



THE ROLE OF THE INSURANCE SECTOR IN THE CLIMATE TRANSITION: CHALLENGES AND OPPORTUNITIES

The growing frequency of natural disasters in Brazil and around the world makes it clear that climate change is a systemic risk already shaping social and economic decision-making. At the global level, natural catastrophes generated losses of approximately US\$260 billion in 2025, with more than half still uninsured, highlighting a persistent protection gap, particularly critical in emerging economies.

Brazil offers a clear example of this challenge. Between 2020 and 2024, the country recorded around 4,500 climate-related events per year, nearly double the average observed between 2015 and 2019. Economic losses exceeded US\$37 billion over this period (2020–2024), with increasingly frequent extreme events continuing to push this figure higher.

Year after year, Brazil — widely recognized as a central player in global value chains, particularly in the food sector — is becoming increasingly exposed.

Droughts alone have resulted in approximately US\$140 billion in losses over the past 30 years. Despite the scale of these losses, protection levels remain low, reinforcing the need for continued efforts to expand insurance coverage. In Brazil's Northeast, for example, insurance coverage does not exceed 2%. Even in the South, known for its strong productive base, coverage remains limited at around 16%.

While North America and Europe typically show coverage levels close to or above 50%, emerging economies remain well below this level. The result is a dual imbalance: between economic and insured losses, and between the severity of climate risks and the availability of capital to address them.

Against this backdrop, we worked intensively throughout 2025 to bring the House of Insurance (Casa do Seguro) to COP30. Over ten days, the initiative operated as a multifunctional venue, hosting 60 high-level panels and



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