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Protecting the U.S. Against Future Economic Loss from Extreme Weather

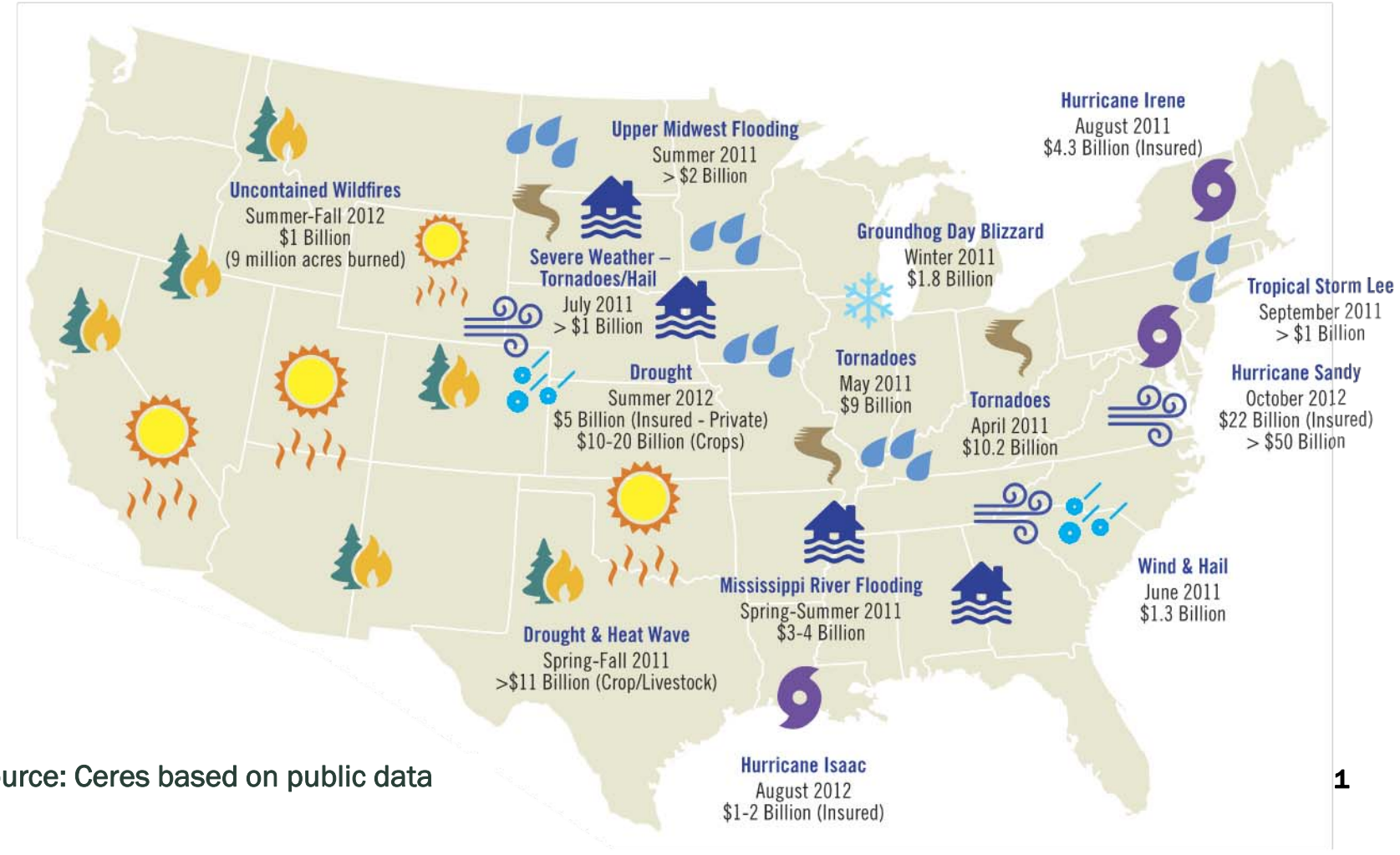
The Environmental and Energy Study Institute

