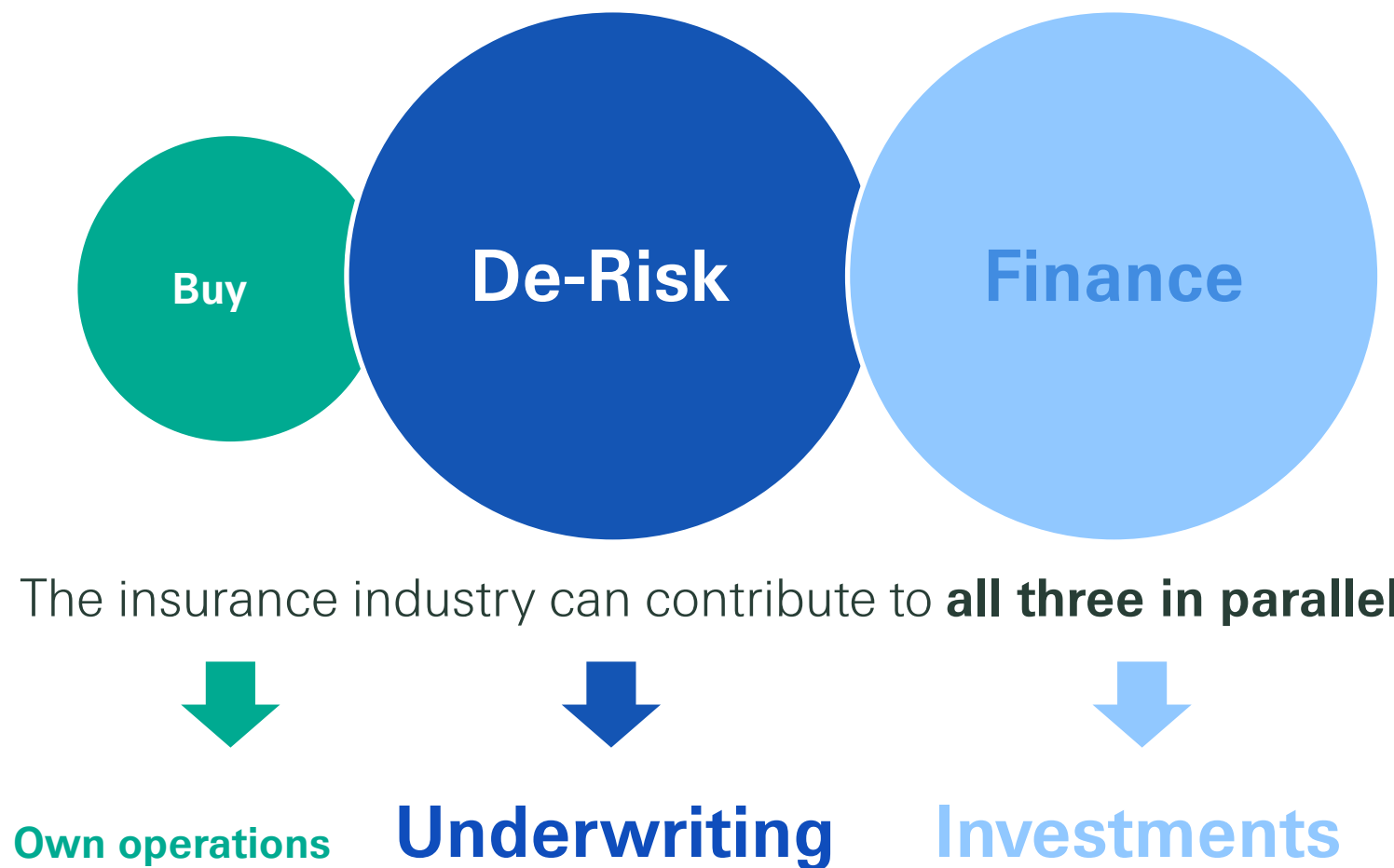
Note: SAF = Sustainable Aviation Fuel; ZE = Zero Emissions

