

IRSG

INSURANCE AND REINSURANCE STAKEHOLDER GROUP

IRSG input to Consultation on
2023/2024 (re)assessment of natural
catastrophe risk in the standard
formula

IRSG-2024-19

2023 2024 (Re)assessment of the nat cat standard formula parameters

Fields marked with * are mandatory.

Responding to the paper

EIOPA welcomes comments on the 2023 2024 (Re)assessment of the natural catastrophe standard formula parameters.

Comments are most helpful if they:

- respond to the question stated, where applicable;
- contain a clear rationale; and
- describe any alternatives EIOPA should consider.

Please send your comments to EIOPA using the EU Survey tool **by Thursday, 20 June 2024, 23:59 CET** by responding to the questions below.

Contributions not provided using the EU Survey tool or submitted after the deadline will not be processed.

Publication of responses

Contributions received will be published on EIOPA's public website unless you request otherwise in the respective field in the survey below. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure.

Please note that EIOPA is subject to Regulation (EC) No 1049/2001 regarding public access to documents [1] and EIOPA's rules on public access to documents[2].

Contributions will be made available at the end of the public consultation period.

Data protection

Please note that personal contact details (such as name of individuals, email addresses and phone numbers) will not be published. They will only be used to request clarifications if necessary on the information supplied. EIOPA, as a European Authority, will process any personal data in line with Regulation (EU) 2018/1725[3] on the protection of the individuals with regards to the processing of personal data by the Union institutions and bodies and on the free movement of such data. More information on data protection can be found at <https://eiopa.europa.eu/> under the heading '[Legal notice](#)'.

[1] Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents (OJ L 145, 31.5.2001, p. 43).

[2] [Public Access to Documents](#)

[3] Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45 /2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

About the respondent

* Please indicate the desired disclosure level of the responses you are submitting.

- Public
 Confidential

* Stakeholder name

Insurance and Reinsurance Stakeholder Group

* Contact person (name and surname)

Marcin Kawinski

* Contact person email

mkawin@sgh.waw.pl

Contact person phone number

00 48 502 525 512

Questions to Stakeholders

Q1: Do you have any comments about the (re)assessment/(re)calibration for Romania earthquake?

- Yes
 No

Q2: Do you have any comments about the (re)assessment/(re)calibration for Switzerland earthquake?

- Yes
 No

Q3: Do you have any comments about the (re)assessment/(re)calibration for Portugal earthquake?

- Yes
 No

Q4: Do you have any comments about the (re)assessment/(re)calibration for Italy earthquake?

- Yes
- No

Q5: Do you have any comments about the (re)assessment/(re)calibration for Liechtenstein earthquake?

- Yes
- No

Q6: Do you have any comments about the (re)assessment/(re)calibration for Poland windstorm?

- Yes
- No

Q7: Do you have any comments about the (re)assessment/(re)calibration for Czechia windstorm?

- Yes
- No

Q8: Do you have any comments about the (re)assessment/(re)calibration for Ireland windstorm?

- Yes
- No

Q9: Do you have any comments about the (re)assessment/(re)calibration for Denmark windstorm?

- Yes
- No

Q10: Do you have any comments about the (re)assessment/(re)calibration for Portugal windstorm?

- Yes
- No

Q11: Do you have any comments about the (re)assessment/(re)calibration for Guadeloupe windstorm?

- Yes
- No

Q12: Do you have any comments about the (re)assessment/(re)calibration for Martinique windstorm?

- Yes
- No

Q13: Do you have any comments about the (re)assessment/(re)calibration for St-Martin windstorm?

- Yes
- No

Q14: Do you have any comments about the (re)assessment/(re)calibration for La Reunion windstorm?

- Yes
- No

Q15: Do you have any comments about the (re)assessment/(re)calibration for Iceland windstorm?

- Yes

No

Q16: Do you have any comments about the (re)assessment/(re)calibration for France flood?

Yes

No

Q17: Do you have any comments about the (re)assessment/(re)calibration for Romania flood?

Yes

No

Q18: Do you have any comments about the (re)assessment/(re)calibration for Czechia flood?

Yes

No

Q19: Do you have any comments about the (re)assessment/(re)calibration for Italy flood?

Yes

No

Q20: Do you have any comments about the (re)assessment/(re)calibration for Belgium flood?

Yes

No

Q21: Do you have any comments about the (re)assessment/(re)calibration for Liechtenstein flood?

Yes

No

Q22: Do you have any comments about the (re)assessment/(re)calibration for Germany flood?

Yes

No

Q23: Do you have any comments about the (re)assessment/(re)calibration for Portugal flood?

Yes

No

Q24: Do you have any comments about the (re)assessment/(re)calibration for Ireland flood?

Yes

No

Q25: Do you have any comments about the (re)assessment/(re)calibration for Norway flood?

Yes

No

Q26: Do you have any comments about the (re)assessment/(re)calibration for Sweden flood?

