

Parametric solutions as a contributor to closing protection gaps

Protection gaps, resilience index

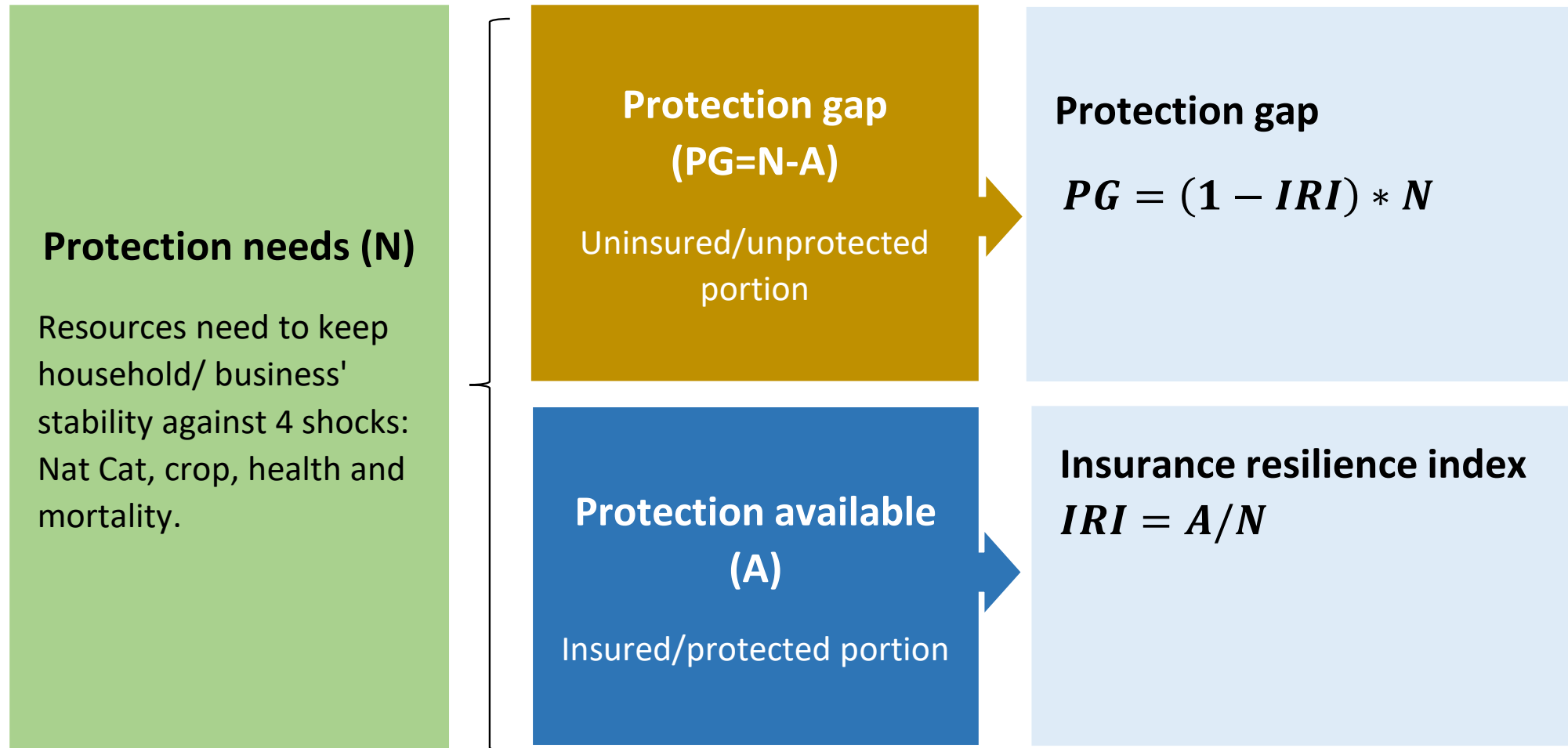
Li Xing

Natural Catastrophe Insurance Resilience

« capability against natural catastrophes (three major threats: floods, earthquakes and cyclone) »