December 14, 2012

Stormy Future for U.S. Insurers

Losses from Extreme Weather Disasters, 2011-2012

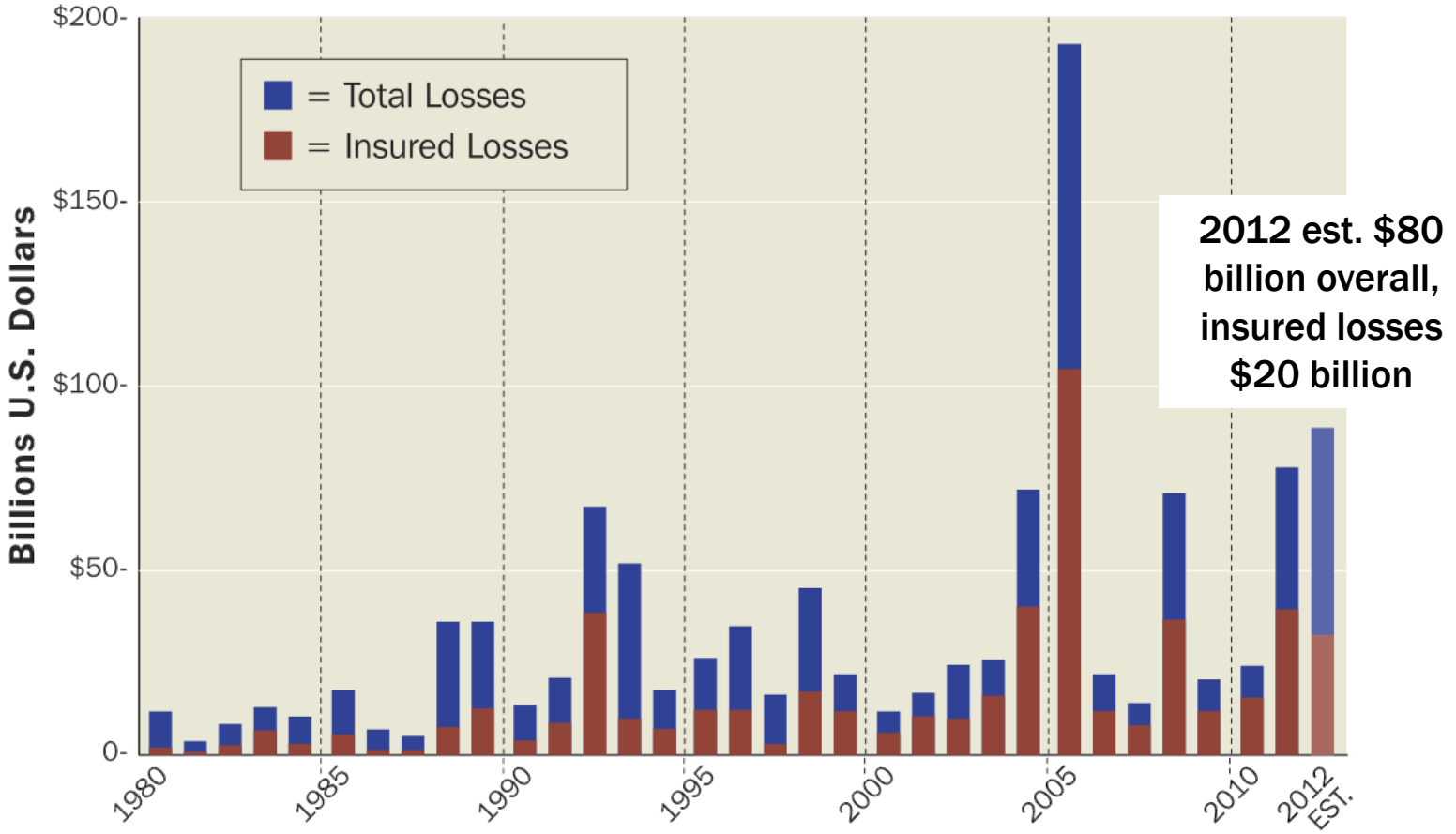
(Loss figures are estimated economic losses unless otherwise noted)



