

PRESS RELEASE

Public-private insurance programmes must boost risk reduction to keep disasters insurable, finds Geneva Association report

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From floods and fires to cyberattacks and pandemics, natural and man-made disasters are becoming more frequent, more costly, and harder to absorb – exposing the limits of traditional insurance and post-crisis government relief. With uninsured losses mounting and public budgets under strain, policymakers and industry leaders face an urgent question: how can societies maintain affordable, reliable protection as disaster risks intensify?

[A new Geneva Association report](#) focuses on the role of public-private insurance programmes (PPIPs). Working from a three-pillar framework to narrow protection gaps – investing in risk reduction, strengthening private insurance markets, and using PPIPs as targeted risk-sharing mechanisms – the report analyses 14 existing PPIPs. It finds that while many programmes have successfully stabilised markets or expanded coverage, persistent challenges include heavy financial liabilities, crowding out private-sector players, and – most importantly – insufficient incentives for risk reduction.

A well-designed PPIP effectively navigates four guardrails, namely:

- Ensuring fair access to coverage at affordable prices (social guardrail)
- Protecting public finances and making the state a reinsurer of last resort (fiscal guardrail)
- Encouraging private-insurance participation, ensuring the industry bears a sustainable level of risk (market guardrail)
- Paying claims quickly (operational guardrail)

Jad Ariss, Managing Director of the Geneva Association, said, “Public-private insurance programmes can’t just be passive shock absorbers that pay out after disaster strikes. To remain viable in a world of escalating risks, they must become resilience engines – reinforcing prevention, strengthening incentives to reduce exposure, and helping societies recover faster with less pressure on public budgets.”

Hélène Schernberg, Director Public Policy & Regulation at the Geneva Association, added, “PPIPs are complex to design and can be costly for governments. Policymakers therefore need a structured decision process: substantiate the protection gap, exhaust risk-reduction measures and enhancements to private insurance markets, define the

exposures that warrant intervention, and make an explicit fiscal case for the residual risk the state is willing to absorb."

The Geneva Association is the think tank for global insurance industry comprised of re/insurance CEOs. We investigate key risk areas that are likely to impact the insurance industry and develop stakeholder recommendations. In total, the companies of Geneva Association members are headquartered in 26 countries around the world; manage USD 21 trillion in assets; and protect 2.6 billion people.

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