Source: Energy Transitions Commissions; Better, Faster, Cleaner: Securing clean energy technology supply chains, Version 1, June 2023 and Mission Possible Partnership on Sector Transition Strategies www.missionpossiblepartnership.org/sector-transition-strategies

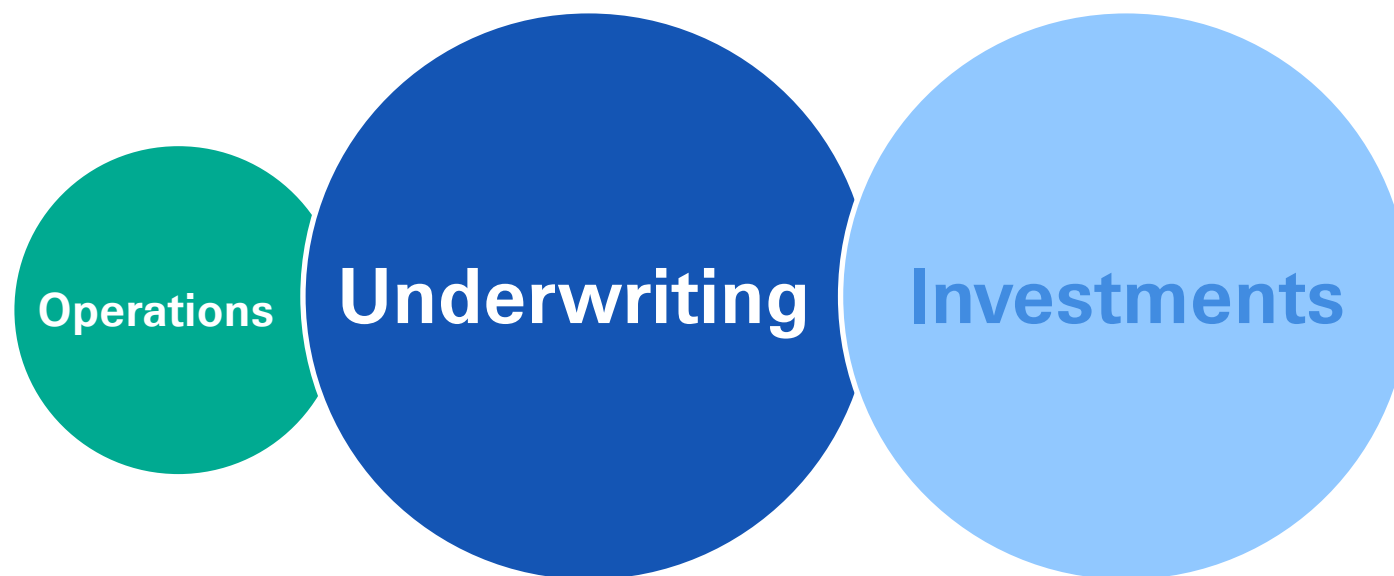
The bulk of a **re/insurer's emissions** stem from its underwriting and investment activities



The private sector can **buy**, **de-risk** and **invest** in climate solutions to drive the transition



A re/insurer can support the transition of the real economy mostly indirectly by engaging with existing clients, investees and vendors, or by steering the portfolio



Direct impact

Reduce **operational emissions** through efficiency, demand mgmt, low-carbon alternatives

Indirect impact on real economy transition via financial activities

Jointly transition with existing **vendors**, **clients** & **investees**

Manage portfolio towards net-zero-aligned **vendors**, **clients** & **investees**

Swiss Re's **Climate Transition Plan**: Actions under the decarbonisation strategy and carbon removal approach across underwriting, investments and operations



02

The role of re/insurance in **climate change adaptation**

2024: global natural catastrophe insured losses on trend

Sigma publication

Market information for managers and specialist in the (re)insurance industry



2024: natural catastrophe insured losses: USD **137bn**, out of USD 146bn total catastrophe losses

