

The importance of addressing loss & damage

The Role of Insurance

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Loss and damage: Don't shoot the messenger!

- > Existing emission pathways suggest temperature increases to $> 4^{\circ}\text{C}$ until the end of the century
- > Crucial for the difference between a 4° world and a 2°C world is a strong projected increase in unavoidable damage ([Hof et al. 2010](#));
- > Raising costs and human burden of extrem and slow onset events;
- > This is the context for (unhelpfully) politicized debates around “compensation” from for the effects of climate change. Legal compensation or responsibility?
- > We need to put the debate back to its feet: Founding vision of MCII to support affected people through co-financed insurance and risk management;
- > and to look at incentives in adaptation **and** mitigation;

Progress made – further progress possible

- 2008: MCII's first submission;
 - internationally cofinanced climate insurance
 - risk layering
 - Since 2008: promising activities world-wide
 - various stakeholders involving
 - real world solutions, how to manage the risks of climate change effectively and efficiently,
 - (in some projects) to reach vulnerable communities.
Example: MCII's experience in the Caribbean, CCRIF, ARC
- ➔ Debate on loss and damage is more comprehensive
- supporting adaptation, mitigation and equity
 - real **advancement** possible at this COP

“Insurance”: more than pay out mechanism

- > Assess the loss potential
- > Combination with adaptation /risk reduction / resilience building to prevent and address loss and damage
- > Incentivize loss reduction and resilience- building activities

And:

- > Reduce financial repercussions of volatility