

Insurance for Climate Risk

Indemnity, Parametric and Hybrid Solutions



Date	3 November 2026, 9:30-18:00
Venue	ICMA Centre, Henley Business School, Reading RG6 6DL, UK
Format	One-day conference with a keynote address, two panels, and academic and industry research presentations
Attendance	Both in-person and online participation are available. However, conference speakers are required to attend in person.

Conference overview

Organised in collaboration with the Met Office, the conference will examine how climate change is reshaping the boundary of insurability. Changing hazard patterns, growing concentrations of exposure, and rising repair and reinsurance costs are placing pressure on households, businesses, public authorities, insurers and reinsurers. Traditional indemnity insurance remains central, but parametric and hybrid structures may provide faster and more predictable liquidity, complement existing cover, and help address protection gaps.

Parametric insurance can reduce claims-adjustment time and costs, but can also create basis risk and raise questions about data quality, model uncertainty, pricing, consumer protection and fairness. The conference aims to foster dialogue across disciplines, promote cutting-edge research, and surface actionable insights for navigating the fast-evolving insurance landscape in a warming world. Presenters are asked to explain the relevance of their work to a broad, interdisciplinary audience.

Keynote speaker: Professor Enrico Biffis

Enrico Biffis is Professor of Actuarial Finance at Imperial Business School and Academic Director of its Centre for Climate Finance and Investment. His research spans insurance and risk management, climate and nature-risk analytics, and data-driven parametric insurance. He has collaborated extensively with financial institutions, regulators and international organisations.

Panel 1. Indemnity, Parametric or Hybrid? Designing Climate Insurance for the UK and Europe

Climate change is testing insurance markets across the UK and Europe as changing hazard patterns and rising losses place pressure on premiums, coverage and capacity. Focusing on households, businesses, agriculture and public infrastructure, this panel will compare indemnity, parametric and hybrid approaches. It will ask which structures offer the best balance of breadth and accuracy of coverage, affordability, basis risk, speed and certainty of payment, claims costs, consumer protection and capital efficiency. The discussion will consider where parametric cover can complement—rather than replace—traditional indemnity insurance, drawing selectively on transferable international experience.

Panel 2. Keeping Flood and Wildfire Risk Insurable in the UK and Europe: Adaptation, Affordability and Public–Private Solutions

Climate change is contributing to rising flood and wildfire risk across the UK and Europe, while growing exposure and higher repair and reinsurance costs are placing pressure on insurance availability and affordability. This panel will examine how insurers, governments, businesses and households can prevent cover for exposed properties from becoming unaffordable or unavailable. It will consider risk-reduction investment, resilient rebuilding, catastrophe modelling, risk-based pricing, parametric and hybrid products, and public–private risk-sharing arrangements. The discussion will assess Flood Re's achievements and limitations—including eligibility gaps, resilience incentives and the transition beyond 2039—alongside other national European arrangements and emerging EU-level proposals.

Key themes and topics of interest

The conference will include academic and industry research presentations addressing a selection of the following topics.

1. Insurance contract design: indemnity, parametric and hybrid solutions

- Comparative performance across household, commercial, agricultural and public-sector climate risks
- Hybrid contracts combining rapid parametric liquidity with loss-based adjustment
- Trigger and payout design, including the measurement, management and communication of basis risk
- Claims speed and costs, moral hazard, adverse selection, capital efficiency, transparency and consumer protection

2. Climate science and hazard information for insurance

- Hazard observations and indices for rainfall, river levels, wind, soil moisture, flood depth, storm surge, drought and heat
- High-resolution climate and catastrophe modelling, reanalysis, satellite data and observational networks
- Attribution science and climate-conditioned hazard information for insurance applications
- Uncertainty, model risk and validation, and the translation of climate information into actuarial and financial decisions

3. Insurability, affordability and protection gaps

- The changing boundary of insurability under climate change
- Flood, wildfire, windstorm, drought and heat protection gaps in the UK, Europe and comparable developed markets
- Affordability, exclusions and underinsurance for households, farms, SMEs, corporations and public assets
- Public–private mechanisms, adaptation and resilience incentives, and the equity implications of risk-based pricing

4. Catastrophe modelling, reinsurance and market resilience

- Catastrophe models for indemnity, parametric and hybrid insurance portfolios
- Portfolio accumulation, correlated climate risks and tail events
- Climate scenario analysis and stress testing for insurers and reinsurers
- Reinsurance, insurance-linked securities, catastrophe bonds and weather derivatives
- Capital requirements, solvency, supervisory approaches, transparent analytics and model governance

5. Actuarial, financial and economic evaluation

- Actuarial approaches to climate-risk pricing, reserving and capital allocation
- Welfare and distributional comparisons of indemnity, parametric and hybrid insurance
- Demand for climate-risk insurance under affordability and liquidity constraints, including behavioural responses
- Risk-sharing among households, firms, insurers, reinsurers and public authorities, and financial innovation for adaptation

6. International experience and transferable lessons

- Evidence from parametric insurance in African, Asian, Latin American and small-island contexts
- Agricultural insurance, sovereign risk pools and humanitarian risk finance
- Transferability of trigger design, data systems, premium support and public–private arrangements to UK and European markets
- How differences in regulation, data, institutions and consumer protection affect what can—and cannot—be transferred

Registration

The conference is free of charge, but **registration is required**. Please register online at <https://forms.cloud.microsoft/e/H1YmWCvHMu> by **21 October 2026**.

Travel information:

- A **taxi** from Reading train station to the ICMA Centre takes about **7 minutes** and costs approximately **£10**.
- Alternatively, **local buses 20 and 21** run regularly from Reading train station to the campus. The journey takes about **10–20 minutes**, depending on traffic.

Contact

For questions, please contact: s.varotto@henley.ac.uk