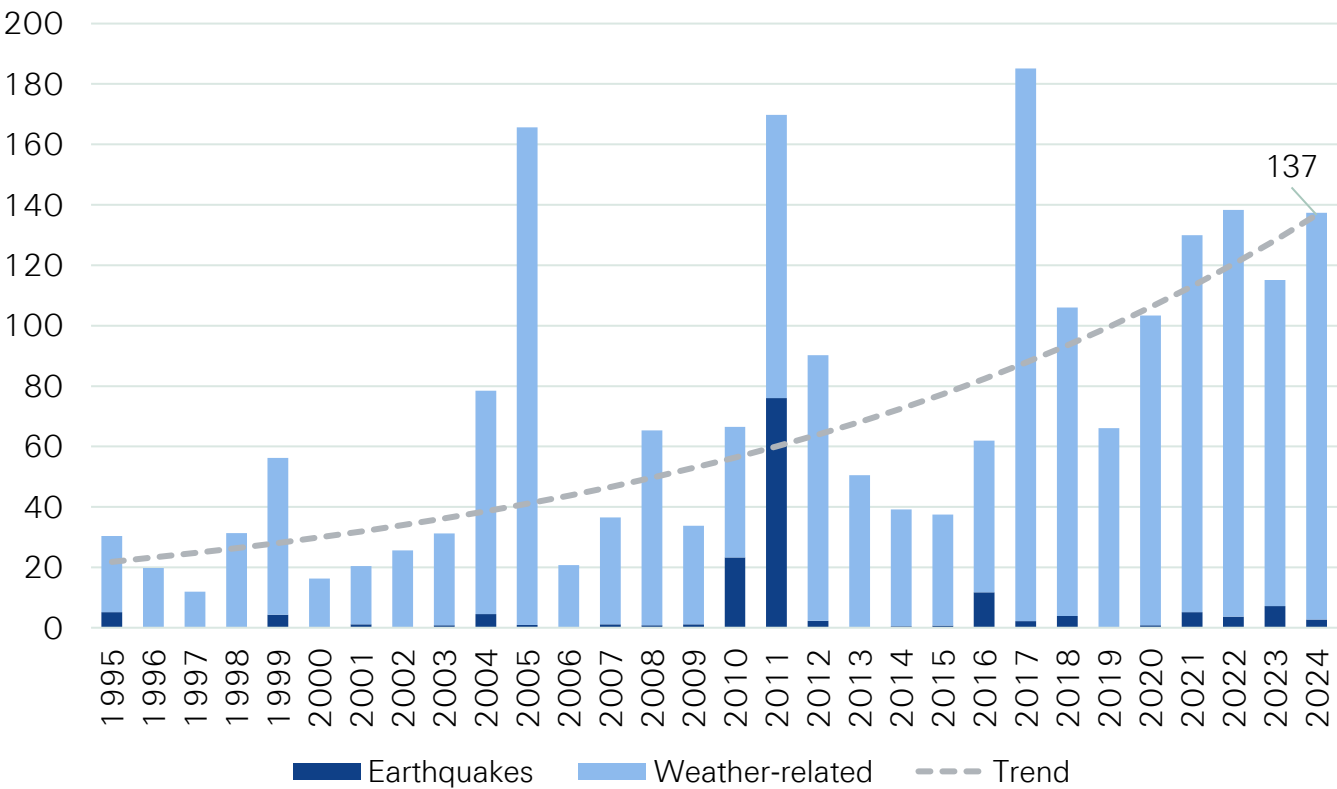
5th consecutive year with natural catastrophe insured losses **above USD 100bn***

Global insured losses have been growing at a **long-term trend rate of 5 – 7% annually in real terms**. Based on this trend, losses are trending towards USD 145bn in 2025

High growth expected to continue, driven mostly by socioeconomic factors.

* At 2024 prices.

