White Paper, Policy Brief and Webinar

Tackling the Insurance Protection Gap

Leveraging Climate Mitigation and Nature to Increase Resilience



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Published January 15th 2026
Focusing on advanced economies

Image: © Daniel Schlich

Speakers



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Co-author of the report



WWF Policy Brief launched at the first ever COP Global Sustainable Insurance Summit

COP30, CASA DO SEGURO
BELEM, BRAZIL

LINK TO POLICY BRIEF



WWF workshop in collaboration with InTent

“Uninsurable Futures? – Leveraging climate mitigation and nature to increase resilience”

WEF 2026 SIDE EVENT
HOTEL NATIONAL, DAVOS



MEDIA COVERAGE, HIGH-LEVEL RESONANCE AND EARLY COLLABORATIONS

Sections

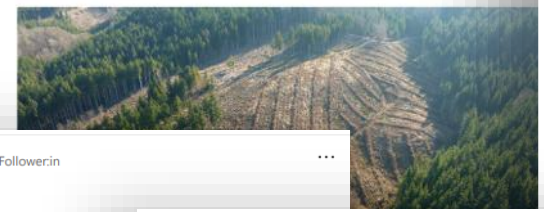
Los Angeles Times

Nature is a powerful ally against fires and floods. So how will we sa
it?

OMFIF

The insurance protection gap: a growing risk to financial stability

By Regula Hess and Maud Abdelli / 27 February 2026



Eyes back on the Fed (and on interventionist financial policies); The insurance protection gap and Germany's heat pump potential

Ludovic Subran
Group Chief Investment Officer at Allianz, Senior Fellow at Harvard University

23. Januar 2026

After a week that was as breathtaking as it was geopolitically charged, we move our eyes back on the Fed and the longer-term implications of more interventionist financial policies. With only one rate cut now expected in June, could financial conditions tighten more than anticipated, driven by long-end yield risks and interventionist policies that squeeze credit and dampen wealth effects? We probe the various drivers in our Fed story. With all eyes on Davos, you might h
published a white p
academia, and an in
resilience. We at All

SEZIONI CERCA HUFFPOST ABBON

CONTENUTO PER GLI ABBONATI

WWF: il riscaldamento globale sta mandando in crisi le assicurazioni

di Andrea Iazzetta

*Secondo un nuovo report dell'associazione, gli eventi estr
sempre più costosi, con premi in aumento e un divario che
appena il 20% dei danni da eventi naturali è assicurato*

21 Gennaio 2026 alle 16:11

PARTECIPA



EU Umweltbüro

ÜBER UNS · THEMEN · SCHWERPUNKTE · VERANSTALTUNGEN

WWF-Bericht: Klimasch
mehr versicherbar

Schäden infolge der Klimakrise könnten weltweit kün
diesem Ergebnis kommt ein aktueller Bericht der Natu
Versicherungslücke in Europa und den USA analysiert. Die Kosten von Überschwemmungen,
Dürren und anderen Extremwetter-Ereignissen, welche durch die Klimakrise häufiger und
intensiver werden, würden damit verstärkt private Haushalte, Unternehmen und die öffentliche
Hand treffen. „Die Klimakrise wird immer teurer – und damit auch immer weniger versicherbar.

Günther Thallinger • Follower:in
Allianz SE
2 Monate •

€59 billion per year– the estimated uninsured damage fro
This is the insurance protection gap—the shortfall betwee
what insurance covers—and it's widening due to climate-r
World Wildlife Fund's new report outlines a framework to c
nature protection both mitigates climate change and boos
Allianz's research; the gap is central to Allianz's goal of en
while improving insurability and affordability.

https://lnkd.in/euRyiXVv

#WWF #Netzero #Climate #AllianzOnClimate
#Sustainability #Allianz

Übersetzung anzeigen



Tackling the Insurance Protection Ga
allianz.com

Sie und 296 weitere Personen

Laurence Tubiana • Follower:in
President and CEO of the European Climate Foundation
3 Monate •

A timely and important report on addressing the widening insurance protection gap and its financial, social and humanitarian consequences.

As the paper argues, this requires complementing risk transfer and post-disaster compensation with stronger action on risk reduction. Nature-based solutions must be part of the response, because they reduce physical risks at source and strengthen resilience in ways that engineered defences alone cannot.

And ultimately, unless the underlying driver of esca
greenhouse-gas emissions – climate impacts will c
insurance protection gap will keep widening.

Übersetzung anzeigen

WWF Sustainable Finance
3.167 Follower:innen
3 Monate • Bearbeitet •

The rising cost of extreme weather is outpac

A new WWF report examines the growing climat
and its financial implications. Households, busin
face increasing exposure to climate-related finar

HZ INSURANCE

Insurance News Interviews Porträts Sesselwechsel Studien Rankings Even

Startseite › Klimawandel: Versicherungsmärkte wegen immer höheren Schäden unter Druck

Weltklimakonferenz

WWF: Versagen in Sachen Klima und Natur könnte Volkswirtschaften unversicherbar machen

Butch Bacani • 1.
UNEP Head of Insurance. Leads UN Principles for Sustainable Insurance. Chairs U...
4 Monate •

In case you missed it, WWF launched its policy brief, "Tackling the Insurance Protection Gap: Leveraging climate mitigation and nature to increase resilience" at the recent COP30 Global Sustainable Insurance Summit (https://lnkd.in/dBusguFe) convened by UNEP and the Brazilian Insurance Confederation (CNseg). It was presented in a special segment of the Summit by WWF's Global Finance Practice Lead, Aaron Vermeulen, with whom I had a fireside chat afterwards.

Insurance Protection Gap Project - Contributors and Advisors

ACADEMIA

- Berkeley Law School
- Fordham University
- Climate Service Center Germany
- Imperial College London
- London School of Economics
- WU Wien

INITIATIVES & NGOs

- Climate Wise
- European Climate Foundation
- Naturance
- Nature Finance
- Ocean Risk and Resilience Action Alliance
- UNEP FI

INSURANCE

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- A.S.R.
- Fidelidade
- Flood Re
- Generali
- Howden
- Institute and Faculty of Actuaries
- Marsh
- Oak Re

GOVERNMENT

- California Department of Insurance

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Disclaimer The individuals and organizations listed as members of the Advisory Group contributed their time and expertise to inform the development of this Report. Their contributions were made in an advisory capacity only and do not constitute authorship. The content, findings and recommendations presented in this Report are the sole responsibility of WWF and do not necessarily reflect the views, positions or policies of the Advisory Group members or their respective organizations.

WWF has been working on insurance for 10 years

World Heritage Sites



LINK TO SOURCE

- Guide about how insurance companies can protect highly valuable areas for biodiversity
- Recommendations also relevant for other financial institutions

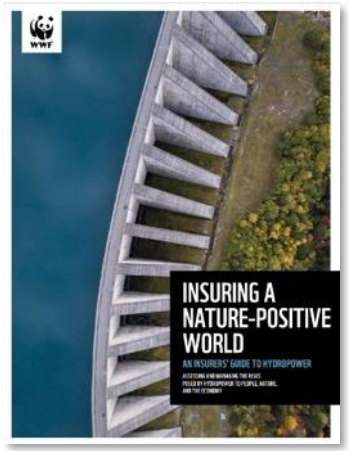
Spatial Data in Finance



LINK TO SOURCE

- In this joint report, WWF and Swiss Re Institute are focusing on the concept of spatial finance in assessing the risks and impact of financing and re/insurance decisions to World Heritage Sites
- Conclusions can be incorporated into sustainable financing and re/insurance frameworks.

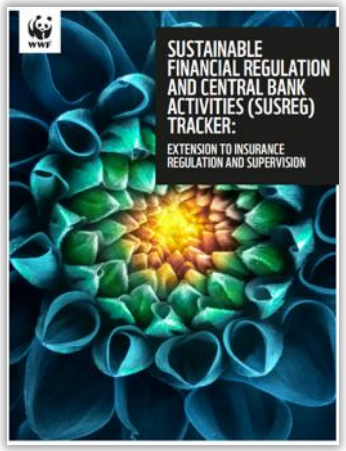
Insuring Hydropower



LINK TO SOURCE

- Guide about how insurance companies can ensure that climate (hydro power) and nature needs are aligned
- Recommendations for insurance companies on how to address nature-related challenges in hydro-power projects

SUSREG Insurance



LINK TO SOURCE

- Extension of the SUSREG assessment of sustainable finance regulations with an insurance-specific methodology
- Highlights the role of insurance supervision

Underwriting our Planet



LINK TO SOURCE

- Practice examples and guide for insurance companies to understand the impacts of their underwriting business on climate and biodiversity
- Framework how insurance can contribute to global climate and biodiversity goals with their underwriting business