Yes

No

Q27: Do you have any comments about the (re)assessment/(re)calibration for Finland flood?

- Yes
- No

Q28: Do you have any comments about the (re)assessment/(re)calibration for the Netherlands flood?

- Yes
- No

Q29: Do you have any comments about the (re)assessment/(re)calibration for Denmark flood?

- Yes
- No

Q30: Do you have any comments about the (re)assessment/(re)calibration for Luxembourg flood?

- Yes
- No

Q31: Do you have any comments about the (re)assessment/(re)calibration for Malta flood?

- Yes
- No

Q32: Do you have any comments about the (re)assessment/(re)calibration for France hail?

- Yes
- No

Q33: Do you have any comments about the (re)assessment/(re)calibration for Italy hail?

- Yes
- No

Q34: Do you have any comments about the (re)assessment/(re)calibration for Germany hail?

- Yes
- No

Q35: Do you have any comments about the (re)assessment/(re)calibration for Belgium hail?

- Yes
- No

Q36: Do you have any comments about the (re)assessment/(re)calibration for Luxembourg hail?

- Yes
- No

Q37: Do you have any comments about the (re)assessment/(re)calibration for Netherlands hail?

- Yes
- No

Q38: Do you have any comments about the (re)assessment/(re)calibration for Poland hail?

- Yes
- No

Q39: Do you have any comments about the (re)assessment/(re)calibration for Norway hail?

- Yes
- No

Q40: Do you have any comments about the (re)assessment/(re)calibration for Motor for hail?

- Yes
- No

Q41: Do you have any comments about the (re)assessment/(re)calibration for France subsidence?

- Yes
- No

Q42: Do you have any comments about the (re)assessment/(re)calibration for Belgium subsidence?

- Yes
- No

Q43: Do you have any comments about the (re)assessment/(re)calibration for UK subsidence?

- Yes
- No

Q44: Do you have any comments on the impact of wildfire for the European insurance sector?

- Yes
- No

Q45: How should wildfire be included in the SF?

- Yes
- No

Q46: Are there key factors driving the wildfire risk not mentioned so far?

- Yes
- No

Q47: Do you have any comments on the impact of coastal flood for the European insurance sector?

- Yes
- No

Q48: How should coastal flood be included in the SF?

- Yes
- No

Q49: Are there key factors driving the coastal flood risk not mentioned so far?

- Yes

No

Q50: Do you have any comments on the impact of drought for the European insurance sector?

Yes

No

Q51: How should agricultural drought be included in the SF?

Yes

No

Q52: Are there key factors driving the agricultural drought risk not mentioned so far?

Yes

No

Q53: Do you have any other comments?

Yes

No

If yes, please provide these other comments.

The IRSG's response to the consultation on 2023/2024 (re)assessment of the Nat Cat standard formula

Overall, we welcome EIOPA's work on the recalibration of the Nat Cat parameters. As noted in our advice in response to the EIOPA consultation on methodology on the potential inclusion of climate change in the Nat Cat, the IRSG supports the regular assessment and appropriate recalibration of the Nat Cat parameters via a standardised, transparent process. This aligns with Art. 304a of the SII draft compromise text.

The IRSG also highlighted the need to only make changes where material to avoid introducing volatility in the parameters and capital requirements. In practice, however, EIOPA proposes recalibrations for Nat Cat risks that are only slightly changing and do not appear to be material. Further explanation of why EIOPA considers these to be material would be helpful.

With regards to the "new" perils envisaged by EIOPA, it seems relevant to study them and pursue investigations on definitions and data gathering. Yet, it seems we are at too earlier stages to ascertain any robust calibration. We would also caution against inserting separated new submodules to handle these perils as it would bring a risk of either double-counting or exaggerating the global charge with the introduction of additional isolated layers of prudence and the difficulty of assessing correlations between the different perils. Finally, some of these new perils are very difficult to isolate from broader peril categories.

Where necessary, recalibration of a particular parameter should be done via a standardised, transparent, comprehensible, and clearly documented process. While the additional narrative and data included in the consultation paper is a step forward, additional transparency and standardisation of the explanations would be welcome, for example regarding the models or data used. This will enable improved insurer understanding of the parameters and put insurers in a better position to assess the SF's potential gaps and appropriateness. Also, in case of expert judgement, appropriate documentation should be made, particularly where recommendations deviate from the input data, or where there is limited model availability, e.g. for Scandinavian flood risks.

The reassessment should furthermore consider the impact of adaptation measures to climate events. Such measures are increasingly being implemented and this will likely continue. At the very least, it should be clear from the documentation where these have and have not been considered in the models.

Outcome of climate changes, especially economic one, requires multidimensional research. EIOPA and local supervisors should enhance such research by academics. There is a need to rethink necessity of building insurance data bases in all Member States and providing access to raw insurance data for scientists.

Contact

[Contact Form](#)