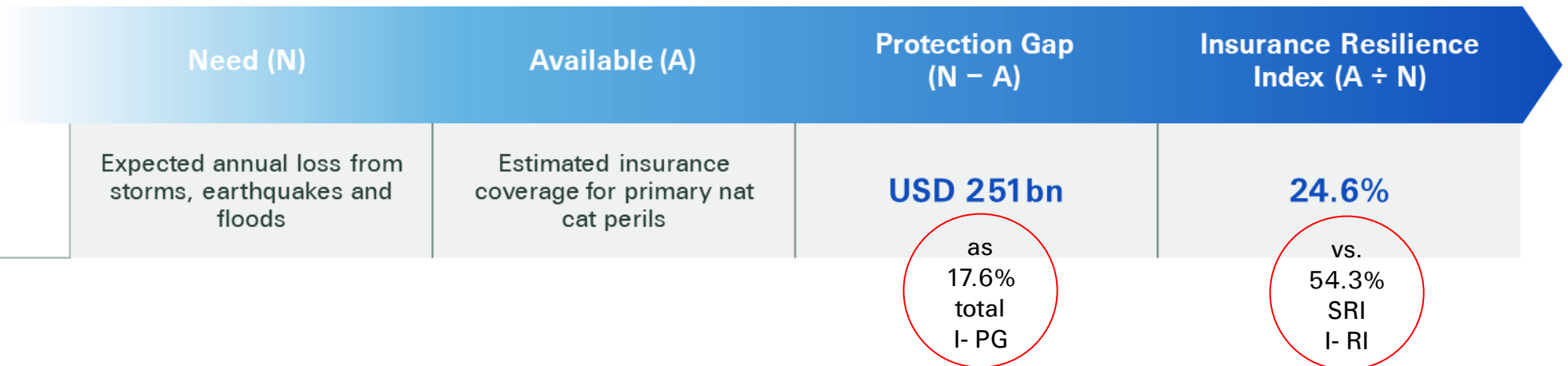
SRI Insurance Resilience Indices: Comparing protection in place with protection needed