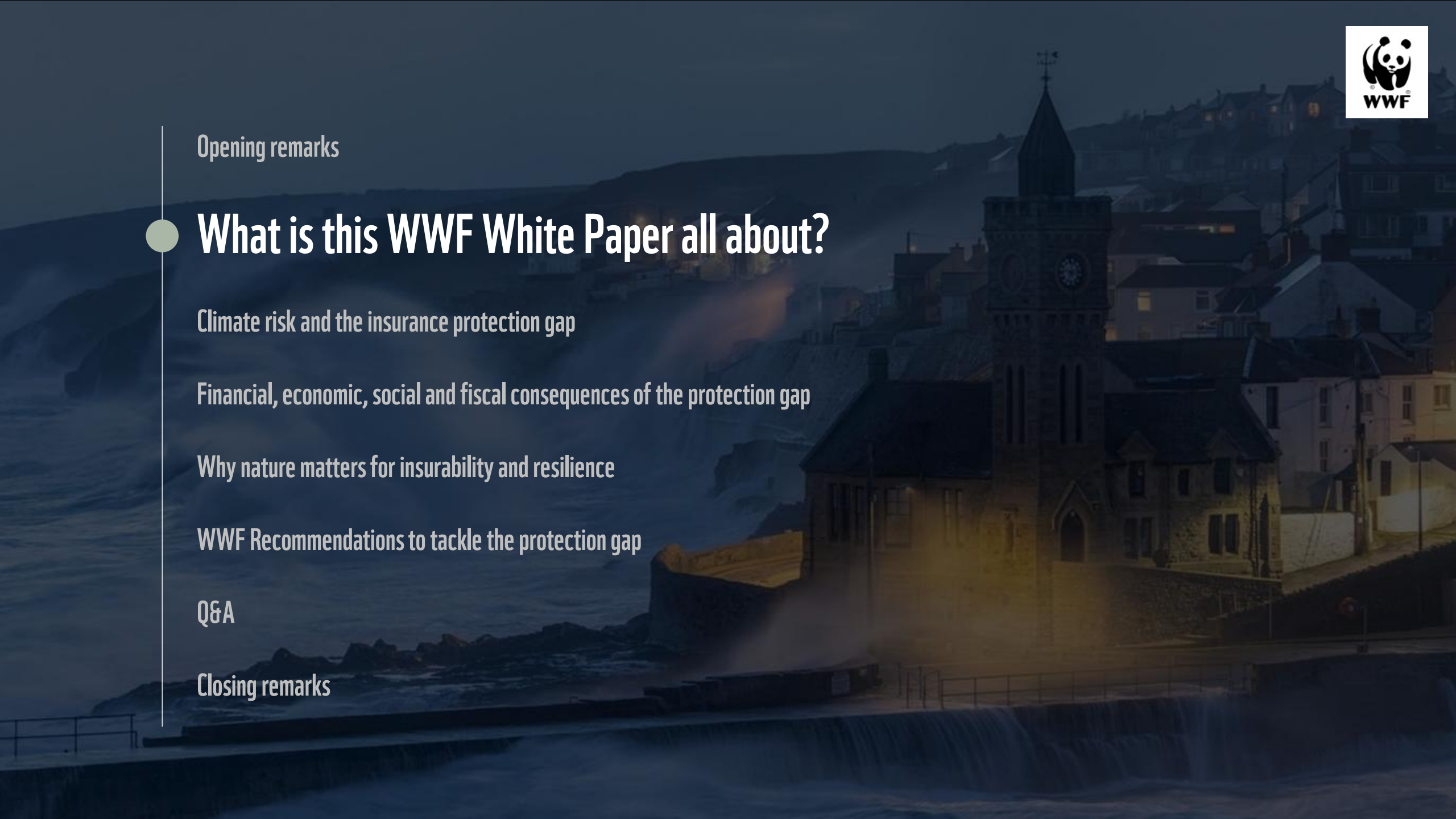
Tackling the Insurance Protection Gap



LINK TO SOURCE

- Examines link between climate change, nature loss and the global insurance protection gap.
- Findings are translated into strategic framework and targeted recommendations for governments, financial regulators and insurers to strengthen resilience and keep societies insurable.

2026



Opening remarks

What is this WWF White Paper all about?

Climate risk and the insurance protection gap

Financial, economic, social and fiscal consequences of the protection gap

Why nature matters for insurability and resilience

WWF Recommendations to tackle the protection gap

Q&A

Closing remarks

Rising climate- and nature-related risks are driving higher economic losses

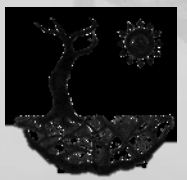
Increasing risk, exposure & vulnerability



Increasing frequency and severity of extreme weather events



Building **in high-risk areas**



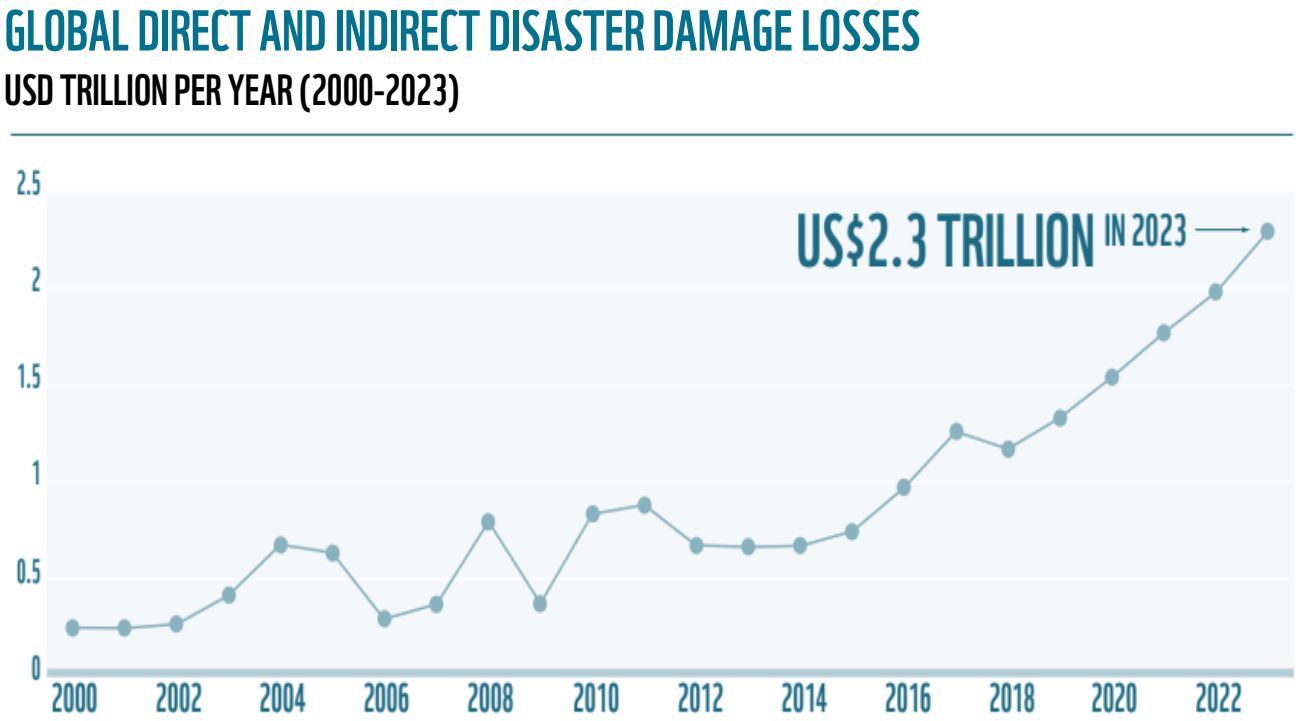
Loss of nature as buffer against adverse impacts of extreme weather events



