

What does climate change mean for insurance health and protection provision?

■ What is the issue?

The [UK Government Climate Change Risk Assessment \(CCRA\)](#) published in January 2012 re-affirmed that there is significant evidence climate change will impact on the health and wellbeing of many people in the UK over the next century.

The Assessment shows that while increased temperatures are likely to reduce Winter mortality and morbidity, hotter summers are expected to increase the risk of heat related death and illness by up to 60% in the next 20 years. The number of casualties due to flooding and the impact of floods on mental wellbeing are also both projected to increase from a current average of 4000 flood related mental health effects per year. In addition there is likely to be an increase in health problems caused by marine and freshwater pathogens and air pollution.

The insurance industry has focussed on its ability to respond to peak claims following an extreme weather event. However longer term planning that influences how health and social care is managed are just as important in mitigating impact.

ClimateWise members (principally ABI, Aviva, CII, Friends Provident and Legal and General) with leading environmental epidemiologists and public health practitioners reviewed data needs and industry response opportunities.

■ What are the implications?

Managing for local variability

Health impacts will vary depending on location. For example heat will have the largest impact in large metropolitan areas that can suffer from urban heat island effects, such as London, Manchester and Birmingham. ClimateWise members considered investigating the association between weather events and Critical Illness (CI), Income Protection (IP) and Private Medical Insurance (PMI) claims using data from the Continuous Mortality Investigation (CMI).

However lack of sub-national disaggregation in claims data and time-lags between onset of illness and the time of claim made such analysis inconclusive. To address this it is recommended that such sub-national disaggregation is considered in coding data sets in future.

Key messages

- **Local variability:**
Health impacts of extreme weather vary geographically requiring specific locational information to be factored into claims data. This is a departure from how claims information has previously been coded and analysed.
- **Prevention not exclusion:**
Vulnerable groups are likely to be most at risk. Engaging in the development of flexible cross-sector partnerships will be instrumental in protecting society's interests and the financial stability of insurance markets
- **A joined-up approach:**
Clients experiencing the impact of extreme weather events may benefit from products that link life and non-life cover.



an initiative facilitated by

However despite this gap qualitative assessments can be made based on expected trends. For example we know that heat will increase the incidence of respiratory and cardiovascular disease. It is suggested that scenario modelling is also used to consider the possible interaction of climate change with other significant trends such as an aging population, retiring later in life (meaning workplace onset of age-related health concerns) and escalating obesity.

Taking a preventative approach to protect the vulnerable

Climate change is expected to disproportionately affect the health of socially deprived groups and those with compromised health, including older people and the very young. Changes to health commissioning and a move to localism in service provision provide both challenges and opportunities for considering the role of insurance in preventing health inequalities and maintaining health and protection provision.

In October 2011 ClimateWise members participated in a cross-sector symposium “Climate Change, Risk and Resilience: Lessons for Health and Social Care” convened by the Adaptation and Resilience to a Changing Climate Network (ARCC) and the Social Care Institute for Excellence to share lessons on different sectors’ risk management strategies. A key recommendation was the need for platforms to make links and share information.

Existing relevant platforms/partnerships include:

- [Heat Health Watch](#) – Heat data provided by Department of Health, Welsh Assembly and Met Office
- [Heatwave Plan](#) – Resource updated annually
- [London Climate Change Partnership](#) - London Health and Social Care Climate Action Plan
- [Social Care Institute for Excellence](#) – Aims to mainstream sustainable social care

A joined-up approach – linking life and non-life provision

In an extreme weather event it is likely that both infrastructure/property (non-life) and health and wellbeing (life) are affected. However it is rare that such cover is looked at jointly. Considering the interaction can help prevention as well as improve the customer experience in being supported in an extreme weather event.

▪ What can you do?

- 👍 **Underwriters:** Consider scenario modelling to understand the possible interaction of climate change with other significant health related trends.
- 👍 **Product developers:** Consider the opportunities for providing linked life and non-life cover.
- 👍 **Claims managers:** Review the partnerships you have with the health sector. Are you working in the most effective way to protect the vulnerable and efficiently manage claims?

ClimateWise is the global insurance industry’s leadership group to drive action on climate change risk. This brief is the output of a ClimateWise Collaboration led by members. To contribute your views join us on www.linkedin.com (search ‘ClimateWise’) or for further information please contact the ClimateWise Secretariat: info@climatewise.org.uk | www.climatewise.org.uk | Tel: 020 7216 7530

