

2023 Overview

Preventives measures

Review of preventive measures introduced by
insurance companies
Climate risks

March 2024

Wavestone



We support major companies and organizations in their most critical transformations



17 countries
+5500 employees

Business
Technologie
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Revenue +800 M€

Overview



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**Objective and
scope**

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trends**

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**Overview of the
players**

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**Detailed description
of innovative
preventive measures**

This study covers almost 50 players in the insurance sector. It highlights major market trends and innovative use cases in climate risk prevention



01 Objective and **scope**



Objectives of the study



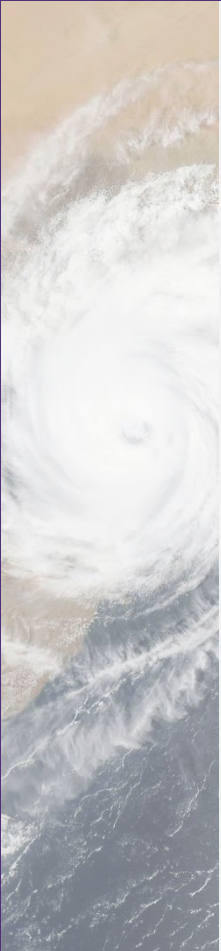
CHALLENGES FOR INSURERS

- / To understand the prevention strategy put in place by insurance companies to deal with weather-related losses for their customers
- / To analyse trends in the climate risk insurance market

OPPORTUNITIES FOR INSURERS

- / To identify best practices in the sector
- / To become aware of the most relevant innovations to implement for individuals

Prevention, a lever against climate risks



INSURANCE ON THE FRONT LINE

- › Climate change is manifesting itself in changes of the frequency, intensity and duration of extreme weather events, taking them to unprecedented levels
- › The cost of natural disasters has **tripled** between 1984-1989 and 2016-2021, putting pressure on insurers' ability to compensate their policyholders

+645%

of serious natural disasters per year⁽¹⁾ in France

up to
x6

of estimated increase of cost of claims in some departments by 2025

x3

of estimated increase in premiums to cover losses



INSURERS AND PREVENTION

- › Prevention refers to all measures designed to avoid a foreseeable event that could result in harm to the individual or the community
- › In the insurance sector, prevention makes it possible to **better anticipate and limit claims** (in terms of frequency and severity), and to **reduce the cost of premiums** for the insurer and the insured parties

The implementation of a *PAPI*⁽²⁾ by municipality allows to **reduce of** :

