



### Welcome

Good morning everyone, and welcome. I'll keep my opening remarks brief, as we have a number of important insights that we'd like to share with you today.

We have come together today to discuss flood risk in Ireland and how it might evolve into the future. It's important that we acknowledge that much good work has already been done in respect of flood risk by many of the individuals and organisations present here. For example, the work of the Met Eireann TRANSLATE project to develop more accurate flood forecasting, and to predict the impacts of climate change, and the work of the Office of Public Works (OPW) to develop flood maps and construct flood defences in parts of the country vulnerable to flooding. The insurance industry plays a very important role in protecting consumers and businesses from the full impact of large, unpredictable events, such as floods, significantly mitigating the social and economic impacts when these occur. We've already seen the benefit of co-operation between the public and private sectors in this area, including, for example, a Memorandum of Understanding between Insurance Ireland and the OPW which allows for sharing, and usage of flood risk maps.

However, not all risks are covered by insurance. There is evidence that some communities and businesses in Ireland have difficulty accessing flood insurance cover; these are the human face of the protection gap we will discuss this morning. Whilst flood risk is by no means the only protection gap that exists today, it is one that affects Irish communities and businesses in a very real way.<sup>1</sup>

The occurrence of a severe flood could leave households and business with high levels of uninsured losses, impairing economic recovery from a flood event, and create demands on government to provide financial support or compensation. In addition, there is potential for risk to be transmitted to other parts of the financial system, for example by impacting the availability of credit (mortgages and loans to small businesses in particular) in areas at risk of flooding. These issues - financial stability and the best interests of consumers - are core to the mission of the Central Bank.

We have analysed the flood risk of each residential and commercial address in the State, down to Eircode level, and have then assessed whether each address is likely to be able to access flood insurance, based on the current underwriting criteria of each domestic non-life insurer. Today we present the results of this analysis. In doing so, we hope to shed further light on the nature of flood risk in Ireland and the scale of the protection gap today.

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<sup>1</sup> Material protection gaps are evident across Europe for climate-related losses arising from natural disasters - EIOPA has estimated that only 35% of the total losses caused by extreme weather and climate-related events across Europe are insured.



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Looking to the future, Ireland will face more frequent and severe floods as the effects of climate change become ever clearer. We will need to adapt to this situation, both in terms of physical defences and also financial solutions.

So in order to better inform a solutions-focused debate, our analysis has also included the future of flood risk in Ireland and looked at how climate change may affect the future scale of the protection gap.

I cannot emphasise strongly enough: complacency is a significant risk here. Ireland has broadly managed flood risk to date, but as with many other aspects of climate change, we cannot assume that current approaches will remain viable. I'd like to reiterate recent comments made by the Governor of the Central Bank in respect of flood risk: "significant progress has already been made, but the clock is ticking and the window of opportunity to take preventative action may be closing faster than we realise". We realise that the management and mitigation of flood risk is a complex issue. Meaningful action in this space will require the involvement of a broad spectrum of stakeholders, starting with those in this room.

In addition to presenting our analysis today, we've assembled a diverse group of panellists, each experts in their field, to offer different perspectives on flood risk, the likely impacts of climate change, and what actions should be taken to improve resilience in Ireland.

Today we have a unique opportunity to engage, share insights, and consider tangible actions in support of flood resilience in Ireland. I look forward the discussion! Thank you.

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Director of Insurance, Central Bank of Ireland