Global supply chain and market **pressure**

© Chip Somodevilla / Getty Images News / Getty Images

Economic losses are increasing

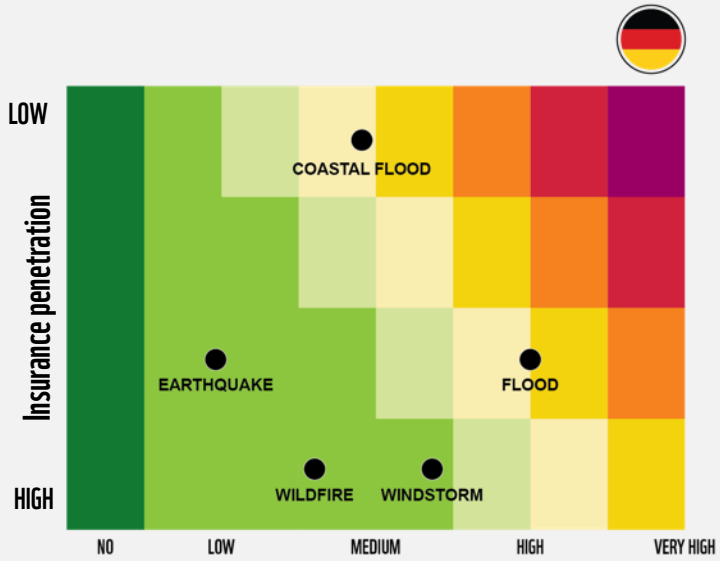


The Climate Insurance Protection Gap

The concept of the protection gap

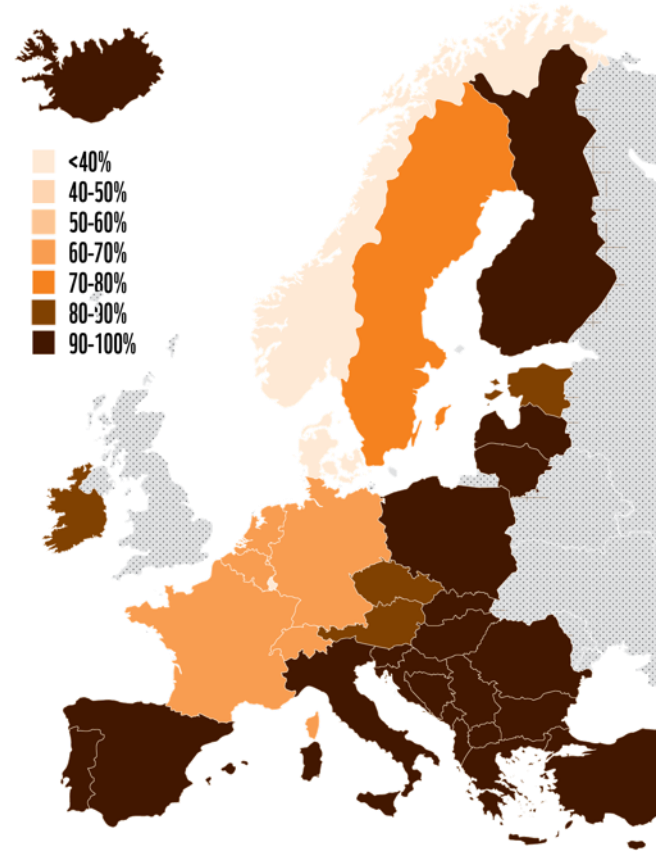


Not all gaps matter equally



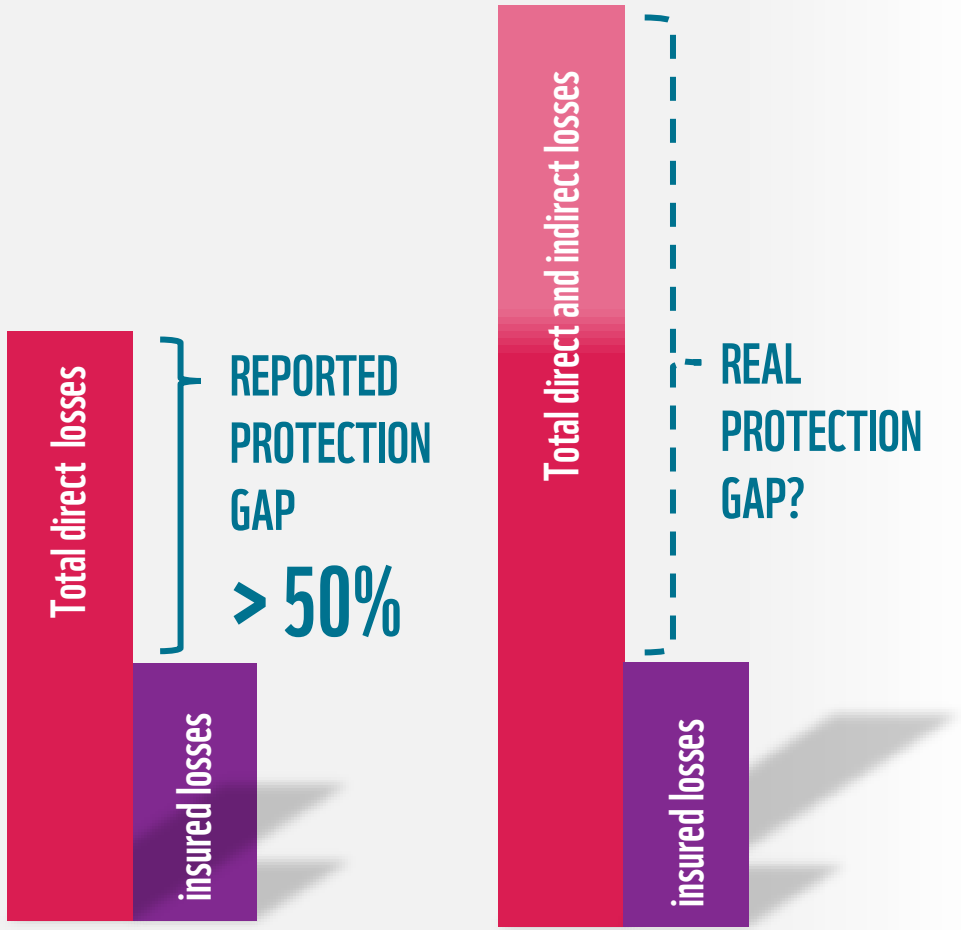
Source: EIOPA. (2025). Dashboard on insurance protection gap for natural catastrophes.

Heterogenous protection gaps in Europe



Source: European Environment Agency. (2025). Economic losses and insurance protection gap in the period 1980-2023. In Economic losses and fatalities from weather- and climate-related extremes.

Indirect and long-term losses often remain uncounted and unreported



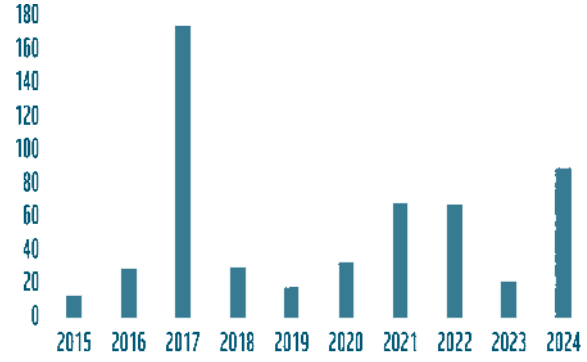
United States

$64 bn

(average 2021-24)

US PROTECTION GAP

USD BILLION AT 2024 PRICES PER YEAR (2015-24)



Source: Swiss Re. (2025). U.S. Protection Gap from Natural Catastrophes. In sigma 1/2025.

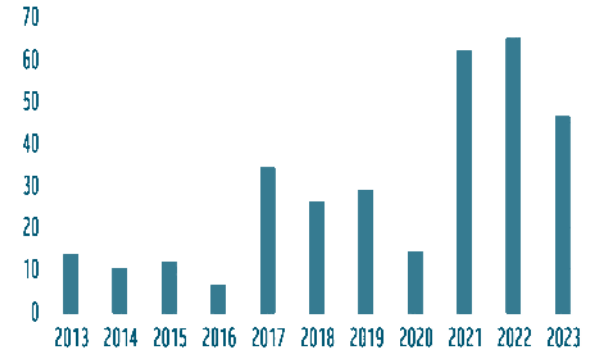
European Union

€59 bn

(average 2021-23)

EU-27 PROTECTION GAP

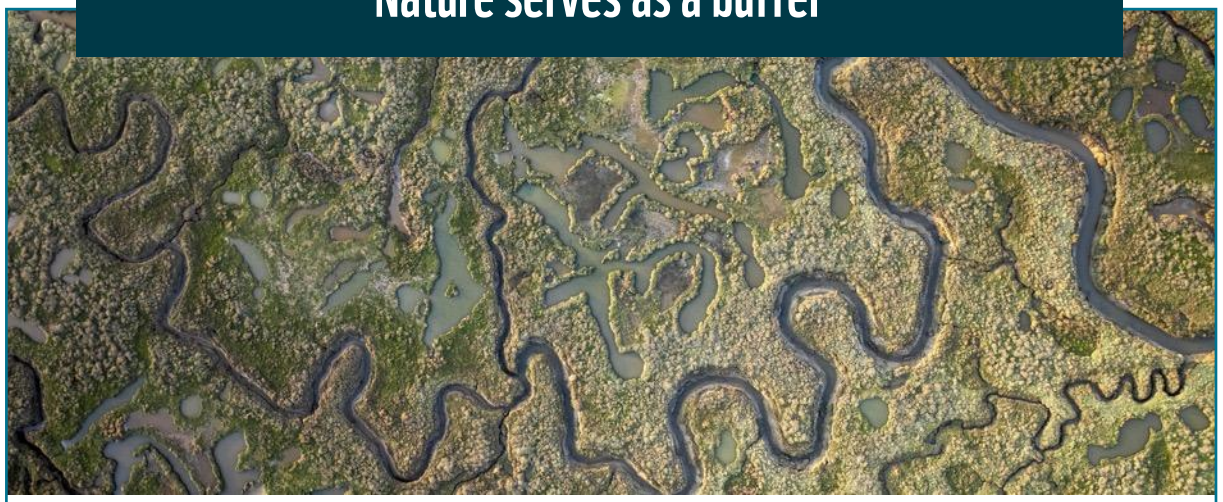
EUR BILLION IN 2023 PRICES PER YEAR (2013-23)



Source: EEA. (2025). Total and insured osses by year from weather- and climate-related events EU-27

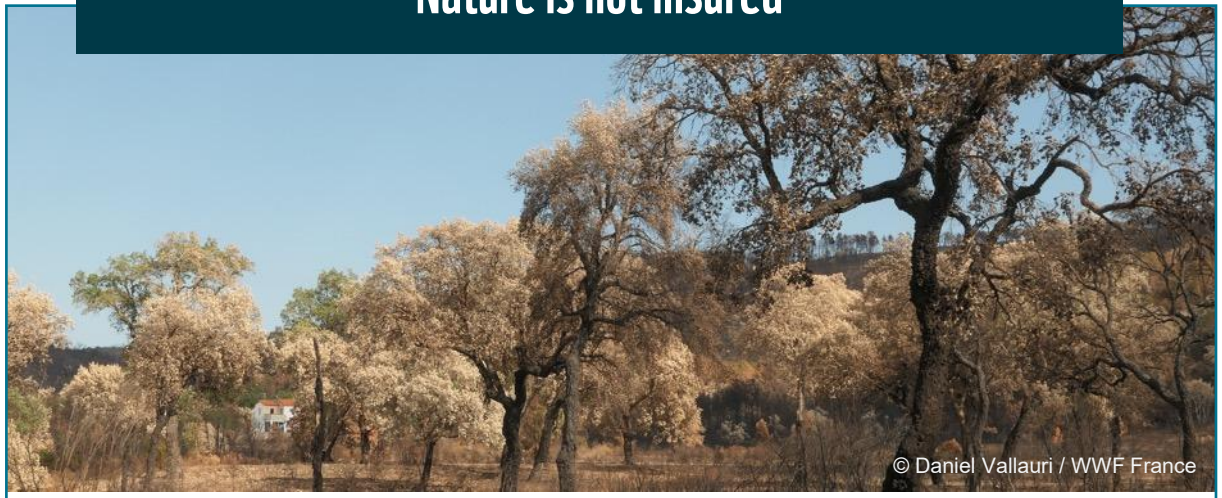
Nature is both at risk and part of the solution

Nature serves as a buffer



- Coastal wetlands in the U.S. are estimated to provide **$23.2 billion** in storm protection services every year.
- Oyster reefs and marshes act as natural barriers to waves; **15 ft** of marsh can absorb up to **50%** of incoming wave energy.
- The risk of large-scale flooding can increase by up to **700%** because of upstream deforestation, leading to more severe economic losses

Nature is not insured



- Like man-made infrastructure, nature can be destroyed by extreme weather and faces **costs for its restoration**
- As a public good, restoration after a disaster **falls on public budgets**
- The protection gap for nature is nearly **100%**
- Protection gaps for nature can create a negative feedback loop of rising risk and declining natural resilience and protection