Global natural catastrophe insured losses since 1995, USD bn, 2024 prices



Source: Swiss Re Institute

Natural catastrophe property re/insurance impacted by various loss drivers which are captured by Swiss Re's regularly updated models



Economic development
Growing property values

Importance
of loss drivers

+++

Shanghai

1992



2020



Concentration in exposed areas
Urbanisation, population growth

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Changing vulnerability
Sealing of surfaces, flood protection

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Climate change
Natural variability, anthropogenic change

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USD 5.8bn

Gross written natural catastrophe
premiums across the Swiss Re Group
in 2024 (2023: USD 5.7bn)

The **impacts of climate change** bring many different challenges – which are increasing in severity and frequency



- Increasing temperatures
- Increase in drought



- Changes to weather patterns and amounts of precipitation
- Decreases in glacial ice, snow cover and permafrost



- Increasing frequency, intensity and duration of extreme weather events



- Increase in threats to human health
- Vector-borne diseases



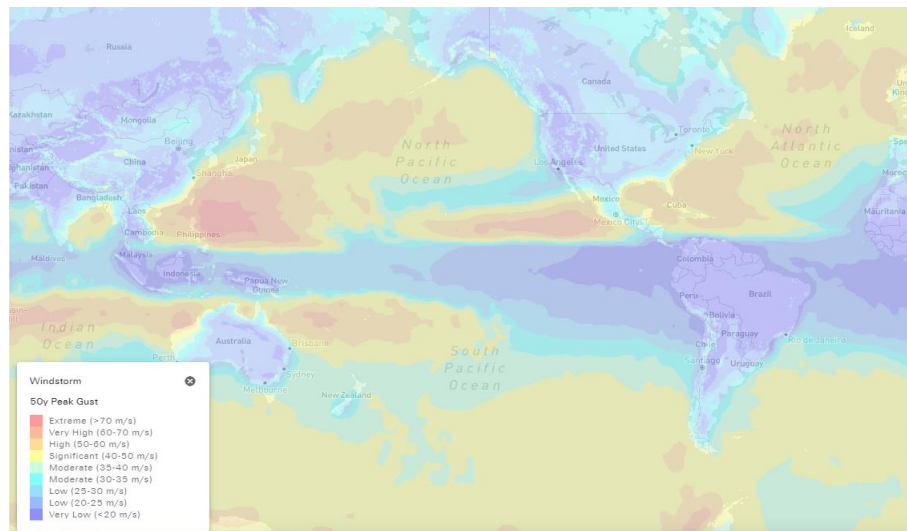
- Increased flooding, severe winds, storm surges, heat waves and wildfires
- Rising sea levels



- Alterations in growing seasons
- Reduced food security
- Population displacement

Insurance propositions (beyond investments) to support adaptation

Risk insights



For example:

- CatNet®, climate risk insights
- Risk engineering services
- Risk Data Services
- Disaster management platforms

