



# Can insurance support NBS for wildfire risk management?

## Firelogue-Naturance Insurance Working Group

Urania

Urania Straße 1, 1010 Vienna

May 22, 2-5:30pm

**Goal: Exploration of a commentary piece on how insurance regulation at the EU and national scale can support the adoption of nature-based solutions for wildfire risk – with expert endorsement of policy recommendations.**

### 2:00-2:25 Introduction

- Welcome
  - Jaro Mysiak (CMCC)
- NBS for wildfire
  - JoAnne Linnerooth-Bayer (IIASA)
- Round of introductions – what is the most urgent issue for insurers to support NBS?

### 2:25-3:20 Can wildfire models take account of NbS for risk mitigation?

- Fire modeling, climate change, & insurance (10 mins)
  - Florian Kraxner, Andrey Krasovskiy (IIASA)
  - Tamas Artes (MITIGA)
- The French Meadows case (10 mins)
  - Jamie Pollard (WTW)
- Discussion (25 mins)

### 3:20-4:20 Application to parametric insurance

Open Discussion

- Can parametric products reflect DRR and NBS in their pricing? (10 mins)
- How are/should parametric products be regulated? (5 mins)
- Discussion on draft recommendation (25 mins)

**Draft recommendation:** *National and EU insurance regulators should proactively ensure transparent and equitable pricing of parametric insurance products, while also incentivizing DRR and the take up of nature-based solutions.*



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## Coffee break (4-4:20pm)

### 4:20-5:20 Community insurance for wildfire risk and NbS

- Italian/EU policy landscape (15 mins)
  - Teresa Deubelli (IIASA)
- Concepts of community-based insurance (fully public to fully private) (20 mins)
  - Options to pool risks across communities (10 mins)
    - Swenja Surminski (LSE/Marsh McLennan) (tbc)
    - Tim Foreman (IIASA)
  - Options to incentivize NbS or DRR with insurance?
    - Max Tesselaar (lessons from flood insurance) (IVM) (5 mins)
    - Tim Foreman (lessons from California for wildfire) (IIASA) (5 mins)
- Discussion (25 mins)

**Draft recommendation:** *National and EU regulators should consider requiring insurers to offer premium discounts to entities implementing nature-based solutions (NbS) for risk mitigation, while considering increased premiums or coverage denial for projects harming nature*

**Draft recommendation:** *The European Commission should consider complementing the EU Solidarity Fund with a reinsurance instrument that could provide subsidized reinsurance to national (public, private, community) insurers marking a shift from only risk retention to the inclusion of risk transfer. This could also include conditions for MS to take DRR-NBS measures potentially through community insurance systems.*

Dinner (At your own expense) We will book tables at nearby restaurant. Please rsvp if you plan to attend.

## How to get to the Urania

Subway: a short walk from Schwedenplatz on the U1 (stops close to hotels) and U4 lines

Airport bus: Take bus that stops at Schwedenplatz, short walk

Tram: the Urania stop is (Julius-Raab-Platz) served by the 1 and 2 tram lines

Address: Urania Straße 1, 1010 Vienna

