Insurance of natural and man-made disasters

2013/2174(INI) - 16/04/2013 - Non-legislative basic document

PURPOSE: to present a Green Paper on the insurance of natural and man-made disasters.

BACKGROUND: the European Union is vulnerable to nearly all types of natural disasters. Disasters not only cause human losses but also damages to the value of billions of euros every year, affecting economic stability and growth.

Disasters may have cross-border effects and can potentially threaten entire areas in neighbouring countries. Even where costs of major disasters are locally concentrated, if costs are inadequately covered by insurance then individual Member States may carry **large fiscal burdens, which could cause internal and external imbalances**. This is thus an important issue for citizens, companies and governments across the Union.

In 2010, the Council adopted a series of conclusions in which it invited the Commission to evaluate and report on the potential for the European Union to facilitate and support increased coverage of appropriate disaster risk insurance and financial risk transfer markets, as well as regional insurance pooling, in terms of knowledge transfer, cooperation, or seed financing.

This Green Paper poses a number of questions concerning the **adequacy and availability of appropriate disaster insurance** and accompanies the Communication entitled "An EU strategy on adaptation to climate change".

CONTENT: the objective is to raise awareness and to assess whether or not action at EU level could be appropriate or warranted to improve the market for disaster insurance in the European Union.

More generally, this process will also:

- expand the knowledge base,
- help to promote insurance as a tool of disaster management and thus contribute to a shift towards a general culture of disaster risk prevention and mitigation,
- bring in further data and information.

Next steps: the Commission invites stakeholders to comment on all the issues set out in this Green Paper.

On the basis of the outcome of this consultation, the Commission will decide on the best course of action to take on the issues outlined in this Green Paper, **including legislative measures, as appropriate**.

Stakeholders are invited to send their comments before 30 June 2013.