



Briefing on CBD COP 17 and Insurance

**Insurers and the Global Biodiversity Framework:
Managing risk, unlocking finance, enabling the transition**

Briefing note for the 17th meeting of the Conference of the Parties to the Convention on Biological Diversity (CBD COP17), Yerevan, 2026. Prepared by UNEP FI's Principles for Sustainable Insurance (PSI) and the UNDP Insurance and Risk Finance Facility (IRFF) for Parties and negotiators, environment and finance ministries, insurance supervisors, development banks and other funders of biodiversity action, and participating insurers and public risk carriers.

This briefing note sets out where insurance, through risk management, risk transfer and investment, can support implementation of the Kunming-Montreal Global Biodiversity Framework (GBF); how insurance connects with the wider nature finance architecture; and what would enable insurance for nature to move from emerging practice to scale. It draws on the work of PSI and IRFF with insurers, reinsurers, brokers and public risk carriers, and does not speak on behalf of PSI members or any individual institution.

In a changing climate, nature is critical infrastructure. Healthy ecosystems can reduce the occurrence, severity, extent and consequences of storms, coastal and inland floods, landslides, droughts and wildfires. Delivering the GBF can help maintain and restore nature's protective functions.

Insurers can help turn ambition into implementation. Insurers can help quantify the risk reduction and resilience benefits of healthy ecosystems and provide cover to protect conservation and restoration outcomes as well as de-risk investments in nature. As investors, they can direct long-term capital to nature. Across their insurance and investment portfolios, insurance companies can support the transition of sectors with significant nature-related dependencies and impacts.

Ambition to mainstream nature in insurance needs enabling conditions to match. This means accelerated GBF implementation; closer alignment of nature, climate adaptation and disaster risk plans and financing; recognition of insurance and risk transfer in nature finance plans; and clear policy signals, credible sectoral pathways, coherent regulation, practical methods and public-private collaboration.

1. Why now: The first global review and the place of insurance

COP17 will undertake the first global review of collective progress in implementing the GBF. The global report [1] prepared for the review finds unprecedented engagement but uneven progress, and shows that the world is not yet on track. Implementation needs to accelerate rapidly if the 2030 targets and mission are to be achieved. Means of implementation, including resource mobilization, remain below what is required.

The GBF [2] gives the financial sector a distinct role in both risk management and resource mobilization: Target 15 asks governments to ensure that financial institutions assess and disclose their dependencies, impacts and risks on biodiversity, and Target 19 calls for resources to be mobilized from all sources, including private finance. Yet the global report indicates limited progress in mobilizing and tracking private sector finance, and Targets 15 and 19 are among those least often reported as on track.¹ UNEP FI's forthcoming finance report card for COP17 reaches a compatible conclusion: the financial system has built a credible architecture for nature, but flows are not yet aligned at the scale or speed that the 2030 targets require [4].

Insurers can make a distinctive contribution to GBF delivery through their roles as risk managers, risk carriers and investors. As risk managers, insurers bring risk and claims experience and growing work on nature-related risks and nature-based resilience, which can help quantify and model how nature loss translates into financial risk and how healthy ecosystems can reduce it. As risk carriers, they can provide insurance solutions that protect conservation and restoration outcomes and de-risk financing for and investments in nature. As investors, they can direct long-term capital towards nature. Across their insurance and investment portfolios, insurance companies can support the transition of sectors with significant nature-related dependencies and impacts. But although insurance products appear in the GBF monitoring framework [5] as a reportable form of private finance, they lack agreed metrics and are not yet systematically reflected in resource mobilization decisions or national biodiversity finance planning.

2. Nature degradation amplifies climate-related risks and losses

The costs of climate-related risks are already rising for insurers, households, businesses and governments: economic losses from natural catastrophes reached US\$ 318 billion in 2024, of which just US\$ 137 billion was insured [6]. Climate change is exacerbating many natural perils and hazards, while ecosystem degradation can further amplify their occurrence, intensity, extent and consequences by weakening the natural protection provided by forests, wetlands, floodplains, reefs, coastal habitats and healthy soils.

1 UNEP's *State of Finance for Nature 2026* [3] gives the wider picture, with US\$ 220 billion invested in nature-based solutions in 2023 against US\$ 7.3 trillion in finance flows directly harmful to nature.

Inland flood: A loss of 10% natural forest area was linked to 4–28% more frequent floods across 56 developing countries [7]; restoring eroded upland peat in the United Kingdom cut peak storm flows by up to 49% [8].	Coastal flood: Coral reefs dissipate c. 97% of wave energy [9]; mangroves avert more than US\$ 65 billion in flood damage a year and protect 15 million people from flooding [10].	Drought: Large-scale tropical deforestation reduces rainfall and can lengthen dry seasons [11, 12]; forest loss has intensified meteorological drought in over half of affected regions [13].	Wildfire: In Sumatra and Kalimantan, undisturbed forest stopped fires within 2 km, even in drought, but now covers under 5% of the land [14]; in California, forest management lowered the premium of a wildfire policy by 39% [15].
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As degraded ecosystems amplify these hazards, insurers face rising claims costs, greater loss volatility and growing challenges in assessing and quantifying risk, resulting in growing pressure on the affordability and availability of insurance. Where insurance becomes unaffordable or unavailable, losses fall on households, businesses, lenders, investors and public budgets, threatening financial stability, straining fiscal space and eroding macroeconomic resilience.² Where degradation continues, inaction can result in even more losses. Insurers and public risk carriers can help compare the cost of inaction with the value of action, in financial and fiscal terms.

