



URGENT NEED FOR BETTER ASSESSMENT OF RISK TO HUMAN WELLBEING POSED BY OCEAN CHANGE

Bermuda, May 8, 2018: A new report, released as the Ocean Risk Summit is set to get underway in Bermuda, points to the pressing need for accurate risk-assessments by business and governments to protect against unprecedented changes occurring in the world's ocean.

The global economy is increasingly reliant on the resources and services provided by the ocean, as well as its regulating effect on our climate system. This so-called 'blue economy' has a gross marine product of at least USD 2.5 trillion, with an underlying asset value of USD 24 trillion.

The report, *"Ocean Risk and the Insurance Industry"*, by Dr. Falk Nihörster, Director of Climate Risk Innovations, assesses how the global insurance sector, founded on the need to protect against loss in the marine shipping sector, now needs to equip itself for far-reaching impacts caused by ocean change. These impacts include coastal inundation caused by sea-level rise, intensifying storms as well as threats to human wellbeing caused by factors such as the loss of marine food resources and a growth in ocean-borne viruses.

The paper argues powerfully that new modelling systems are needed by the insurance industry to frame the multiple and inter-connected risks associated with changes which remain relatively poorly understood. In addition, governments must work to accurately assess the value of their coastal economies to ensure they are adequately covered for disruption and damage.

The paper also proposes ways in which the insurance industry can help incentivise greater mitigation strategies to help prevent worst-case scenarios occurring. One example is the recent Reef Resilience Fund launched in Mexico to encourage coral reef protection measures in areas dependent on tourism related to the Mesoamerican Reef.

Dr. Nihörster said: "This is a wake-up call to the insurance sector to focus on the risks emanating from ocean change. It makes clear there is urgent work needed to better prepare the industry, which in turn can help build resilience to economies and society most at risk from these impacts."

Examples of other areas which need to be better prepared for ocean risk include tourist regions, offshore wind farms, fisheries (both wild and farmed), major shipping ports and shipping businesses.

The paper concludes:

- Urgent action is needed to gather better data to create more accurate risk-assessments;
- A more joined-up approach is needed by government, business and other sectors in proposing ways to reduce risk;
- Developing countries can benefit from finance mechanisms to promote robust planning and mitigation measures.

XL Catlin's Leadership Team member and Chief Executive, Reinsurance Charles Cooper said: "We hope this report and the summit XL Catlin is co-sponsoring will focus minds on the tremendous potential impacts of ocean change. Ocean risk is among the biggest challenges we face, but it also brings opportunities. With the right approach, we can incentivise positive change to protect natural and human capital for the future."

For information on the summit go to OceanRiskSummit.com, [@OceanRiskSummit](https://twitter.com/OceanRiskSummit)

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Note to editors:

Ocean Risk Summit:

The report has been released on the eve of the first-ever summit focussing specifically on the concept of 'ocean risk'. It is taking place in Bermuda between May 8th and 10th and will see scientists, high level representatives of governments, the finance and the (re)insurance sectors consider specific risks posed by changes in the world's oceans caused by climate change and other man-made impacts such as pollution and overfishing.

The Ocean Risk Summit will focus on how governments and the business sector should respond to the risks of existing and projected changes in the ocean which until recently have been poorly understood.

Other ocean-related risks to be considered include the geopolitical and economic impacts of Arctic sea ice loss, threats to regional food security from overfishing and pollution, as well as the human cost of the spread of tropical diseases from water borne viruses. The summit will provide expert data and analysis to help businesses and governments identify their potential exposure to these and other ocean risks.

In 2017 XL Catlin launched its **Ocean Risk Initiative** to help identify solutions and build resilience at local, regional and global levels to the implications of ocean-related risk.

The summit is being sponsored by insurance and reinsurance group XL Catlin along with other scientific and Bermuda-based partners.

During the Summit there will be a number announcements being made and press releases issued. Visit the press centre for all updates: www.oceanrisksummit.com/MediaCentre

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