28%

their average cost of claims

50%

their S/P ratio⁽³⁾

53%

their destruction rate

⁽¹⁾ Over the period 2000-2020 compared with 1950-2000

⁽²⁾ Flood prevention action programmes

⁽³⁾ Ratio between compensation paid and contributions paid over a period

Sources : France Assureurs, Data.gouv.fr, CCR



02 Overview of the **players**

Key figures



46

Actors
studied

16

Climate risks
analyzed

6

Criteria used to qualify
preventive measures

225

Preventive measures
identified

80%

Of preventive measures
are informative

28%

Of preventive measures
targeting professionals
are effective prevention

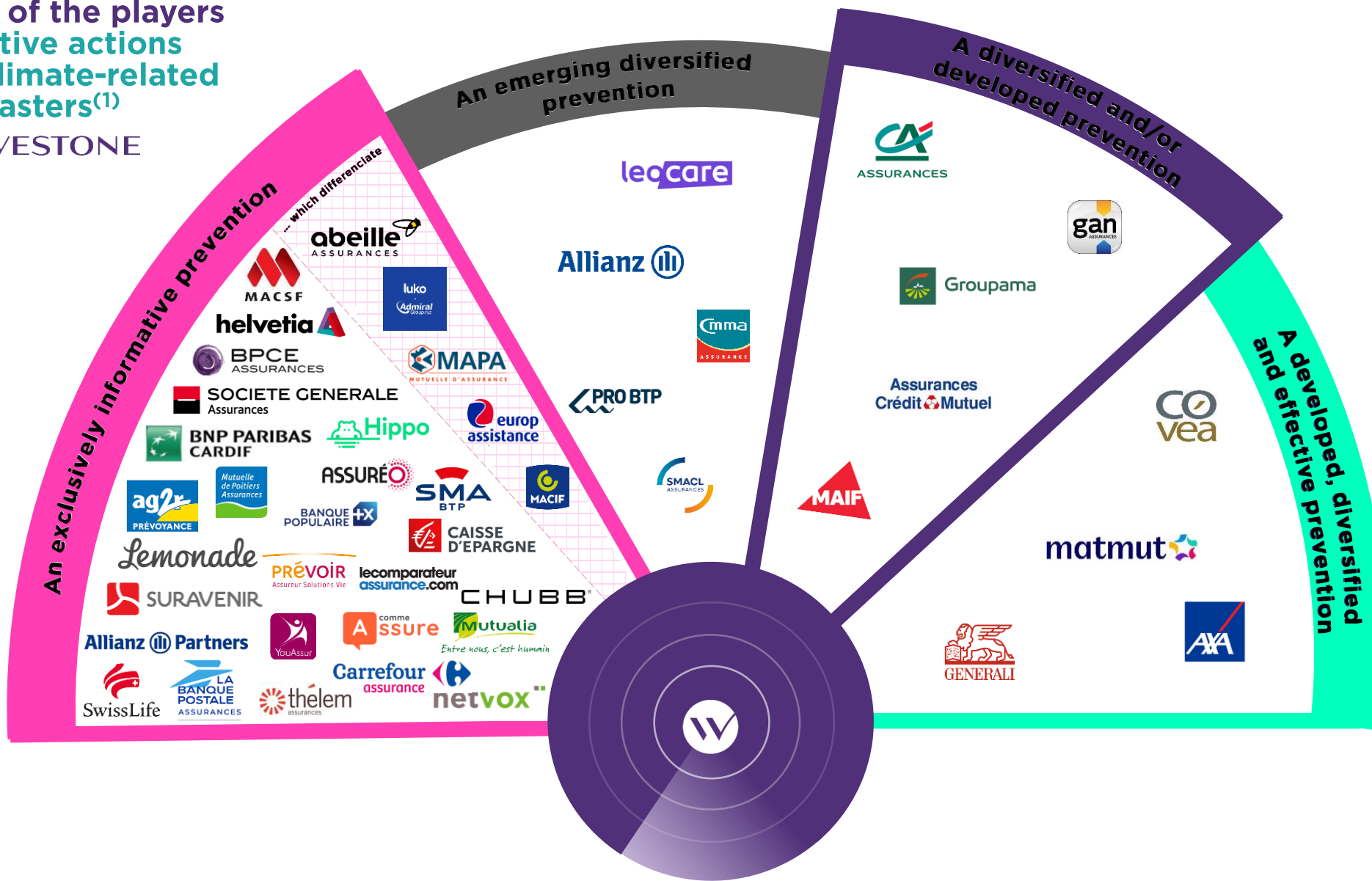
60%

Of innovative measures are
made in partnerships



Overview of the players Preventive actions against climate-related disasters⁽¹⁾

WAVESTONE



⁽¹⁾ Actions on which insurers have communicated aimed at customers (individuals and professionals) to reduce the intensity and/or frequency of their claims due to climatic events



03 Global trends



5 key trends to consider



A PRIORITIZATION OF THE COSTLIEST RISKS WHICH MUST ADAPT TO CLIMATE CHANGE

The insurers' strategy is to target the costliest risks, which implies continuous monitoring and a certain reactivity

TRADITIONAL INSURERS, A CENTRAL PLACE IN THE PROMOTION OF PREVENTION

79% of public limited insurance companies and 77% of brokers offer preventive actions against climate risks compared to 55% of mutual insurance companies and 19% of insurtechs