Nature is critical infrastructure. Healthy ecosystems can reduce risk before losses occur. Accordingly, they can reduce losses for insurers, lenders and investors, make insurance more affordable and available for households and businesses, contribute to financial stability and lower costs for public budgets. Nature-based measures can complement emissions reduction, adaptation and engineered defences, while also delivering biodiversity, water, carbon and livelihood benefits; they do not replace them. Protecting and restoring climate- and hazard-regulating ecosystems through the GBF, is therefore not only an environmental objective, but a priority to improve insurability, financial stability, fiscal space and economic resilience.

Priorities for COP17

- Accelerate GBF implementation by addressing the gaps in means of implementation identified in the global review.
- Align national biodiversity strategies and action plans with national adaptation plans, disaster risk reduction strategies and disaster risk financing, so that investments in nature, adaptation and resilience reinforce one another.

Reference to CBD COP17 agenda item: global review of collective progress; biodiversity and climate change.

² Two recent reports examine this: WWF's *Tackling the Insurance Protection Gap* [16], on developed economies, and the V20-Sustainable Insurance Forum landscape study, *Resilient MSMEs, Resilient Economies* [17], which covers low insurance penetration in emerging markets.

Resource: The Climate-Nature Nexus Atlas

Developed through the PSI by 50 insurers, reinsurers and brokers with support from technical advisors, the Climate-Nature Nexus Atlas synthesizes 370 peer-reviewed and institutional sources on how ecosystem extent and condition influence the occurrence, intensity, extent and consequences of 12 climate-related perils. It identifies 148 significant relationships across 108 ecosystem types and launches at COP17 as part of the PSI Nature-Aware Underwriting Toolkit, helping insurers translate climate–nature relationships into risk assessment and underwriting processes.

3. Insurers can unlock and scale finance for nature

Insurers can help unlock and scale finance for nature through three roles: risk management advice, risk transfer and investment. These roles operate in two related ways. **Insurance for nature** uses insurance and risk-financing mechanisms to protect ecosystems, nature-dependent communities, conservation and restoration activities or investments in nature. **Nature-aware insurance practices** integrate nature-related dependencies, impacts, risks and opportunities into risk advice, underwriting, claims and investment decisions.

Resource: Insuring a Resilient Nature-Positive Future

The **PSI Working Group for Nature** was established in 2024, and brings together more than 50 insurers, reinsurers and brokers and more than 20 technical partners.

Insuring a Resilient Nature-Positive Future is the PSI Working Group for Nature's global guide on priority actions for insurers to contribute to the goals of the Global Biodiversity Framework and assists insurers in addressing nature-related dependencies, impacts, risks and opportunities across the underwriting value chain [18].

Insurance for nature. This includes products and risk-financing mechanisms that protect ecosystems, conservation and restoration activities, ecosystem-dependent communities or investments in nature against defined risks. Examples include parametric cover for essential ecosystems such as reefs, mangroves, mountain ecosystems and watersheds; cover for the delivery and performance of restoration; and guarantees, political risk cover and credit enhancement that lower investment risk. They can be provided by private insurers, sovereign risk pools, national catastrophe schemes and public guarantee institutions.

Insurance for nature includes, for example, **insurance for human–wildlife coexistence**. In Argentina, Nepal and Sri Lanka, UNDP is working with governments and local insurers to use insurance to address losses from human–wildlife conflict. In Argentina, insurance compensates livestock farmers for losses caused by jaguar predation, reducing the financial cost of living alongside this threatened species and the incentive for retaliatory killing. By protecting livelihoods from the costs of coexistence, insurance can form part of a broader biodiversity finance approach alongside investment in conservation.

Resource: Designing Insurance for Nature: A Practical Guide

This guide provides practical guidance on how to design insurance for biodiversity and ecosystems, including concepts, case studies and recommendations for countries preparing national biodiversity finance plans and for practitioners [19].

Nature-aware insurance practices. Risk advice can direct client investment towards nature-based solutions. Underwriting can recognize the protective value of ecosystems, so that improved terms or retained capacity become a return for maintaining that protection. Insurance payouts can build back better by restoring natural protection as assets are repaired. Investment can deploy insurers' balance-sheet capital into resilience. Public risk carriers, from national schemes and public-private pools to sovereign risk pools, can apply the same logic where their mandates allow, through their terms, levies and payouts.

Resource: NATURANCE Compendium of nature-related insurance products

This review provides guidance and more than 45 case studies of nature-related insurance products in practice, from parametric reef cover to premium discounts for nature-based risk reduction [20].