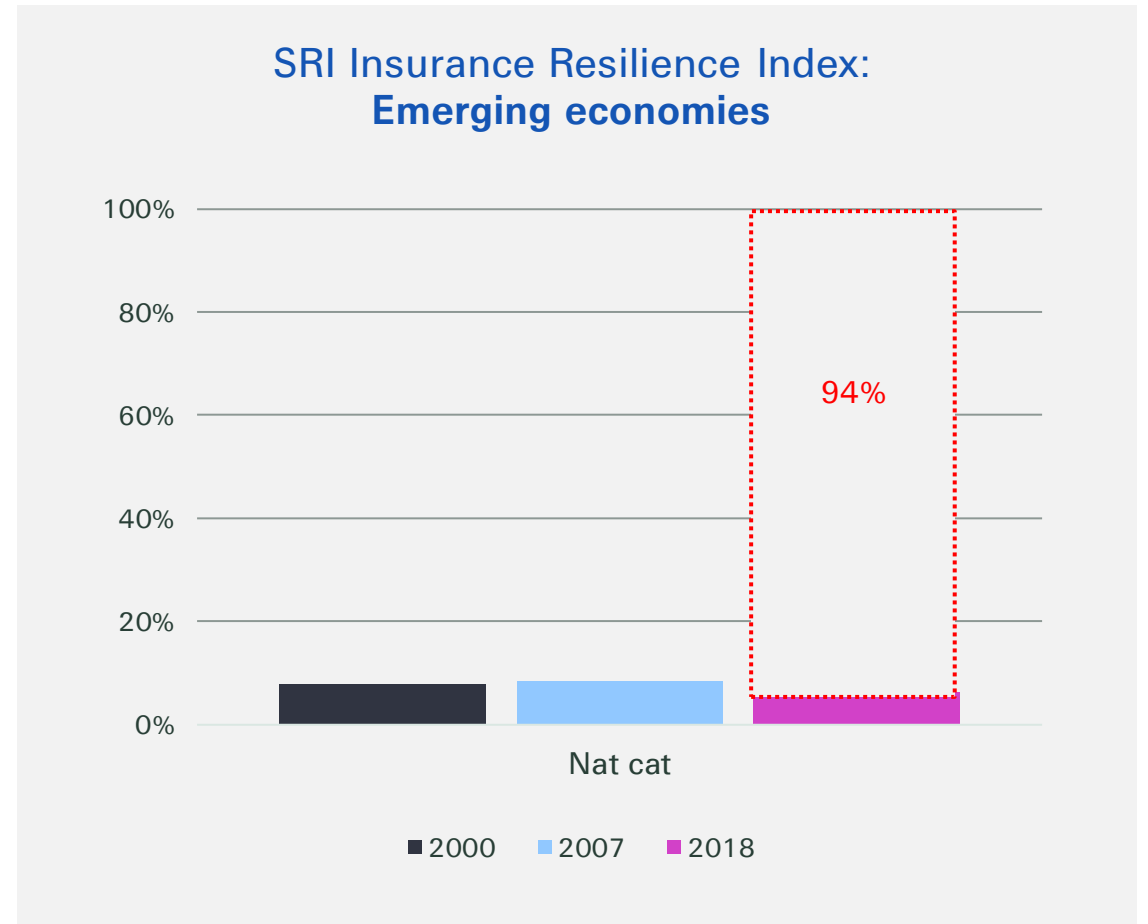
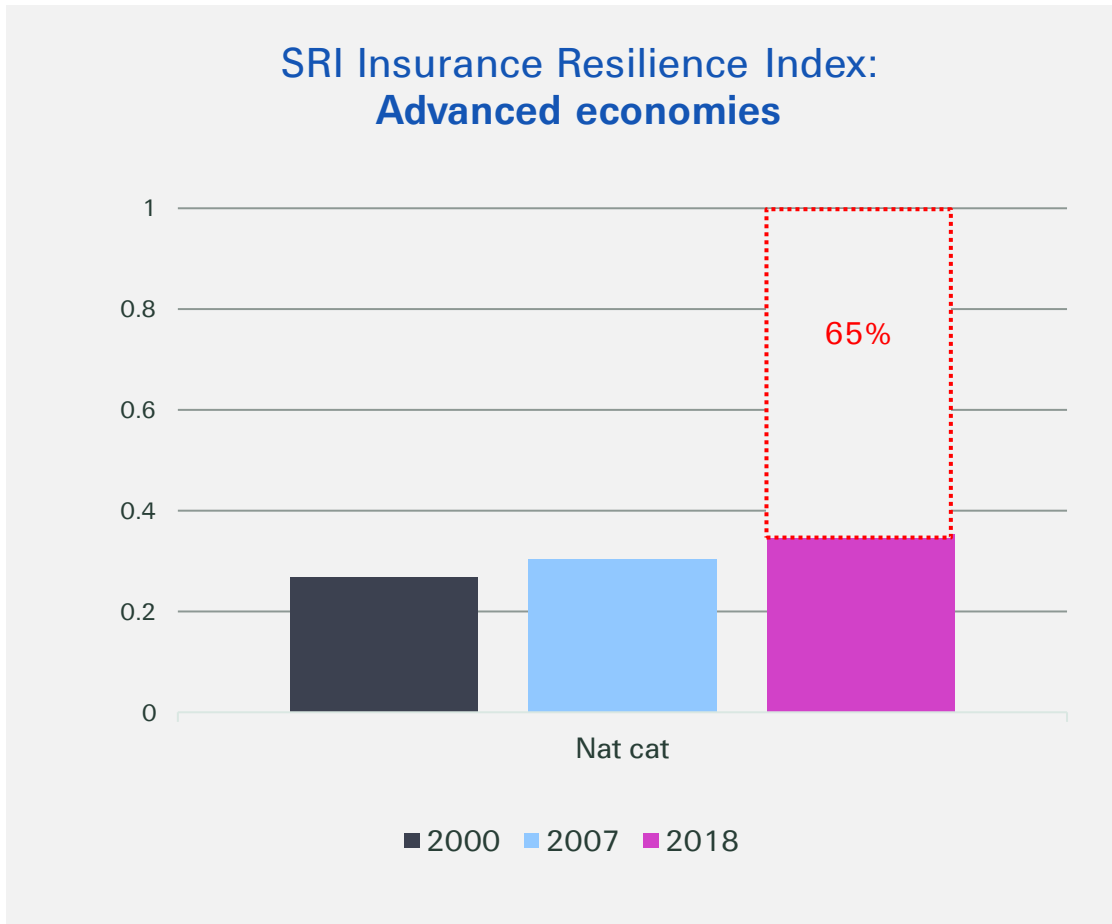
Large insurance protection gaps = Opportunity

Nat Cat protection gaps (USD billion) in premium equivalent, and resilience index in %, by region in 2021

