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
Losses in Different Climate Change Scenarios: Example, Florida Economics of Climate Adaptation Study

Annual Expected Loss in 2008 & 2030

2008 Dollars

- 2008 Today’s Climate: $15 B
- 2030 Today’s Climate: $25 B
- 2030 Moderate Change: $30 B
- 2030 High Change: $35 B

Three Scenarios

Perils
- Rain
- Storm Surge
- Wind

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
Thank You