Risk transfer



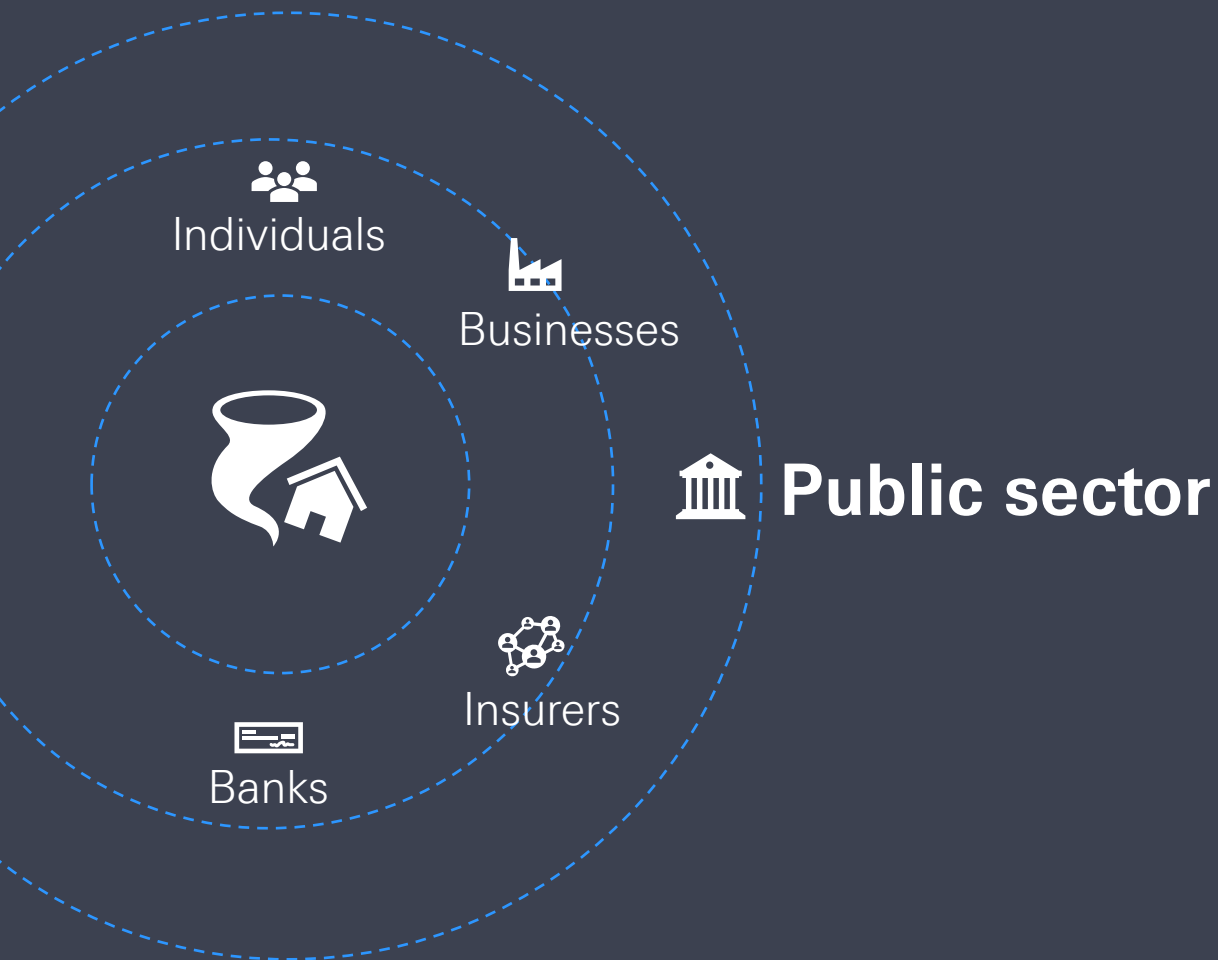
For example:

- Innovation parametric solutions
- Construction and engineering covers
- Operational property, casualty and business interruption covers

03

Public-private partnerships to **manage climate change related risks**

Public budgets are put under strain in two ways following significant events



Higher costs

- Emergency response costs
- Reconstruction of public property & infrastructure
- Support for non-insured households
- Cost of replacements (e.g., higher imports)



Lower revenues

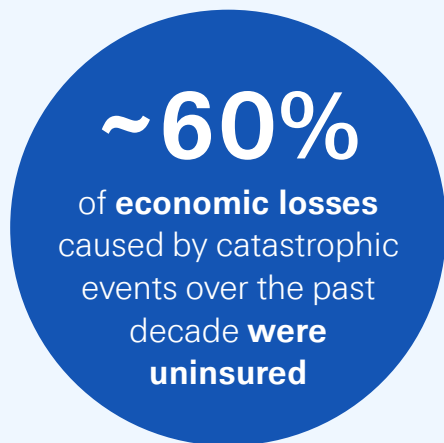
- Lower tax income
- Lower tourism income
- Lower export revenues
- Loss of investor confidence



Closing the financing gap between insured and uninsured losses is thus in the public sector's vital interest.