	SRI Insurance Resilience Indices in % (I-RIs)				Protection Gap, USD bn			
	2010	2020	2021		2010	2020	2021	
SRI Composite Insurance Resilience index	54.8	54.2	54.3	→	973	1,379	1,420	↑
SRI Natural Catastrophe Resilience Index	24.5	24.8	24.6	→	169	216	251	↑
North America	39.5	40.1	39.4	↓	37	56	67	↑
Latin America	21.0	6.3	6.1	→	18	18	20	↑
Advanced EMEA	35.7	43.8	43.5	↓	18	17	21	↑
Emerging EMEA	8.7	8.7	8.6	→	28	33	40	↑
Advanced Asia-Pacific	21.2	23.5	23.9	↑	42	42	45	↑
Emerging APAC	6.2	5.8	6.2	↑	25	50	59	↑



The resilience gap remains huge, even as it improved in many region, and is particularly large in emerging markets



Insurance resilience bolsters the overall economy, especially for emerging economies


1) Effect of **more insurance coverage** for cat losses on economic variables

 stronger recovery (GDP growth)

 less government spending

 less private borrowing

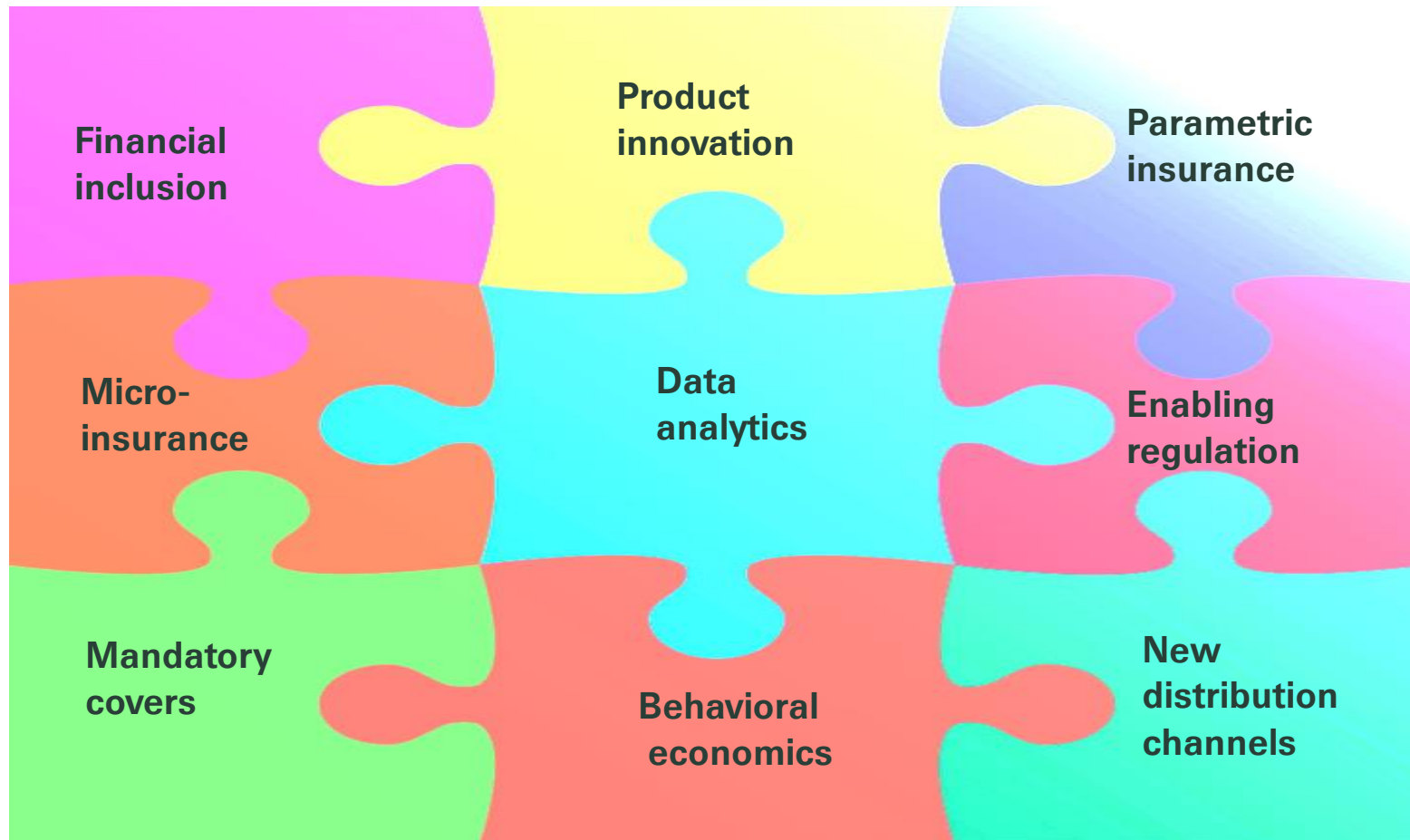
2) Variables correlated with **lower economic volatility**

