

Headline: Time to consider climate-smart insurance

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The Philippines is among the most vulnerable countries to the harsh impact of global warming. This is evidenced by the catastrophic aftermath of typhoons resulting in the loss of hundreds of lives and multimillion damage to properties and natural resources.

The biophysical impacts of climate change in the country are wide-ranging. The continuous surface temperature increase which will result in warmer seasons and extreme temperature events are among the major changes that are anticipated to worsen in the next decade if no action is taken. In May 2021, the highest recorded temperature of 53 degrees Celsius occurred in Dagupan City, Pangasinan, while 27 other areas recorded temperatures higher than 41 degrees Celsius.

Stronger extreme weather events are also expected to occur more frequently. The Philippines experiences an average of 20 typhoons a year, but the country was struck by five typhoons in November 2020 alone.

It will take more than the conscious collaborations of different organizations, private and public, and citizens to mitigate these and protect Filipinos physically, mentally, and financially. In recent years, the business sector has taken the extra steps to become the government's partners in countering climate change to help Filipinos, especially the underprivileged.

The insurance industry is one of the valuable allies of Filipinos to be better prepared for any eventualities caused by climate change. Insurance companies should raise the level of awareness on the importance of being financially literate and prepared to minimize the effects of an ever-changing planet. Well-thought information campaigns on money management skills and understanding of insurance plans targeting health risks caused by global warming will be a big boost in these extraordinary times.

Pru Life UK commissioned a study entitled "How will climate change affect the health of Filipinos in the next decade," by planetary health expert Dr. Renzo Guinto and Dr. Katrina Ceballos of Planetary Health Philippines. The findings confirmed that the health impacts of climate change can put potential pressures on the financial security and well-being of Filipinos. The study has underlined that no disease group is immune to the effects of climate change.

In the Philippines, certain medical conditions are expected to increase as the planet warms. The most evident are injuries and death due to more intense typhoons and flooding. Heat-related and vector-borne diseases, such as dengue and malaria, also endanger Filipinos in disaster-hit areas. Illnesses caused by exposure to contaminated water and food will also rise. Emerging infectious diseases with pandemic potential such as COVID-19 and cardiorespiratory diseases due to air and other forms of pollution will remain a threat to our wellness.

To bolster Filipinos' shields against climate change, the industry must be innovative in promoting financial wellness and literacy by crafting climate-smart yet affordable and accessible products that provide coverage from financial losses due to medical conditions as a result of climate change.

It is important to ensure financial security at all levels as we battle climate change. The white paper mentioned that its impact on physical and mental health will eventually affect the financial health of

everyone. Stable incomes, health insurance, financial aid, and universal health care are all solutions to protect Filipinos from shocks related to climate change.

While insurance products offer certain levels of protection against financial problems, not all are equal when it comes to climate health risks and insurance inclusion for vulnerable populations. It is evident that many Filipinos prioritize their daily necessities and put life protection at the bottom of their needs.

Giving them access to bite-sized climate-smart offerings that can address diseases caused by global warming such as dengue and malaria will give them a better chance of improving their health and financial protection.

Everyone, from the government to the private sector to every Filipino, must act with a sense of urgency to reverse the effects of climate change while we still have time. Everyone is a leader in what could be the biggest and most challenging fight of our lives. Together, we can find ways to help save our planet and provide a safer environment for future generations.

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Eng Teng Wong is president and CEO of Pru Life UK.

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