A MAINLY INFORMATIVE PREVENTION

French people are aware of natural risks but are insufficiently prepared. The main challenge for insurers is to raise awareness and inform the various sections of the public in order to develop a culture of risk

A LARGE NUMBER OF INITIATIVES FOR INDIVIDUALS, BUT BETTER TARGETED INITIATIVES FOR PROFESSIONALS

The majority of initiatives target or affect individuals; nevertheless, professionals benefit from a more specific and effective prevention that meets concretely their needs

A MORE EFFECTIVE PREVENTION THANKS TO THE PARTNERSHIPS AND THE USE OF TOOLS

Partnerships, whether with private or public players, play a role in preventing climate risks and providing access to technologies and market tools. Other players such as Covéa make the choice to develop in-house tools



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Detailed description of
innovative preventive
measures



Use cases that caught our attention



INITIATIVES PROPOSED BY SEVERAL PLAYERS

Instant road safety systems adapted to the weather



leocare

Games to discover climate risk prevention



INITIATIVES PROPOSED BY ONE PLAYER

matmut

Financing preventive work against natural hazards



Forest fire prevention tool for professionals



Prevention platform for farmers



Digital tool to diagnose exposure to natural hazards



Training and information platform for elected representatives



Connected bracelet to prevent heatstroke

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Wavestone, a leading independent consultancy headquartered in France, and Q_PERIOR, a consulting leader in the Germany-Switzerland-Austria region, joined forces in 2023 to become the most trusted partner for critical transformations. Drawing on more than 5,500 employees across Europe, North America and Asia, the firm combines seamlessly first-class sector expertise with a 360° transformation portfolio of high-value consulting services. Wavestone is listed on Euronext Paris and recognized as a Great Place to Work®.

Wavestone, a leader in the insurance industry



Wavestone brings together a team of over 250 consultants specialized in insurance. With a deep understanding of the market challenges and distribution methods, they have extensive experience across all types of risks (Property and Casualty, Health/Disability, Savings/Retirement) and work with various actors such as insurance companies, mutuals, bancassurers, and brokers.

Drawing on this expertise, our consultants are committed to offering pragmatic and business-oriented solutions, evaluating their impacts comprehensively (business, organizational, technological).

Our areas of expertise include:

- ✓ Customer Relationship, Distribution & Marketing Effectiveness
- ✓ End-to-end Operations Performance: Underwriting, Contract Management, Claims, Operational Resilience
- ✓ Data Management
- ✓ IT Operating Model
- ✓ Finance
- ✓ Sustainability

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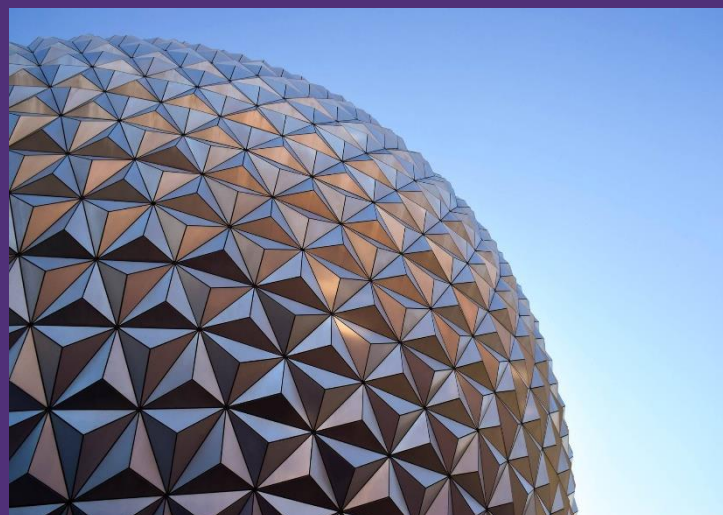
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RADAR 2023 OF GAFA INSURANCE SERVICES

12th of June 2023

[Link](#)



INSURTECHS RADAR 2023

4th of September 2023

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PANORAMA PRÉVENTION IARD

3rd of December 2023

[Link](#)