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## AIDA WORLD CONGRESS

PARIS 2010

# CLIMATE CHANGE

## QUESTIONNAIRE

### ANSWERS TO THE QUESTIONS (see in blue colour)

#### Foreword

- 1. Climate change has been chosen as one of the topics for the AIDA World Congress to be held in Paris in 2010. Thank you for accepting to prepare a national report.*
- 2. This subject is obviously one of great importance, and very much has already been written on it. For an AIDA World Congress, the focus should naturally be on the impact on the insurance sector, and more precisely on the impact on insurance law – a domain in which AIDA can make a significant contribution. When preparing your report, please stress the legal aspects (legislation, regulation, policies, clauses, legal nature of new products, etc...) – even though describing the context will always be necessary.*
- 3. National reports will be particularly useful for such a subject where perceptions of the phenomenon may vary, and mainly, where the feared consequences of climate change can be widely different in the different regions of the world. Please see that your report gives the necessary information about the local context in which it is written (see part A of the questionnaire below).*
- 4. The questionnaire is indicative. Try to cover all points you find relevant for your country, but do not hesitate to include additional information and comments in part C below.*



## A. Your local context

In your country :

1. What is the degree of awareness of climate change and its consequences :

- in the general public **middle**
- in the business sector **middle**
- in the insurance industry **low**
- in public authorities ? **middle to low**

2. Which are locally the main expected consequences of climate change (please specify: “not applicable”/”medium risk”/”high risk”) :

- floods (including flash floods) **not applicable**
- rise of sea level **not applicable**
- melting of ice, of snow, avalanches **not applicable**
- earthquakes **medium risk to not applicable**
- storms, tornadoes **medium risk**
- heat waves, draught, fires **high risk**
- spread of diseases **not applicable**
- other adverse effects **not applicable**
- any favourable consequences ? **not applicable**

3. Which economic sectors, critical for your country, could be particularly affected :

- agriculture **yes**
- fisheries **yes**
- forestry **yes**
- energy **no yes**
- industry (which ?) **yes (e.g energy)**
- tourism **no**
- others ? **no**

4. Have some concrete measures already been taken or envisaged (other than in insurance sector – see B below) :

- legislation, regulation **yes**
- initiatives of economic agents **yes**
- others ? **initiatives of non economic/ non governmental agents**

5. How much is your country involved in international efforts and initiatives related to climate change :

- Kyoto Protocol **yes**
- International Strategy for Disaster reduction, Hyogo Framework **yes**
- National Platforms
- Emission trading systems **yes**
- others ? **Participation in Earth Hour 2008, 2009**

6. Please provide references to literature on climate change concerning your country.

1. **Air pollution and climate change: Sources – Consequences – Legal Frame, Aggeliki Kallia – Antoniou und Konstantini Samara – Konstantinou, introduction by Giorgos Kremlis, Athens, A. Sakkoulas, 2007 190 pages**
2. **Draft Report on the in-depth review of the third national communication of Greece, 2005) in <http://www.minenv.gr/4/48/g4800.html>**
3. **Greece National Report to the UN Commission on sustainable development, 2001, Hellenic Ministry for the Environment, Physical Planning and Public Works, in <http://www.minenv.gr/1/11/113/11300/csd9.pdf>**
4. **Energy map, energy tax and climate change: the global oil production increases, as the pressure for the imposition of energy tax grows. However, the uncertainty as regards to its effectiveness remains of high importance, Livieratos, Antonios, article, Epilogi, 34,issue no 332, page no 38-41,1996**
5. **Climate change : zero time for action, by Livieratos, Antonis, Christos S. Papaioannou, 2007, article, Epilogi : monthly economic review, serial 2007, issue no 448/449, pages 26-29**
6. **Climate change, Economical and Social Committee of Greece, (ESC opinion), Athens, ESC 25/01/2008, monographic\_series, 39 pages, <http://www.oke.gr/index-gr.htm>**