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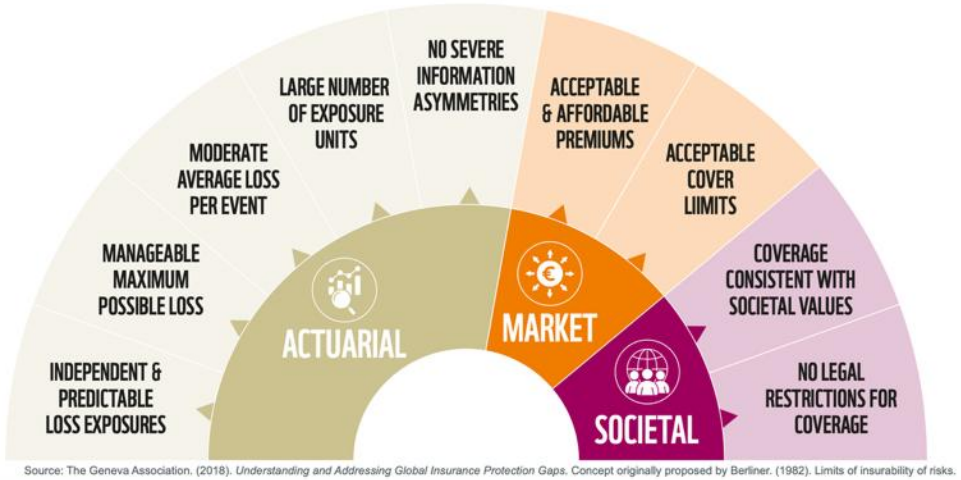
Q&A

Closing remarks

Private insurance markets cannot close the gap alone

Risks and exposures are rising too fast

FIGURE 5: MARKET CRITERIA FOR INSURABILITY



Source: The Geneva Association. (2018). *Understanding and Addressing Global Insurance Protection Gaps.* Concept originally proposed by Berliner. (1982). Limits of insurability of risks.

- Private insurers protect their balance sheets and P&L through premium increases and risk selection
- Insurance supervision focuses more on avoiding individual insolvencies than on systemic issues
- Collective financial resilience erodes and governments must increasingly act as insurers of last resort

Reinsurance availability and affordability is decreasing

Over the last decade, reinsurers have strongly reduced their exposure to high-risk regions and increased prices

FIGURE 9: REINSURANCE PRICES IN THE UNITED STATES HAVE DOUBLED OVER EIGHT YEARS[94]



Source: Brown, C., & Rojanasakul, M. (2025). *Reinsurance prices in the United States have doubled over eight years. In A climate 'shock' is eroding some home values. New data shows how much.* The New York Times.

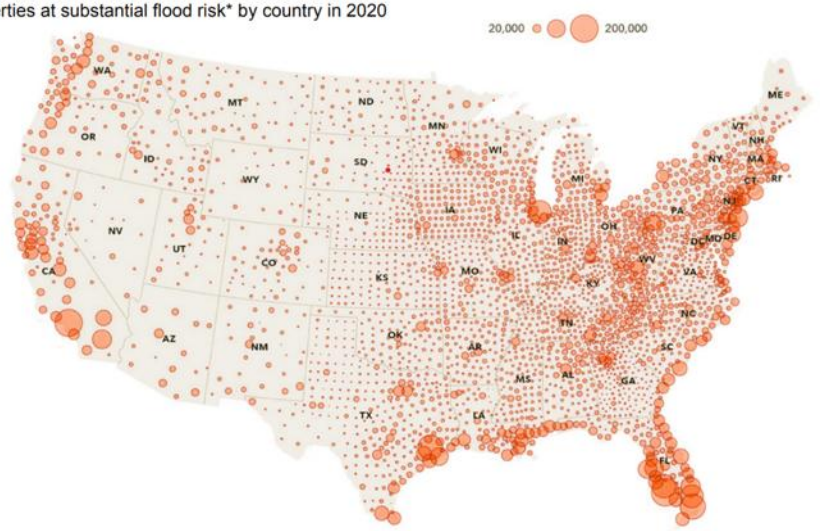
All insurance business lines are affected

- Property and homeowner insurance
- Agricultural insurance
- Liability insurance
- Business and supply chains interruption

- Public infrastructure and natural assets
- Life & health insurance
- Not just 'what' but 'who': lower-income communities and SMEs are most vulnerable

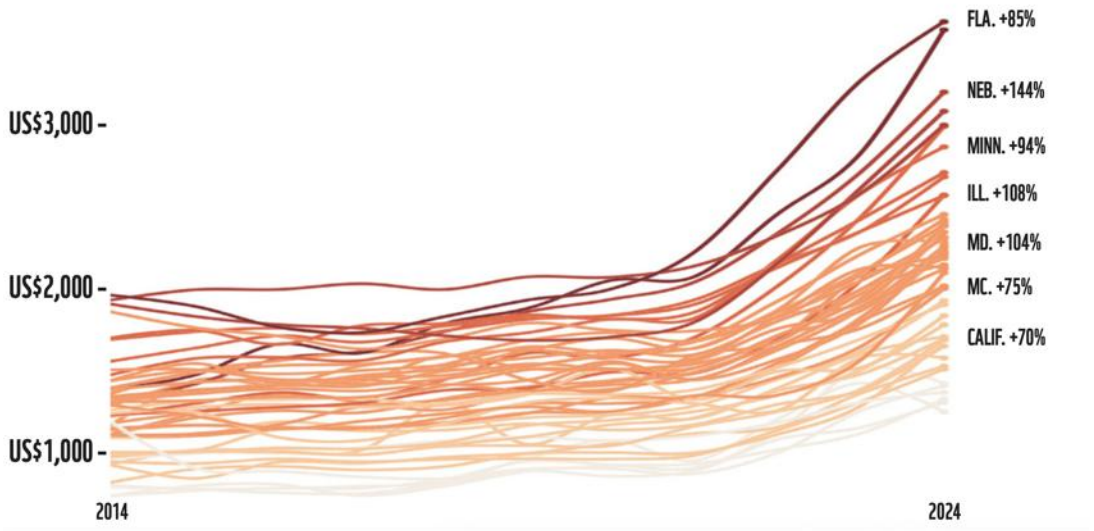
FIGURE 11: **PROPERTIES WITH SUBSTANTIAL FLOOD RISK - UNITED STATES**

Number of properties at substantial flood risk* by country in 2020

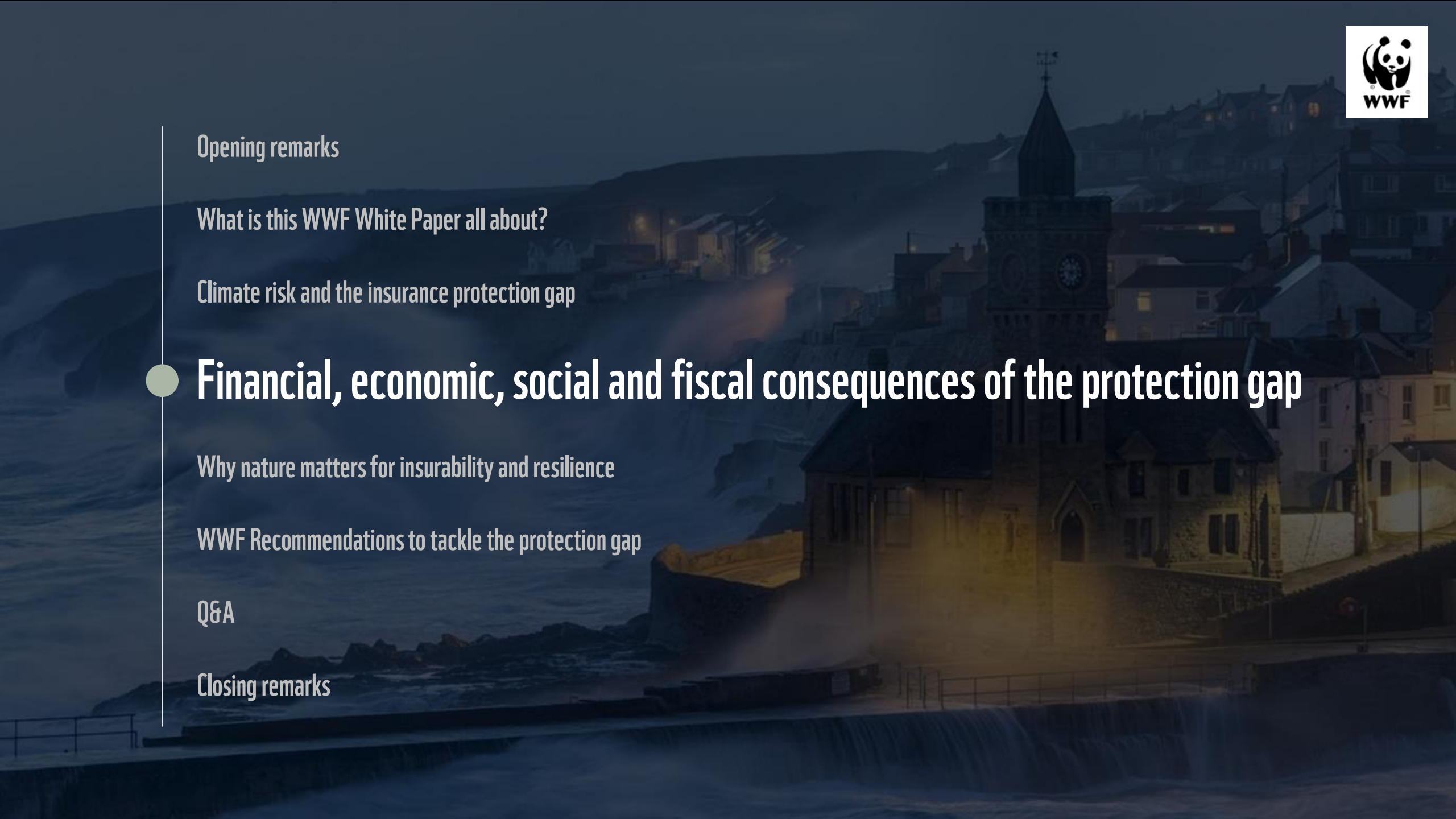


Source: First Street. From The First National Flood Risk Assessment: Defining America's Growing Risk report 2020, authoured by First Street listed on firststreet.org. Reprinted with permission. Substantial risk is calculated as inundation 1 cm or more to the building in the 100-year return period (1% annual risk). See methodology for full model details.