Where insurance fits and what it needs. The starting point should be the conservation or financing need, not the insurance product. Insurance for nature can transfer risks that constrain investment or fund recovery after defined events and, in emerging practice, release funds ahead of forecast ones such as El Niño.³ However, it needs measurable and insurable risks, viable premium funding and clarity on who benefits and pays. Nature-aware insurance practices can create incentives for nature-positive action, but translating evidence on ecosystem value and nature-related risk into underwriting, pricing and investment decisions remains challenging. Scaling both insurance for nature and nature-aware practices requires practical methods, policy frameworks that recognize nature-based risk reduction, mechanisms that compensate those who maintain protective ecosystems and public-private arrangements that address affordability and allocate risks to those best able to carry them. Insurance therefore complements public finance, conservation investment and other biodiversity finance instruments, rather than substituting for them.

Partnerships and inclusion. Insurance for nature is developed with governments, conservation trusts, development banks and donors, which may fund or hold the cover and support management of the relevant ecosystems. Nature-aware insurance practices operate through insurers' relationships with clients, brokers, reinsurers, investors and public risk carriers. Small-scale producers and small businesses are often highly reliant on these ecosystems, yet among the least likely to be insured. The rights, knowledge and participation of Indigenous Peoples and local communities should be recognized, with appropriate safeguards and equitable benefit-sharing embedded in the design of mechanisms affecting the ecosystems and livelihoods they steward.

3 In Colombia, the Páramo Wildfire Resilience Facility, in pilot development, pairs parametric wildfire cover for the páramos that supply Bogotá's water with a fund for risk reduction before fires occur [21].

Priorities for COP17

- Insurance and risk transfer should be considered among the instruments in national biodiversity finance plans
- Clarify how insurance products can be counted under the monitoring framework
- Insurers' experience of what deters investment should be brought into the work on impediments to biodiversity finance.

Reference to CBD COP17 agenda item: resource mobilization; monitoring framework.

4. Mainstreaming nature in insurance and enabling the economic transition

The global report finds that mainstreaming biodiversity into policies and decision-making remains at an early stage, and that accelerated action is urgently needed, particularly on the underlying drivers of biodiversity loss. Draft decisions before COP17 ask Parties to invite business and financial institutions to bring biodiversity into their business models, operations, value chains and transition plans, and encourage these institutions to use existing methods on impacts and dependencies to guide decisions.

Mainstreaming through a nature-aware insurance approach. Insurers can support nature mainstreaming by integrating nature-related dependencies, impacts, risks and opportunities into strategy, governance, underwriting, claims and investment. This means assessing how insurance and investment portfolios depend on and affect nature, then using the results to inform which risks are accepted, on what terms and where capital is allocated, with the aim of avoiding and reducing harm and supporting positive outcomes for biodiversity. This remains an emerging practice. Methods are still developing, and building capacity across national insurance markets and public institutions will be important for the practice to take hold.

Resource: Nature Uncovered for Insurers

The **PSI Working Group for Nature's** Nature Uncovered for Insurers series, *Rooted in Risk* [22] and *Breaking Ground* [23], sets out how insurers can assess nature-related dependencies, impacts, risks and opportunities in underwriting portfolios and act on the results.

Enabling the economic transition. The global report points to action across sectors and value chains with significant impacts and dependencies on biodiversity. Insurers work with many of these sectors, such as agriculture, forestry, fisheries, infrastructure, energy and extractives, as risk advisers, underwriters and investors. They can support the transition by advising clients on reducing pressures on nature, helping make businesses in transition and new business models and practices insurable and investing in the change.

Resource: Navigating Nature-Related Financial Risks and Opportunities: A Practical Roadmap for Insurance Supervisors

UNDP's Sustainable Insurance Forum will launch *Navigating Nature-Related Financial Risks and Opportunities: A Practical Roadmap for Insurance Supervisors* on COP17 Finance Day. Designed specifically for insurance supervisors, it translates international guidance into a flexible five-phase pathway for action within existing mandates and processes. The phases cover internal capacity, priority nature-related financial exposures, supervisory expectations, engagement and review, and the development, application and refinement of tools. Case studies in each phase draw on the work of supervisors and regulators across jurisdictions, showing what these steps look like in practice [24].

Priorities for COP17

Ambitious action by business and finance is most effective when supported by four conditions:

- Clear policy signals that create the certainty and structures for private finance
- Credible transition pathways for affected sectors
- Coherent regulation across government and with the market
- Effective public–private collaboration, in which insurers are included in designing sectoral pathways and biodiversity finance plans.

Reference to CBD COP17 agenda item: mainstreaming of biodiversity within and across sectors.

How to use this document

For Parties and negotiators: Evidence and examples from insurance are relevant to three agenda items—biodiversity and climate change (section 2), resource mobilization (section 3) and mainstreaming (section 4).

For ministries, development banks and funders: Sections 2 and 3 show where insurance and risk transfer fit in adaptation, disaster risk and biodiversity finance planning.

For insurers and public risk carriers: This document can serve as a shared reference for engagement at COP17 and beyond.

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