For governments and public sector entities, insurance can help save lives, speed up recovery and provide economic stability

Governments and the broader public sector ecosystem are exposed to manifold risks, many of which can be managed with re/insurance:



Failure to prepare
for catastrophic
events can have a
long-term effect on
a country's
economy



Swiss Re Public Sector Solutions works with governments and public sector entities to improve resilience and transfer risk



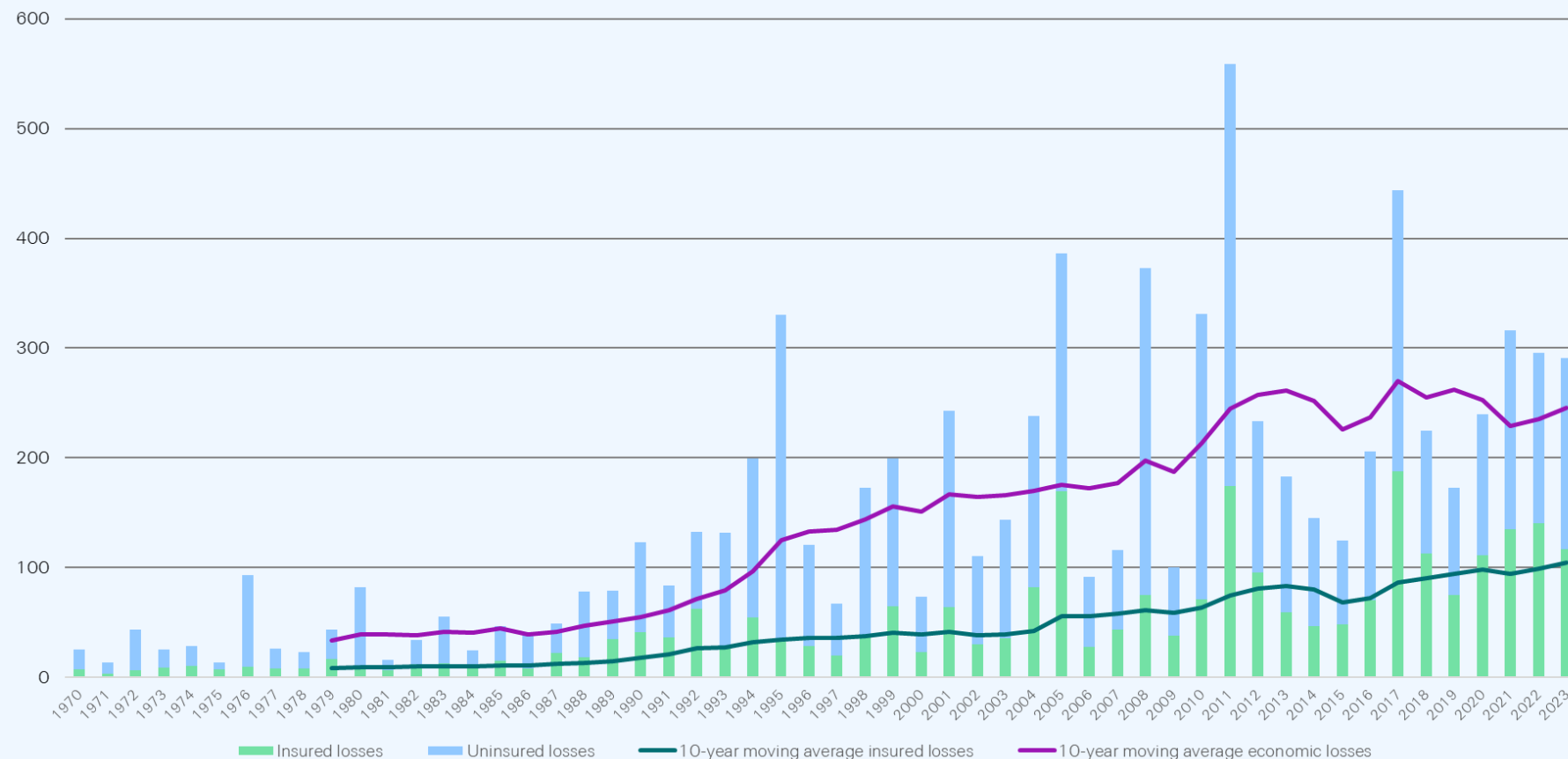
With a global presence and teams in multiple regions, we provide tailored support for clients