FIGURE 13: **AVERAGE ANNUAL HOME INSURANCE PREMIUMS**



Source: Rojanasakul, M., & Brown, C. (2025). Average annual home insurance premiums. In America's home insurance affordability crunch: See what's happening near you. The New York Times.



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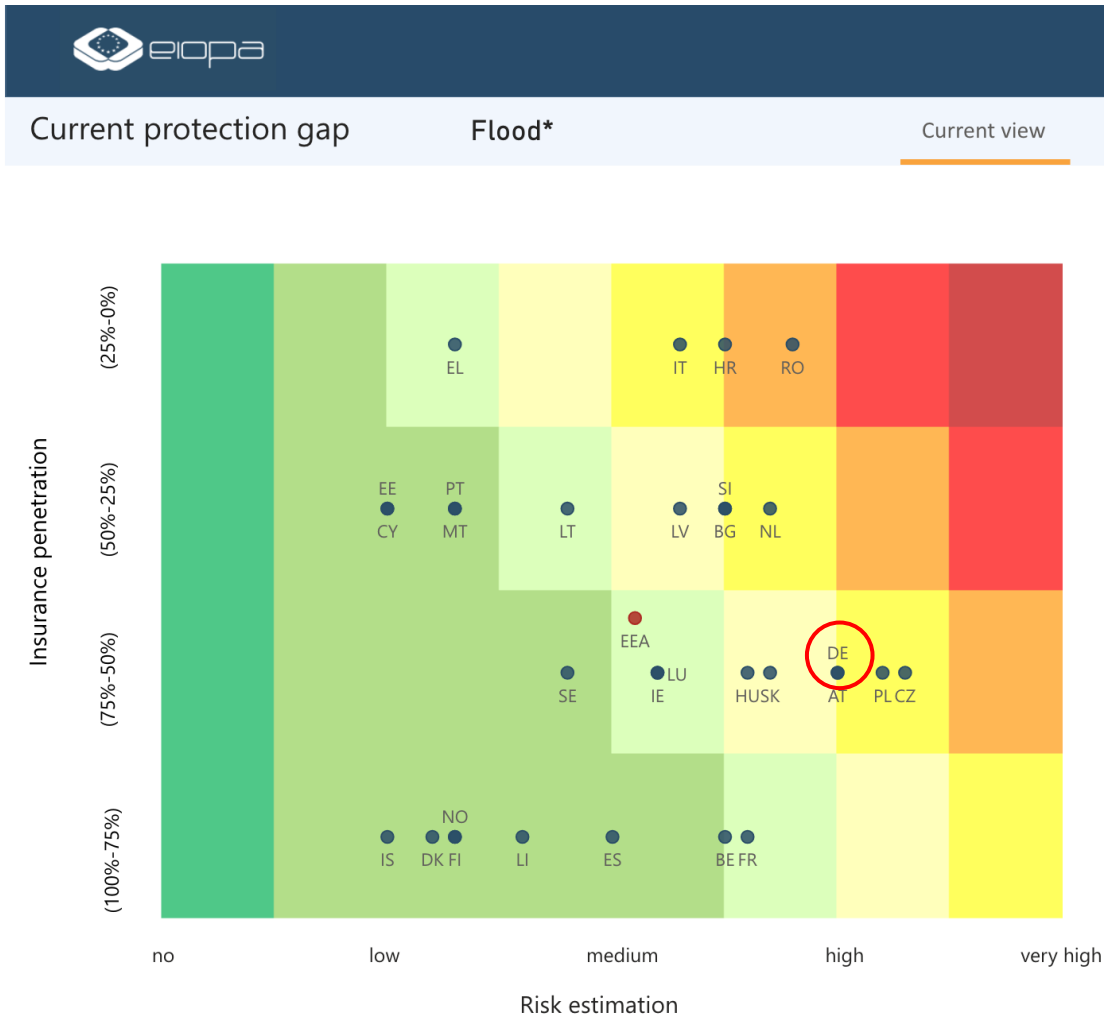
Why nature matters for insurability and resilience

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Risk exposure and insurance penetration in Germany



Flood* = other than coastal

Peril Region	Uninsured losses (1980-2024) in percentage of total economic losses
Italy Earthquake	98%
Italy Flood	97%
Germany Flood	74%

Source: EIOPA, Dashboard on insurance protection gap for natural catastrophes

If insurance companies retreat, people, businesses and governments pay

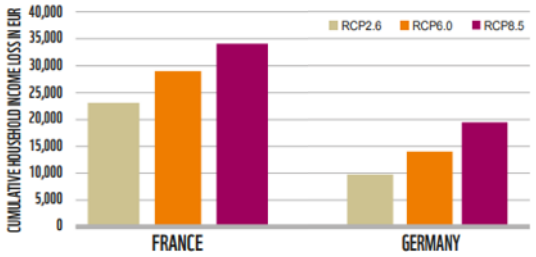
Finance & Markets

- Market risk: asset write-downs
- Credit risk: contagion to mortgages; ineligible collateral; greater defaults - $1.2bn potential loss for US banks
- LA wildfires = 30% of European reinsurers annual catastrophe budget

Households

- Income: Disasters and inability to work, higher costs
- Wealth: Home equity, savings lost

CUMULATIVE HOUSEHOLD INCOME LOSS IN EUROS (2025-2035)



Source: Krichene, H., & Kirvalidze, G. (2025) Allianz Research.

Business

- **"What is not insurable is not investable"**

  Mia Mottley, PM Barbados

- Uninsured costs threaten business bottom line
- Climate-risk regions at competitive disadvantage due to higher insurance or adaptation costs

Public Sector

- Costs rise, including recovery and intervention: US spent $1 trillion (3% of GDP) for disaster recovery and other climate-related needs in 12 months to May 2025
- Lost growth and tax revenue
- Fiscal position and sovereign creditworthiness threats

