

Insurance is an important mechanism for protecting societal wellbeing after an extreme weather or climatic disaster has occurred. The ability of insurance to provide a quick pre-determined injection of resources allows the recipient to recover from the disaster much quicker than they would have been able to otherwise. Moreover, designing insurance systems correctly can promote the policyholder to protect themselves more proactively from future disaster events. Therefore, a well-designed insurance can act as an adaptation mechanism that boosts multiple avenues of climate risk resilience.

However, recent developments within climate adaptation sciences and the looming biodiversity and climate crisis there is an increasing conversation on connecting insurance and nature to create resilience boosting synergies between the two. This can be through the development of insurance(-like) instruments that support the recovery process of post-disaster ecosystems, using ecosystem-based disaster risk reduction (eco-DRR) that can help insurance become more sustainable while providing multiple ecosystem services that boost community resilience through other avenues, or by applying insurance principles to ecosystem restoration and conservation to determine how robust the ecosystem is to potential damage. The emergent policy and scientific discussions can conflate these concepts within the idea of the “insurance value of nature”, in a similar way to which the concepts of vulnerability and resilience are also defined and employed. The insurance value of nature is a concept gaining traction within adaptation circles. This can be seen from the recent calls from the European Commission to more greatly consider the interconnections between the insurance sector and nature, especially as an untapped source of funding for nature-based solutions.

The presented work will critically assess the role and evolution of the concept of the “insurance value of nature” as it is being applied in practice as a concept guiding climate and extreme weather risk management strategies and investments. This will be done within the light of understanding where the responsibilities for adaptation lie. In addition to maximising the potential joint synergies and needs insurance and nature to successfully work together to boost climate and extreme weather risk resilience.