We are a pioneer in emerging and industrialised markets

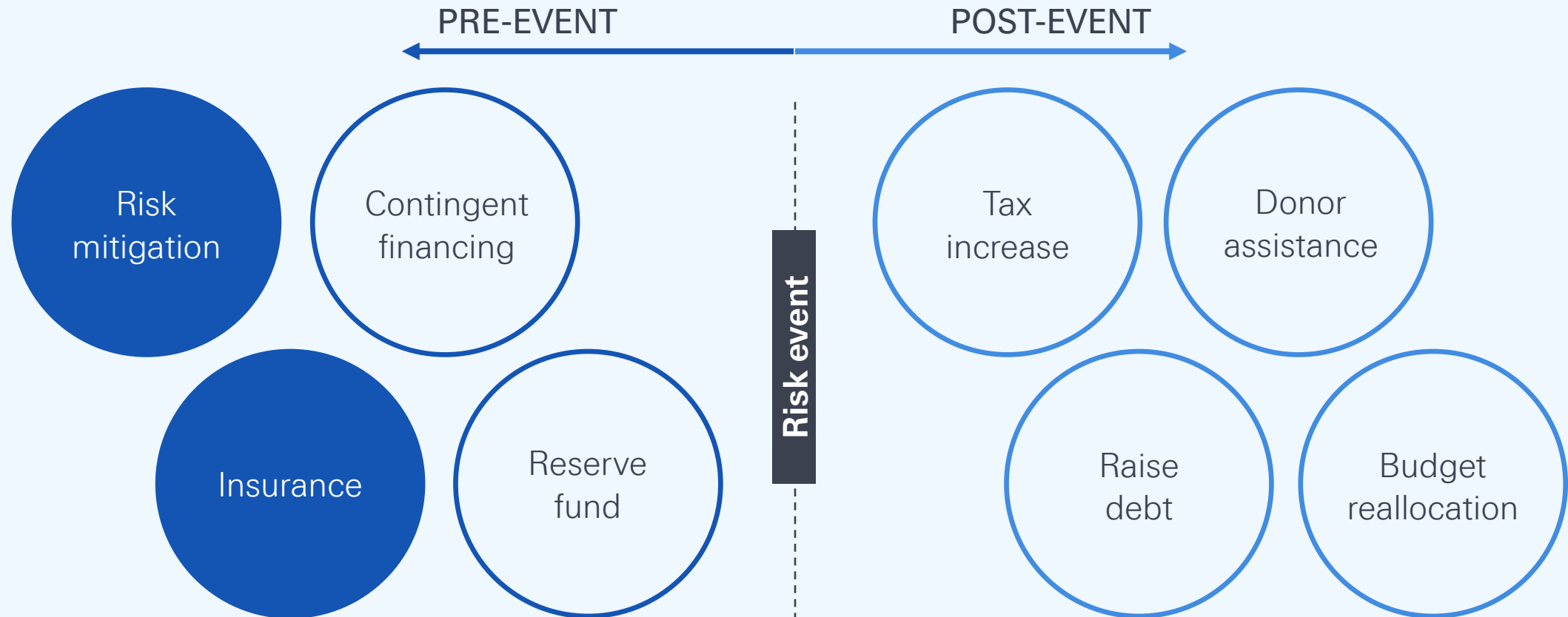
Many economic losses from catastrophic events **remain uninsured**, indicating continuation of a large protection gap

Insured vs uninsured losses, 1970 – 2023 (USD bn at 2023 prices)



Insurance, combined with risk mitigation, reduces the need to raise funds post-event

Regular premium payments are a more efficient budget management mechanism than responding with post-event handouts. This approach also frees up funds for government investment in innovation and resilient infrastructure.



Interested in finding out more?

Contact us



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