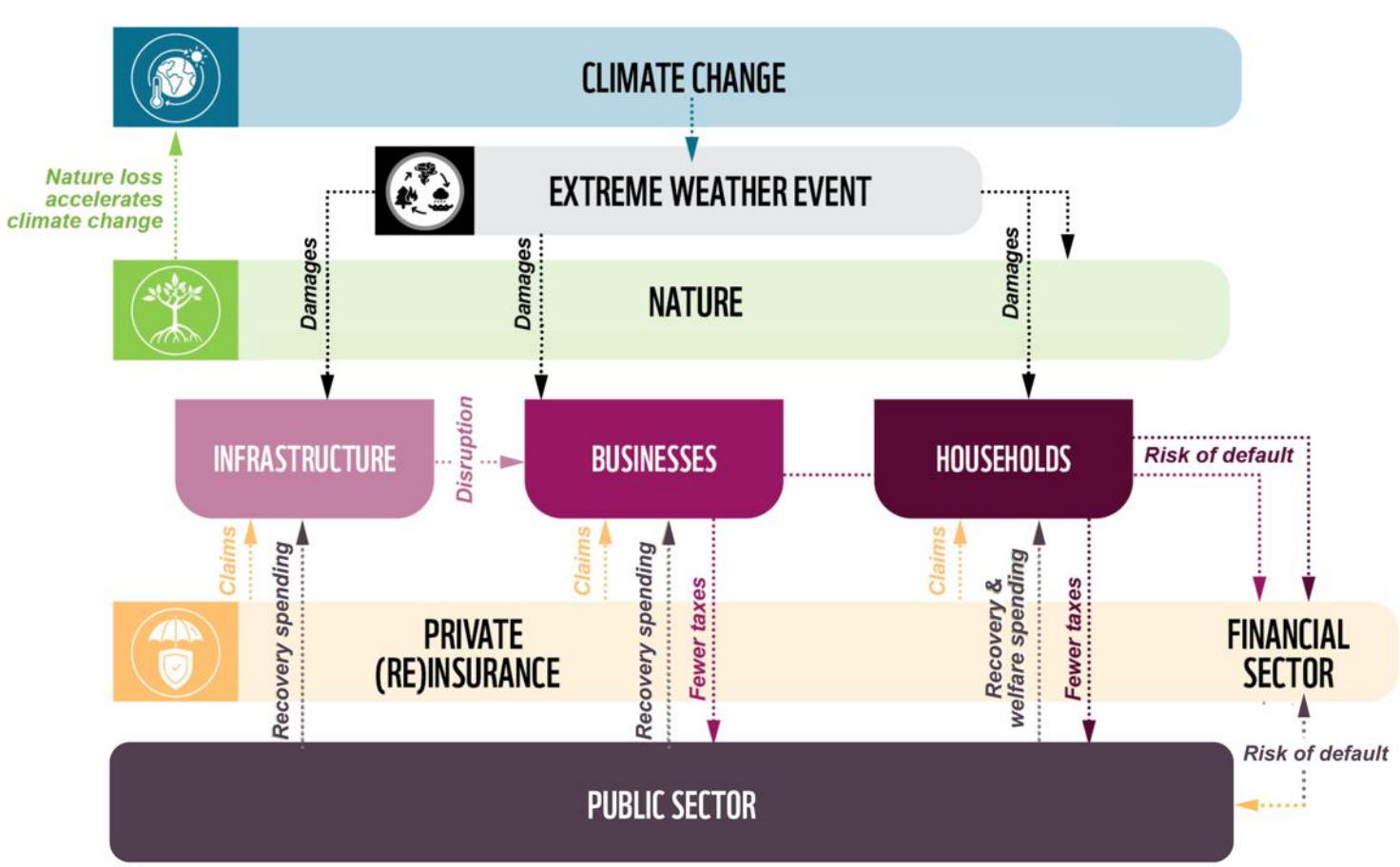
Social and Political

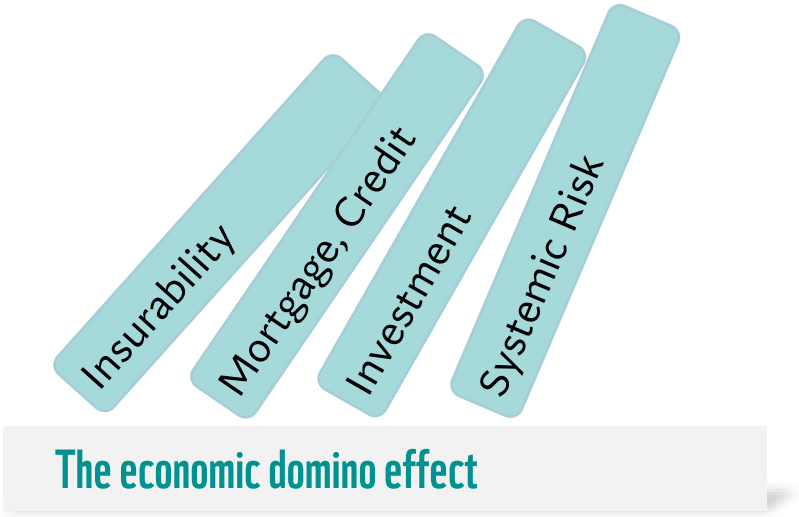
- Impacts do not fall evenly: marginalised and lower income groups often more exposed to climate risks and less insured.



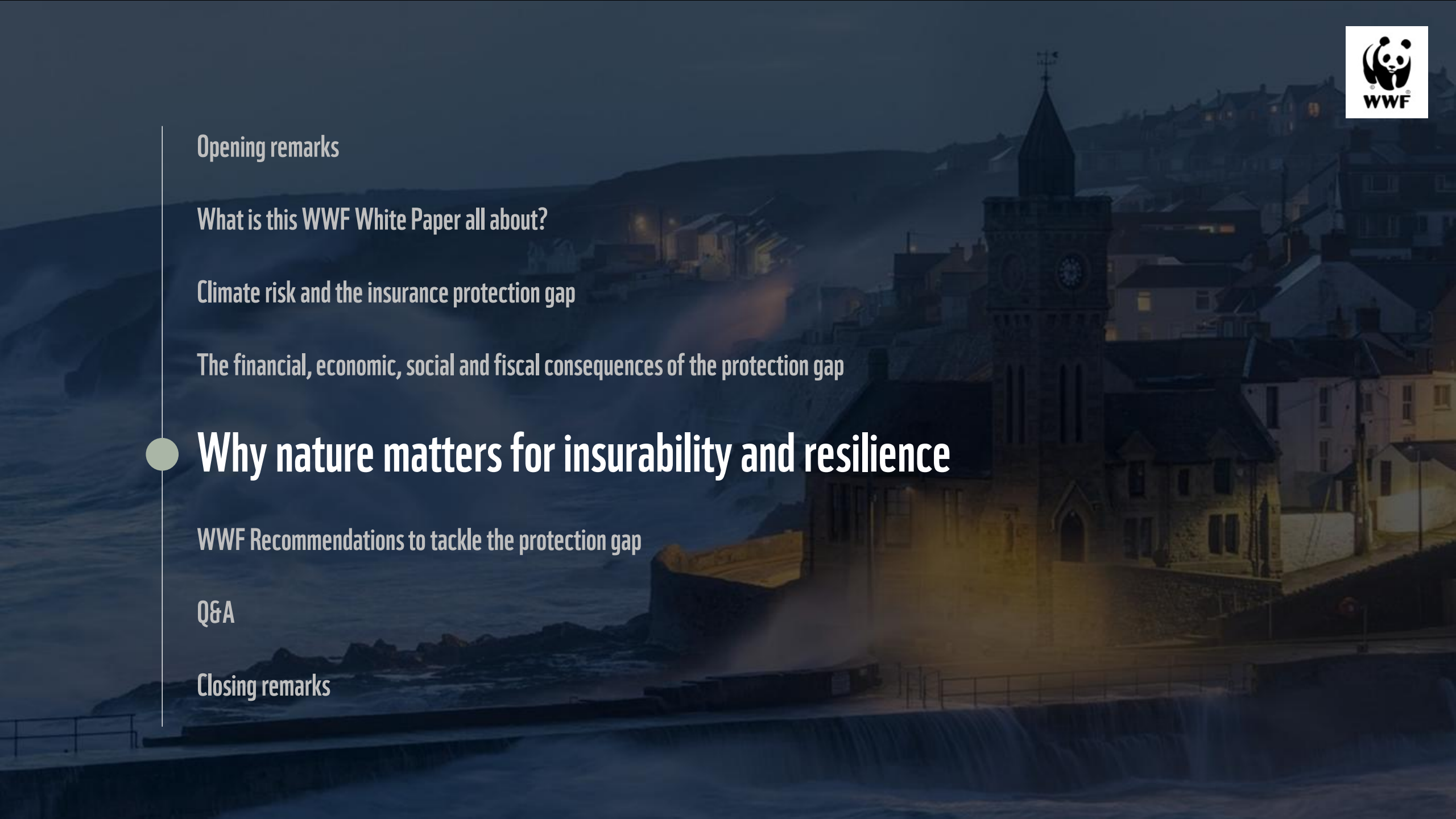
The economic domino effect

Climate change and biodiversity loss pose a systemic threat





Source: University of Cambridge Institute for Sustainability Leadership (CISL). (2026). The canary in the coalmine: Insurability as a resilience signal..



Opening remarks

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Why nature matters for insurability and resilience

- Intact ecosystems serve as buffers against the impact of more frequent and more extreme weather events
- Nature works well in combination with insurance

$23.2 Billion in Storm Protection

- **Coastal wetlands** in the U.S. are estimated to provide $23.2 billion in storm protection services every year.
- **Oyster reefs and marshes** act as natural barriers to waves; 15 feet of marsh can absorb up to 50 percent of incoming wave energy.

7 X larger flood risks

- **Deforestation:** The risk of large-scale flooding can increase by up to 700% to upstream deforestation leading to more severe economic losses

Nature has many co-benefits

- Compared to grey infrastructure, green infrastructure offer many **additional ecosystem services for human well-being and biodiversity**, such as:

water purification

habitat

clean air

mental health

shade/ cooling

tourism value

Nature loss, vulnerability and the nature protection gap



Nature loss is progressing

Since the 1950s, approximately 60% of global ecosystems have been significantly degraded by human activity

Vulnerability to climate change

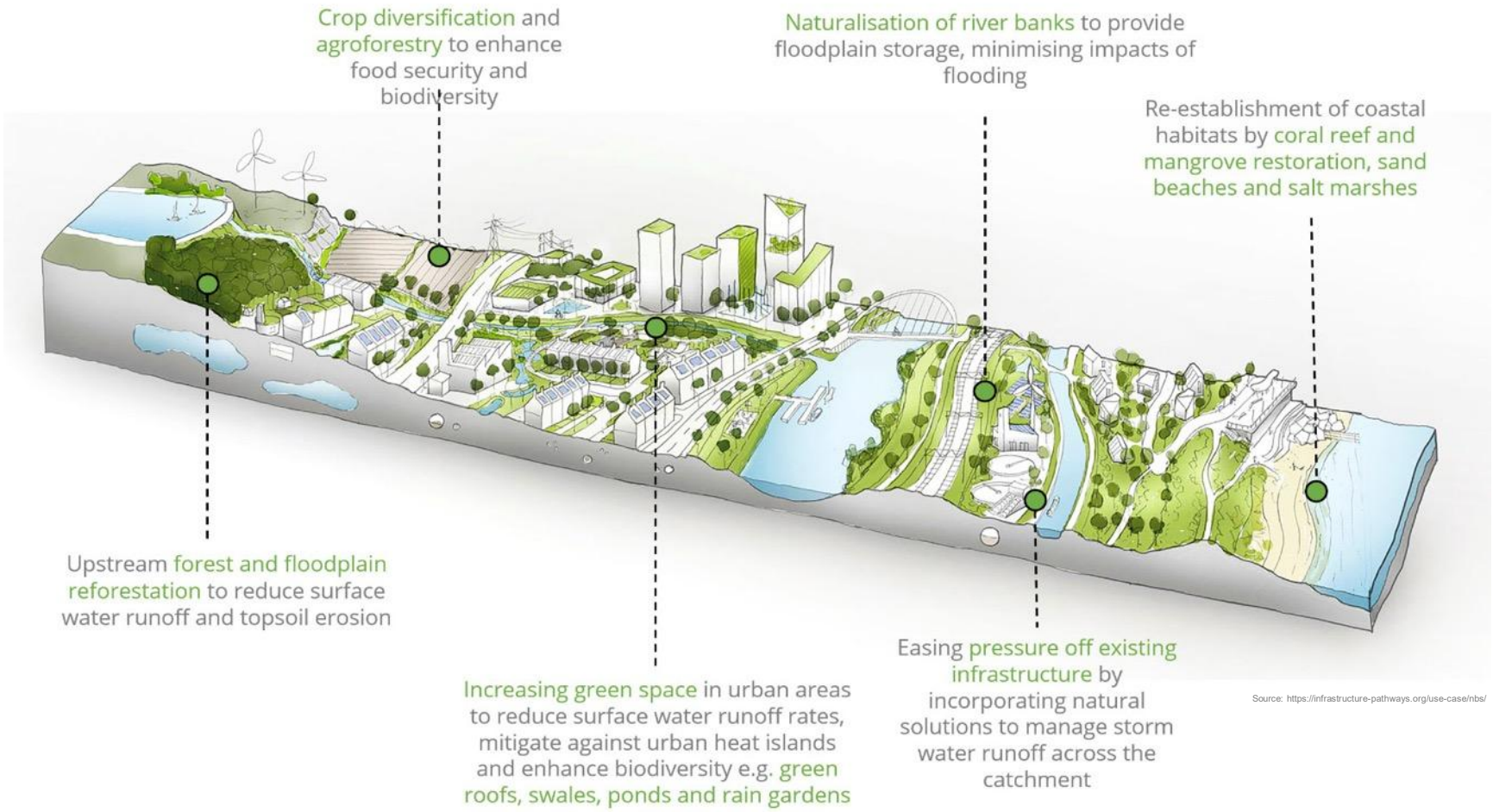
Climate change is rapidly degrading ecosystems, and may become the largest driver of biodiversity loss by mid-century