Source: Ceres based on public data

Weather Catastrophes in North America

1980-2011, Overall and Insurance Losses



2012 est. $80 billion overall, insured losses $20 billion

Note: Loss amounts indexed to 2011

Sources: Munich Re NatCatService, Cerese estimates for 2012

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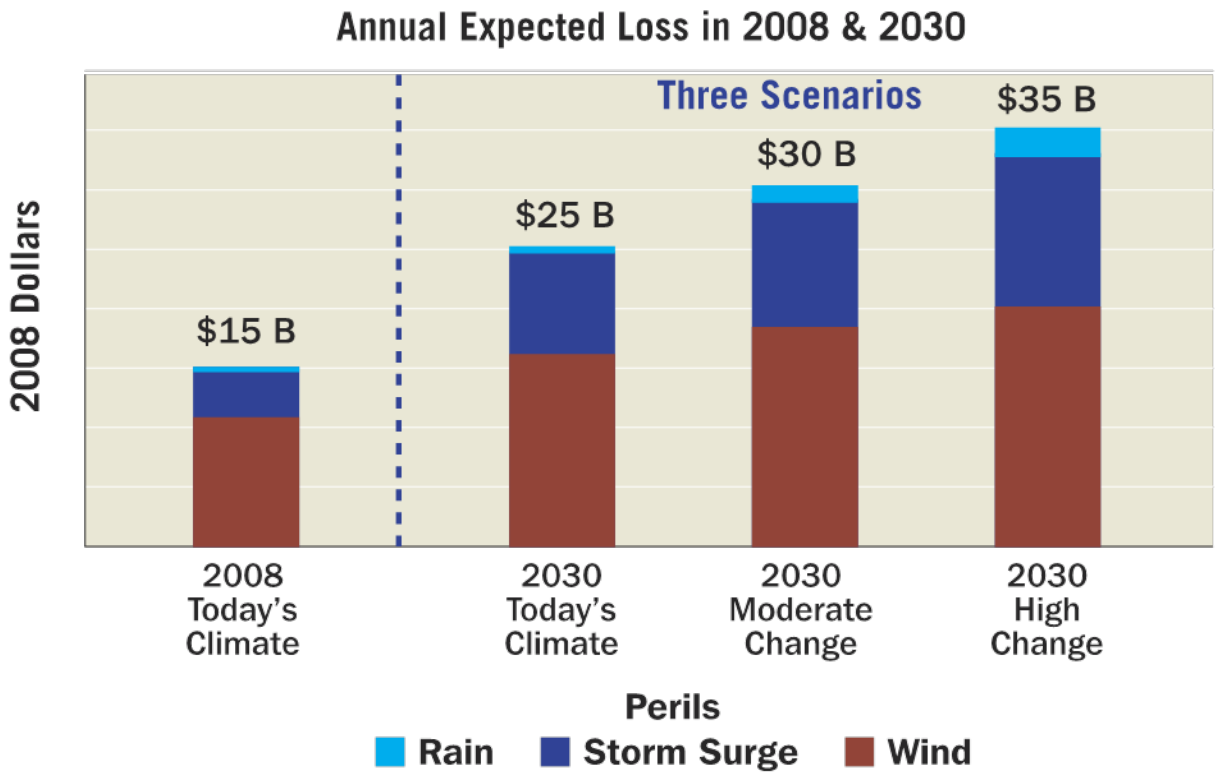
Losses in Different Climate Change Scenarios:

Example, Florida Economics of Climate Adaptation Study



Source: Report of the Economics of Climate Adaptation Working Group, "Shaping Climate Resilient Development, A Framework for Decision-Making," 2009.

Stormy Future for U.S. Property/Casualty Insurers:

The Growing Risks and Costs of Extreme Weather Events

Recommendations for insurers. . .

- Lead in climate risk analysis and modeling
- Engage in climate policy issues
- Promote climate risk awareness among customers
- Advocate for policies that reduce GHG emissions

Role of state insurance regulators . . .

- Strengthen mandatory climate risk disclosure
- Build climate risk into financial oversight process
- Create shared resources to understand climate risks
- Align incentives for long-term risk reduction

Critical Role for the Federal Government in Building Resiliency

Recommendations for Congress . . .

- Link federal recovery assistance to climate resiliency planning and investments
- Boost climate change and extreme weather research
- Provide states and localities with critical climate resiliency tools and information
- Promote sound land use and management practices
- Reduce greenhouse gas emissions to levels that avoid the worst impacts of climate change

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Thank You