



# Climate Change Affects the Core Business of (Re)Insurers!

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Munich RE 

- Founded 1880
- Leading global reinsurance company
- Annual premium € 28bn
- Covering risks of natural hazards is an essential part of Munich Re's business
- Climate change affects weather related natural disasters



## Flood Inundation

### 2.1 Climatic Variations

Investigations into the overall trend of claims experience are indispensable, and here climatic variations become most significant. Such investigations involve a study of thermodynamic processes such as, for example, the rising temperature of the earth's atmosphere (as a result of which glaciers and the polar caps recede, surfaces of lakes are reduced and ocean temperatures rise); changes in the earth's atmosphere due to the large-scale increase in areas irrigated and cultivated and increases in humidity resulting therefrom; and lastly the pollution of the earth's atmosphere, e.g. rise of the CO<sub>2</sub> content of the air causing a change in the absorption of solar energy. We wish to enlarge on this complex of problems in greater detail, especially as—as far as we know—its conceivable impact on the long-range risk trend has hardly been examined to date.

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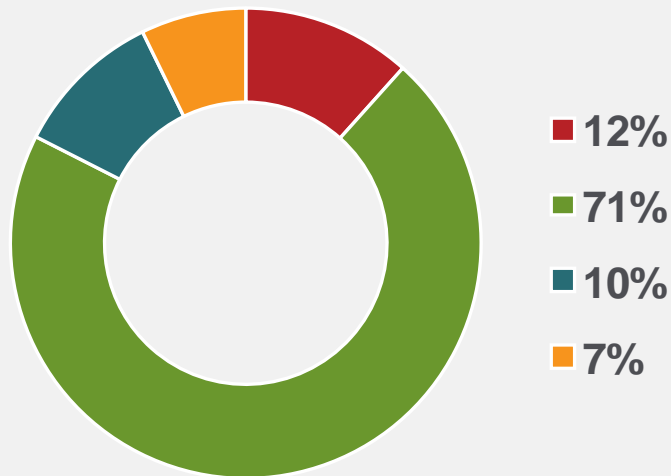
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Munich Re Publication, 1973


# Natural catastrophes worldwide 1980 – 2013


88% of insured losses have been weather related


Insured losses\* US\$ 1,000 bn




\*in 2013 values

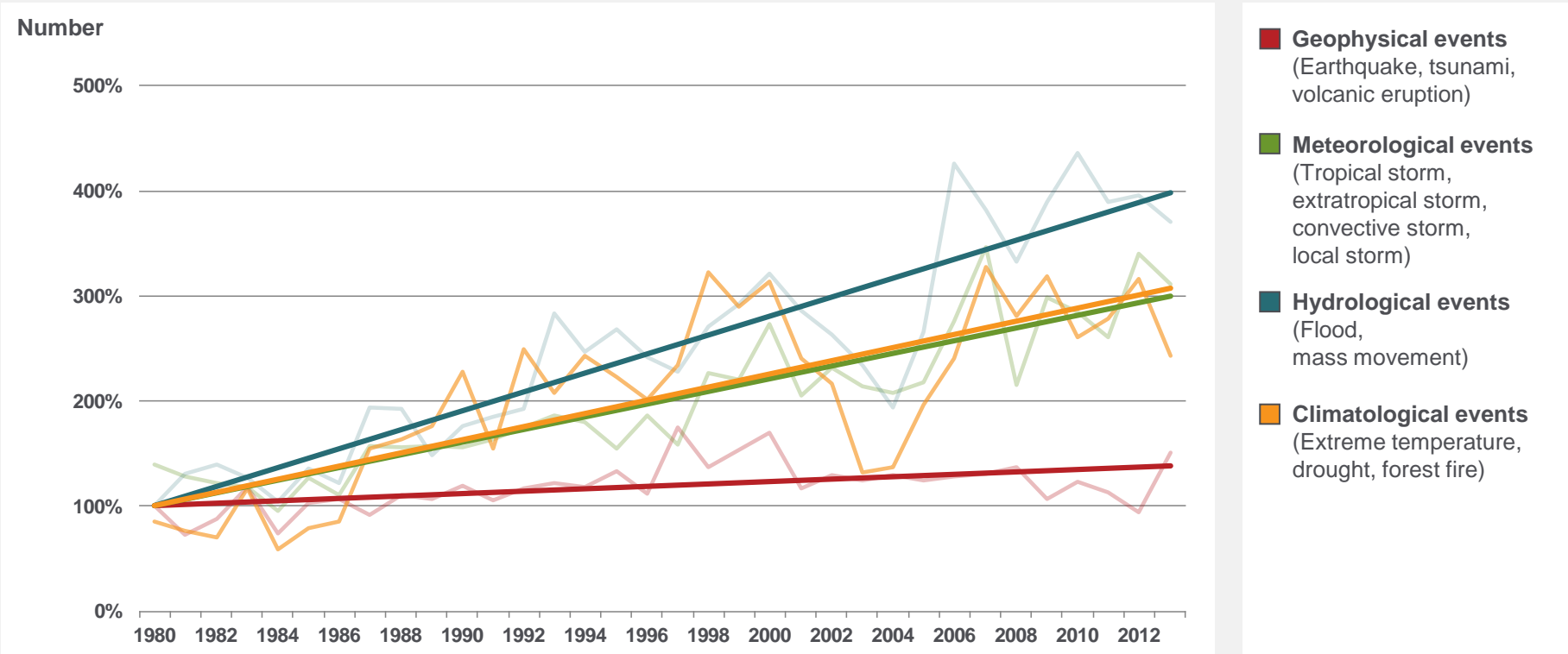
 **Geophysical events**  
(Earthquake, tsunami,  
volcanic eruption)

 **Meteorological events**  
(Storm)

 **Hydrological events**  
(Flood, mass  
movement)

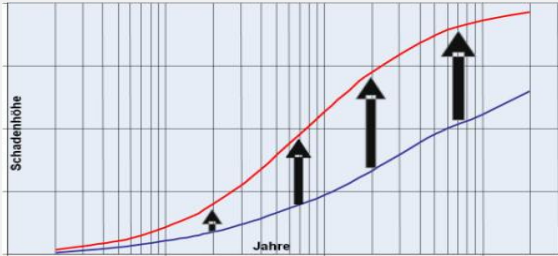
 **Climatological events**  
(Extreme temperature,  
drought, forest fire)

# Global number of weather related loss events has increased significantly since 1980



# Climate change is a strategic topic for Munich Re

## The three pillars of Munich Re's climate change strategy



### Risk assessment

Analyses of changes in natural hazards and consideration of climate change effects in risk models



### Business opportunities

Leading provider of risk transfer solutions for renewables and new climate friendly technologies



### Asset management

New (direct) sustainable investments especially in renewables

CO<sub>2</sub> reductions / carbon neutrality

Initiating and supporting lighthouse projects like Munich Climate Insurance Initiative (MCII)



Thank you for your interest!

Peter Hoeppe

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