

Zurich's Roadmap to Building Climate Resilience in a More Volatile World

Kuala Lumpur, 13 May 2025 – Zurich Insurance Group (Zurich) has released a report, ["Climate Risks: Strategies for Building Resilience in a More Volatile World"](#), emphasising the urgent need for coordinated action against the rising threats posed by extreme weather and natural catastrophes. The report outlines the increasing costs of these events, highlights the role of insurance, and offers recommendations for policymakers to build resilient societies and economies.

Extreme weather events such as hurricanes, floods and wildfires caused about USD 2 trillion in economic losses over the past decade according to the International Chamber of Commerce. The frequency and intensity of these events are increasing, potentially exacerbated by long-term climate shifts like temperature variations, rising sea levels and changes in precipitation patterns.

"The insurance industry is uniquely positioned to help strengthen resilience to physical climate risks," said Alison Martin, CEO EMEA and Bank Distribution. "However, addressing the escalating costs of extreme weather and natural catastrophes requires collective and immediate action. Our paper provides a roadmap for how governments, insurers and communities can collaborate to meet the growing challenges posed by extreme weather and natural catastrophes."

Insurance is crucial in protecting households, businesses and governments, helping them recover financially from the effects of natural catastrophes. However, insurance coverage is not keeping up with growing losses, leading to more underinsured or uninsured households and businesses.

Zurich advocates for a new approach that focuses on risk reduction and extending insurance coverage to protect communities and businesses. The insurance industry can provide risk management insights and capabilities to strengthen resilience to physical climate risks. By de-risking capital flows, the industry can also help unlock the necessary finance to build the infrastructure required to deliver that resilience, enhancing the protection provided by insurance.

Teresa Wong, Chief Risk Officer - General Segment / Head of Sustainability Risk at Zurich Malaysia, emphasises "The growing volatility of climate-related disasters globally demands that we reframe the role of insurance and takaful beyond traditional risk transfer. While financial protection remains critical, our focus must also shift towards risk prevention, reduction, and resilience-building strategies. This is particularly relevant in Malaysia, where our Climate Resilience Survey highlights that more than half of respondents feel unprepared, with many citing financial constraints as a key barrier to readiness. As insurers, we must harness our risk expertise to support customers and communities not just in recovery, but in building long-term adaptive capacity. Now more than ever, strengthening climate resilience is fundamental to ensuring protection remains accessible and sustainable in the face of escalating risks."

However, the insurance industry cannot tackle this challenge alone. A coordinated effort between the private and public sectors is needed. This paper makes three recommendations for policymakers:

1. **Invest in risk prevention and reduction:** Governments should make formal commitments to strengthen climate resilience through robust strategies and the implementation of building codes and urban planning regulations. Measures include building climate resilience into national planning, establishing national centres of competence, and making more effective use of technology, data analytics and scientific research.
2. **Enhance insurance accessibility and affordability through supportive policy frameworks:** Governments can raise awareness of extreme weather risks and offer incentives for households and businesses to obtain adequate insurance. This can be achieved by establishing a regulatory environment that sustains market capacity, attracts new entrants, and fosters competition and innovation to broaden coverage options for consumers.

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3. **Develop public-private risk-sharing solutions to raise finance climate resilience:** Innovative solutions such as blended finance and (re)insurance pools can help share resources and distribute risks, improving affordability and preventing the development of “insurance deserts.” Public-private partnerships (PPPs) can enhance insurance accessibility and affordability, especially in higher-risk areas.

Zurich remains committed to working with stakeholders worldwide to build a more resilient future, ensuring that communities and economies can thrive despite the growing challenges posed by climate risks.

For more information on Zurich Malaysia’s insurance and takaful plans, please visit zurich.com.my.

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Notes to editor:

About Zurich Malaysia

Zurich Malaysia is a collective reference term for the Zurich Insurance Group (Zurich) business subsidiaries operating in Malaysia: Zurich General Insurance Malaysia Berhad, Zurich Life Insurance Malaysia Berhad, Zurich General Takaful Malaysia Berhad and Zurich Takaful Malaysia Berhad. Zurich Malaysia offers a broad range of comprehensive insurance and takaful solutions; helping individuals as well as business owners understand and protect themselves, their businesses and their assets from risk. Zurich Malaysia has an integrated branch network in major cities nationwide as well as dedicated agency and distribution channels nationwide to serve the needs of its customers. For further information on Zurich Malaysia, visit www.zurich.com.my.