 higher non-life insurance penetration

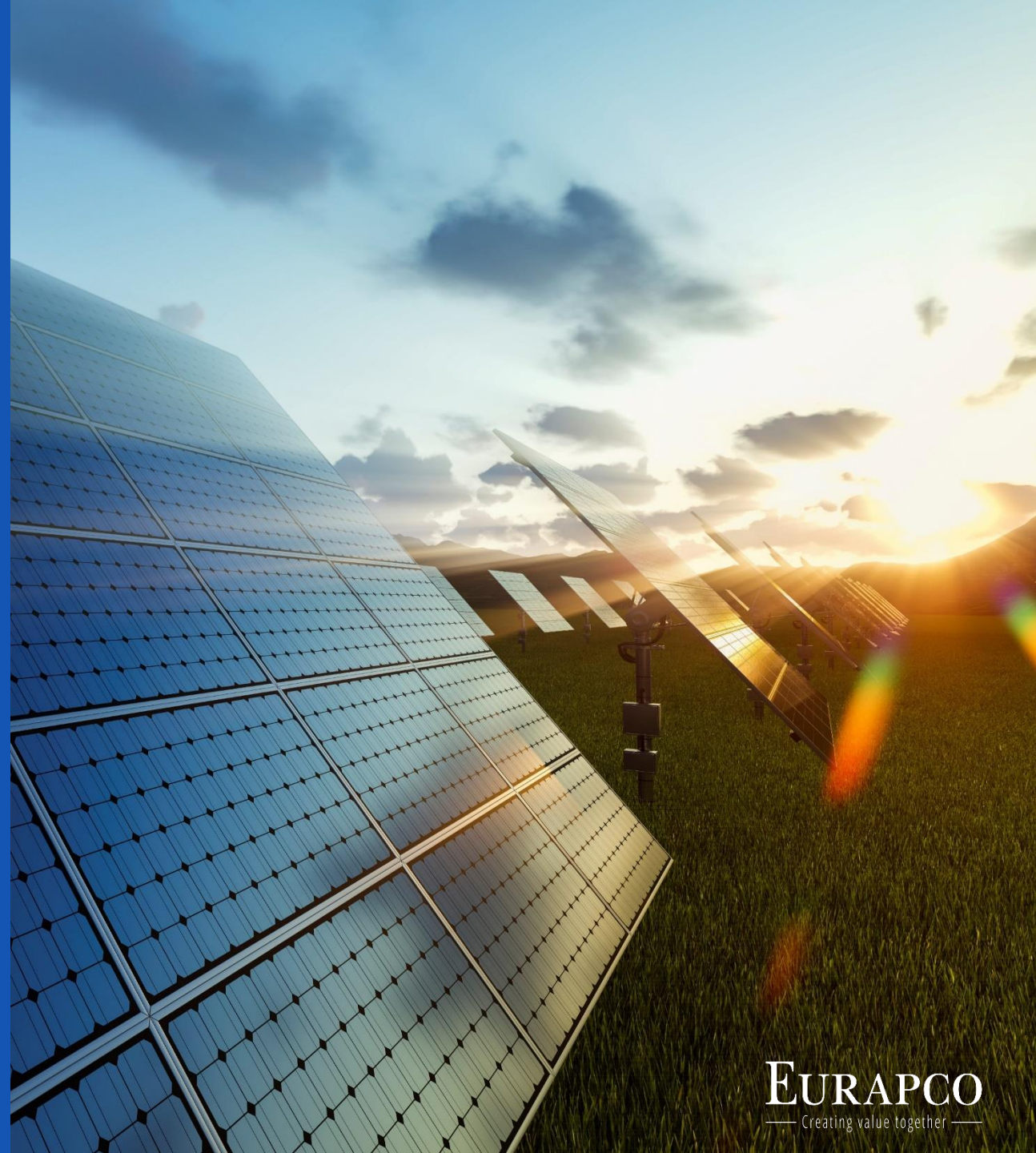
 above-potential GDP growth

 quality of economic institutions

Boosting the uptake of insurance: Cooperation among multiple stakeholders is needed



Thank you for your
attention!





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