7. **Simulation of physicochemical biogenous aerosol procedures: Their influence to the air quality and the climate change of the Mediterranean area**, Rafaella-Eleni P. Sotiropoulou, Mytilene, 2005, Thesis- University of Aigaion, 192 pages
8. **Climate change, viable development and renewable energy sources. Searching for solutions as regards to the Greek environment**, Collective work, Ziti editions, 2009, 820 pages. This book contains the minutes of the 3<sup>rd</sup> Hellenic Congress of the Environmental Committee. It includes the 95 thesis which have been presented either orally or written, the speeches of internationally recognized invited spokespersons with very interesting results and research proposals as well as discussions between the participants

**B. Climate change and insurance** (*please stress legal aspects*)

1. Which are the lines of insurance that could be affected ?

- Property
  - Agriculture (crops, forestry, livestock). **yes all of them.**
  - Buildings. **yes especially the industry**
  - Business interruption. **yes**
  - Others (specify)
- Liability. **not that much**
- Transport, marine. **yes in transport**
- Life, health. **yes**

2. How are the risks linked to climate change to be defined?

- Problems of interference of human and natural causes  
(e.g. building in an area prone to being flooded) **yes**
- Problems of causal links **yes**  
(e.g. increase of losses often due to a combination of factors  
– natural, but also demographic and economic)

3. Insurers' measures of protection against excessive exposures

- Improvement of statistics **no because there are no sources available – data to be found only through university libraries and documents (PhD, master thesis etc.)**  
Cartography of risks **there is no public data available: only natura 2000**
- Raising risk awareness (communication campaigns, lobbying ...) **not much**
- Prevention **no**

- Limits of indemnity **the new President's decree 148/2009 that is implementing the Directive 35/2006 does not provide for such limit**
- Deductibles **yes**
- Exclusions **50 000 euro**
- Premium increases **yes**
- Cancellations **yes**
- Withdrawals from markets **not really but could happen if in the future the risks and damages are very high**
- Adaptation of reinsurance agreements (or develop under point 4 below) **yes**
- Cover or climate risks on the financial market **yes**  
(or develop under point 5 below)
- Others

### 3. Insurers' initiatives to develop « new products »

*N.B. Climate change is seen as opening new opportunities by a growing number of insurers. Some examples are listed below, but they are far from exhaustive and new products keep appearing. Please investigate the situation in your country and provide as much information as possible (obtaining models of clauses and policies would be extremely valuable).*

- New policies to cover the consequences of climate change
    - Coverage for producers of new energies (e.g. wind-mills) **yes but still in a very premature stage**
    - Liability of architects **yes**
    - D & O environmental liability **yes**
    - Micro-insurance products for developing countries **yes**
  - Climate risk management services, expertise **yes but still in a very premature stage**
  - New policies as incentives to reduce greenhouse gas emissions
    - "Pay as you drive" motor insurance **no**
    - "Energy saving", "Green-building" insurance **yes but still in a very premature stage**
  - Initiatives in the carbon market
    - Carbon credit insurance (covering failure to deliver emission rights) **no**
    - Options to buy carbon credits to offset emissions (vehicles) **no**
  - Others
- Environmental liabilities:**
- In the industry sector**
  - For big constructions**
  - For smaller constructions with lower risks**



**Transport of dangerous waste and other substances**

4. Reinsurance

In your country, what is the role of reinsurance companies with respect to the above problems?

**Significant**

5. ART (Alternative Risk Transfer)

Have any of the following techniques developed in your country in connection with climate change:

- Derivatives **not yet**
- Swaps **not yet**
- Cat bonds **not yet**
- Others? **Fonds**

What is the legal nature of these different products? Can they qualify as “insurance”? **no official statement but in our opinion “yes” depending on the structure of the products.**

6. Cooperation or competition with public sector

What is the state of cooperation (or competition) between public authorities and the insurance sector in your country in issues related to climate change? **None**

Are there specific public schemes concerning some of the risks involved ? **No**

**C. Any additional information or comments**

Thank you !

Prof. Marcel FONTAINE  
August 2008