Nature is not insured

As a public good, restoration after a disaster falls on public budgets

Available public funds and processes are crucial to restore nature and reduce vulnerability

Nature-based Solutions: We can work with nature to build resilience



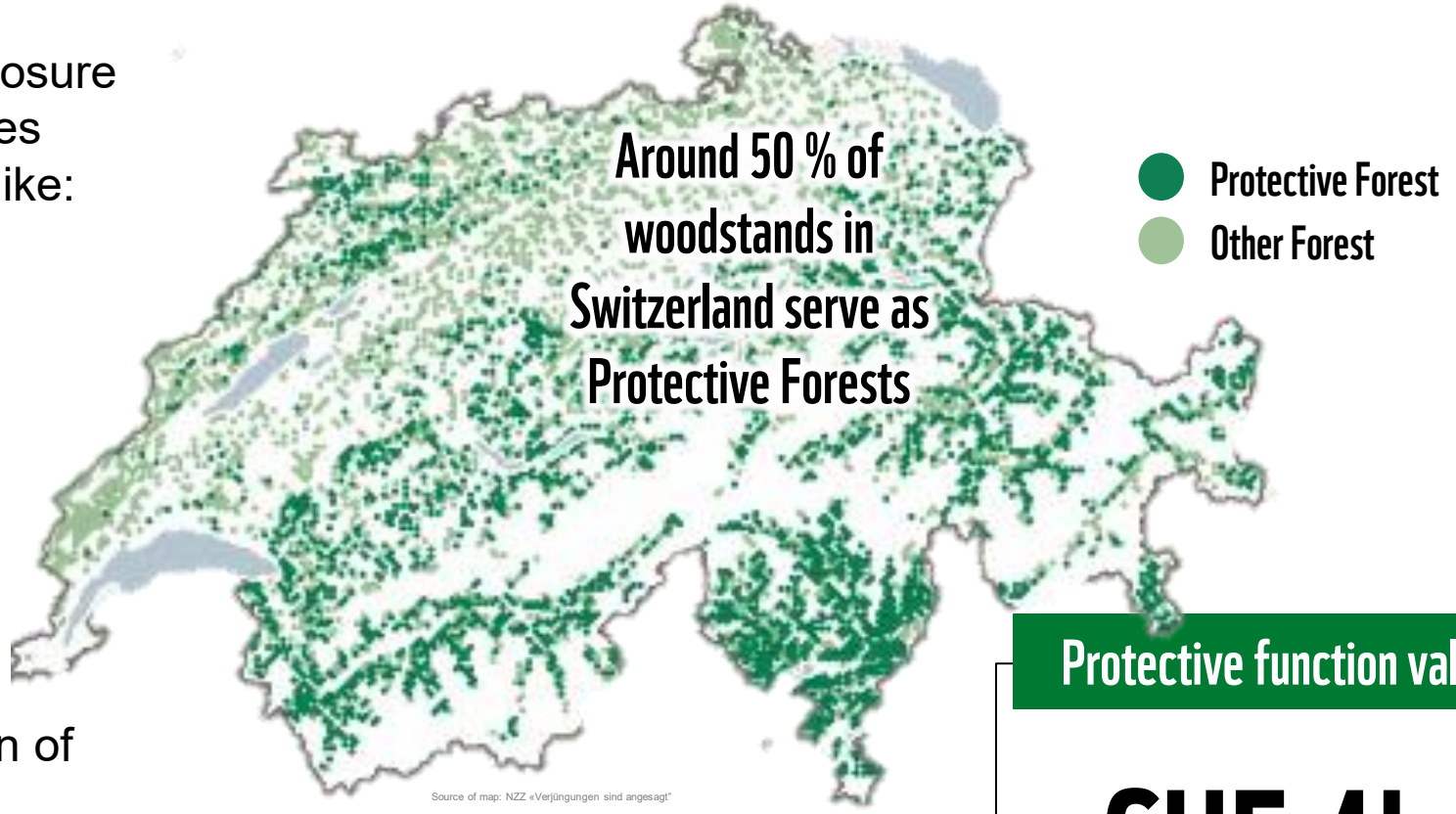
Investing in risk reduction pays off

- **7$ saved with every dollar spent** on flood protection: Wetland and reef restoration can yield benefit-to-cost ratios greater than seven to one.
- Over 100 years, **protective forests are 25x more cost-efficient** than technical solutions

Disaster risk reduction plus ecosystem services: Protective Forests as successful Nature-based Solution

Protective Forests lower the exposure and vulnerability of people, homes and infrastructure to of hazards like:

- Avalanches
- Landslides
- Floods
- Rockfall
- Soil erosion

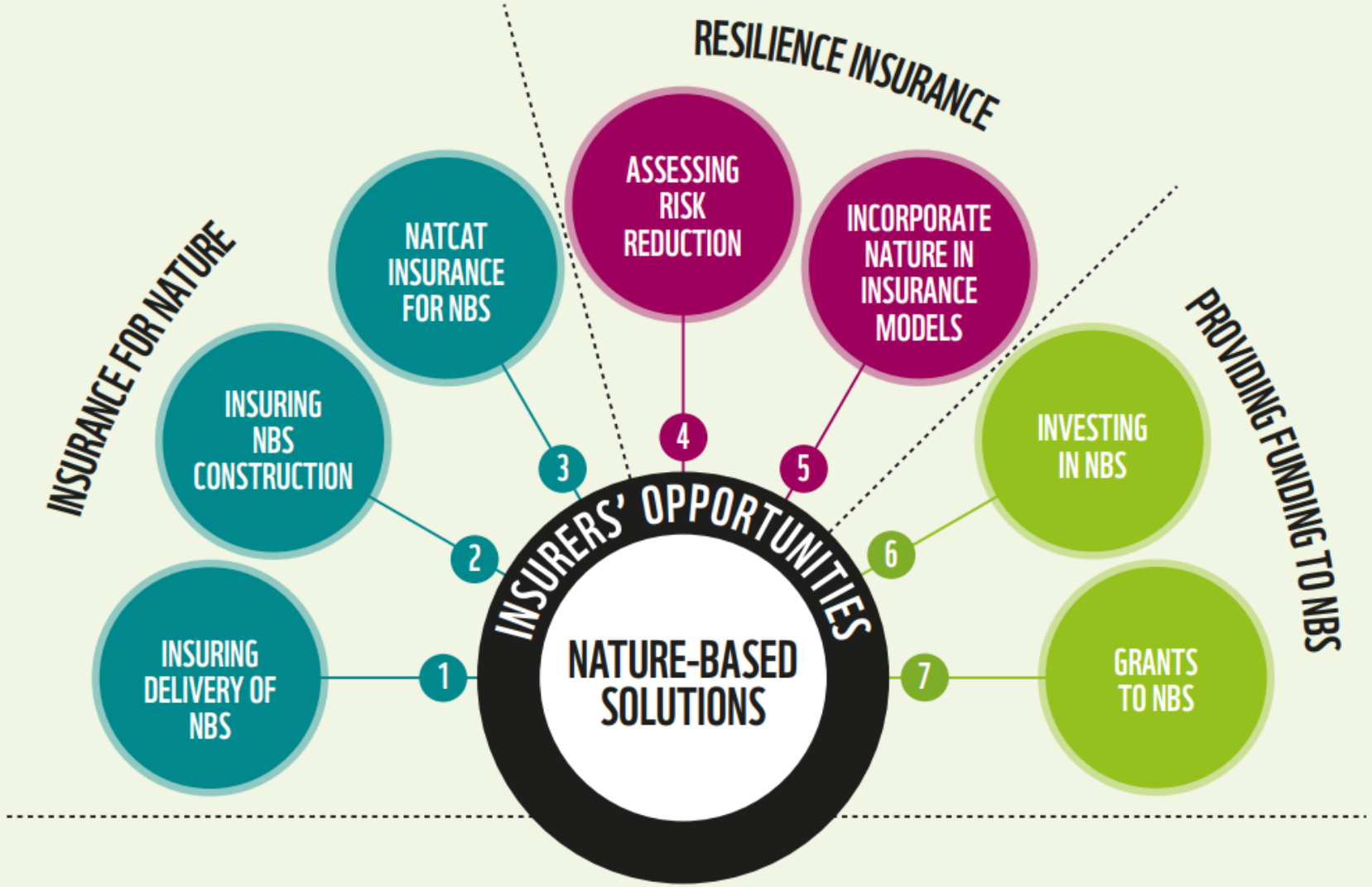


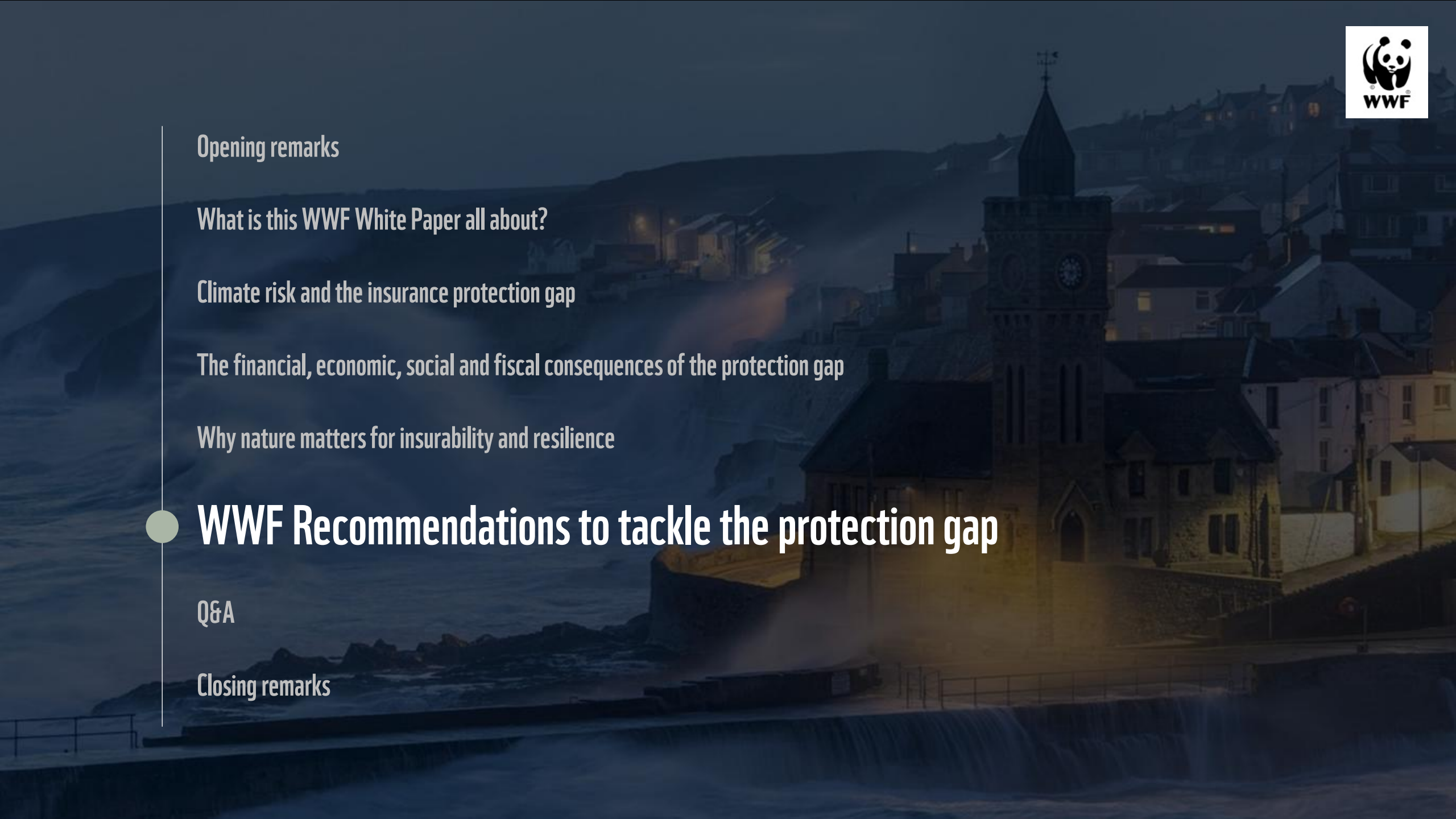
Institutionalization, compensation of landowners, cost-sharing and enforcement is key for a successful implementation.

Protective function valued at:

CHF 4bn/a

Insurance can also be a catalyst for nature





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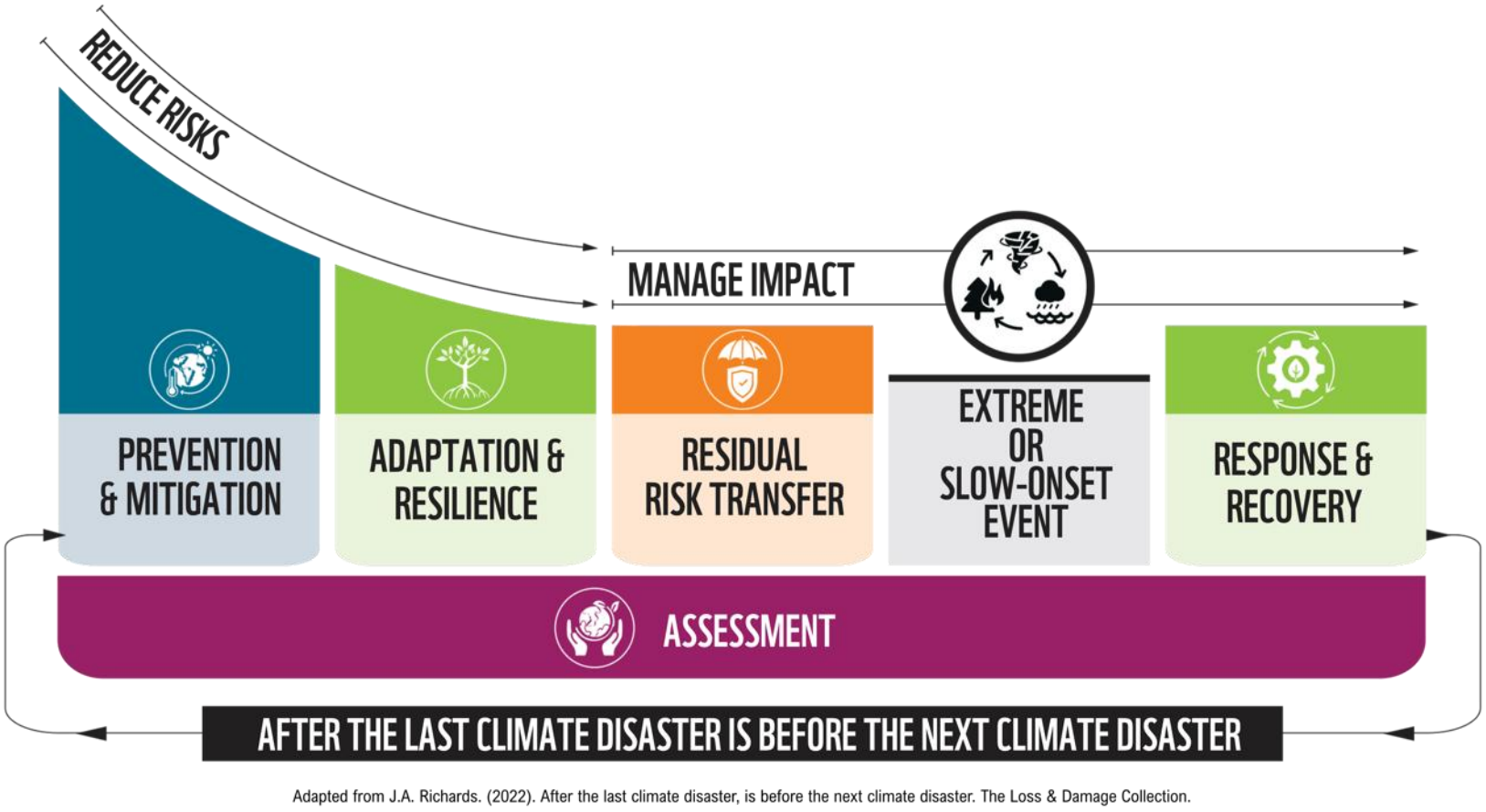
For Governments: A strategic framework to close the protection gap

Reduce GHG emissions and nature destruction domestically and through international cooperation.

Make nature and NbS a centrepiece in adaptation and resilience planning and in response and recovery efforts.

Enhance **policy incentives and insurance regulation** to facilitate risk transfer solutions.

Undertake **holistic, forward-looking loss and damage assessments.**



Adapted from J.A. Richards. (2022). After the last climate disaster, is before the next climate disaster. The Loss & Damage Collection.

Prevention & Mitigation

Reduce GHG emissions and reverse nature loss to contain mutually reinforcing risks



Deliver climate and nature commitments



Require private sector transition plans to unlock private investments

Deepen international coordination

Develop national transition pathways





Adaptation & Resilience

Make nature and NbS a centrepiece in adaptation and resilience planning

- Incorporate ecosystem services into NatCat models
- Align insurance schemes with risk reduction incentives
- Update building codes with NbS
- Use integrated landscape management & national adaptation planning
- Integrate nature into zoning laws and land-use planning
- Strengthen the resilience of ecosystems to climate change
- Embed nature in disaster recovery frameworks





Residual Risk Transfer

Enhance policy incentives and insurance regulation to facilitate risk transfer solutions









Incentivize investments in resilience

Update supervisory expectations on climate & nature

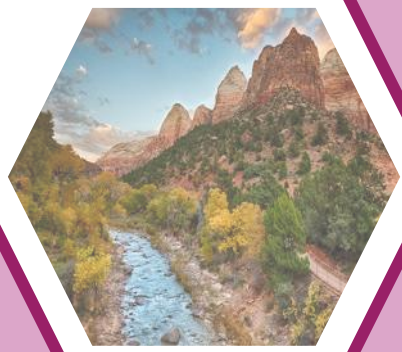
Make PPPs conditional on climate & nature efforts

Expand targeted public interventions in insurance markets

Support market innovation to expand risk coverage

Risk Assessment

Undertake a holistic and forward-looking risk and resilience assessment, including direct and indirect losses









Capture damage to nature & indirect impacts

Regular assessments of protection gaps and vulnerabilities

Include climate, nature, and protection gaps in stress tests

Macroprudential (system-wide) view

Acknowledge limitations and adopt a precautionary approach

Questions for discussion

General:

Where do you currently see the largest protection gaps in Germany – by peril (flood, heat, drought), region, or customer segment – and how does that affect your institution?

Mortgage and real estate lending:

- Over the past two years, how have climate and natural hazard risks started to influence mortgage and real-estate lending conditions in Germany (pricing, collateral values, access to credit)?
- Looking ahead 5–10 years, how far do you expect this coupling between climate risk, insurance availability and credit conditions to go?

Discussion around the Elementarversicherung in Germany:

- Is the GDV proposed model financially sustainable? (‘bad risks’ pool, no linkage to prevention and emissions reduction)
- Who/how should pay for prevention?
- How can incentives for risk prevention and insurance be aligned?



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