

# GaiaSicura Ltd - Naturance – Finance Innovation Festival

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We had the great pleasure to attend the Naturance Finance Innovation Festival in Brussels over the week of 03/02/26 – 06/02/26. The festival brought together a number of EU and Global specialists in the policy and practical solutions space driving finance for nature, as well as many of the leading researchers in the sphere working on both macro policy and local policy projects.

Our CEO William Butler spoke<sup>1</sup> on a panel on the first day outlining whether finances being implemented in nature regeneration are on track or not, a feeling that was met with scepticism early in the festival, but greater optimism as it proceeded. He also provided insight during the various roundtables and discussions of the week where a private sector knowledgebase was rarely available given the festival's focus on policy and research. GaiaSicura's position as the world's only insurance broker exclusively for nature allowed us to provide targeted insights to those who had been working on this from a conceptual angle and allowed us to understand the movement of the wider markets as well as policy innovations across the EU and beyond.

We have drawn up the key elements from our experience over the week, focussing on four key headlines.

## Insurance for Nature

The clear objective of the festival was to establish how insurance/finance and insurance mechanisms, both traditional and innovative, can benefit resiliency and nature regeneration as a whole. There was a significant spectrum of understanding of technical insurance operations, with standard and well-established fallacies around insurers investing in projects that reduce risk in surrounding areas still being touted despite frequent explanations around 'freerider'<sup>2</sup> issues, annual underwriting standards, and actuary datasets. Ideas of subsidies on insurance policies, a lack of understanding of the application of exclusions/appetites, and the misapplication of parametrics<sup>3</sup> as a silver bullet solution rather than a tool to be applied when needed added to frustrations.

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<sup>1</sup> <https://youtu.be/5sMLL4eO8vk?t=7612>

<sup>2</sup> <https://plato.stanford.edu/entries/free-rider/>

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[https://www.pwc.ch/en/publications/2024/Basis\\_risk\\_in\\_parametric\\_insurance\\_challenges\\_and\\_mitigation\\_strategies.pdf](https://www.pwc.ch/en/publications/2024/Basis_risk_in_parametric_insurance_challenges_and_mitigation_strategies.pdf)

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As the week progressed however, these issues were dispelled and wider, more comprehensive ideas began to take form and were displayed by the various research teams. Insurance as a means of underpinning natural capital projects (see carbon, biodiversity credits, regen-ag policies)<sup>4</sup> to encourage investment and demand/revenue was well received and a topic that we focussed on in particular.

Further innovations on how insurers could influence industries through their underwriting practices – particularly where insurance is a legal obligation for operation – were suggested through various avenues. Our CEO pointed out examples such as insurers refusing to insure construction of non-free range chicken farms<sup>5</sup>, not providing livestock insurance without heightened welfare implementation<sup>6</sup>, and marine noise pollution issues being addressed by the Lloyds register<sup>7</sup> as some examples of how insurance requirements can steer industries to better practice. Particular insights from the team at CLIC<sup>8</sup>, Agcurate<sup>9</sup>, and John Garvey from the University of Limerick<sup>10</sup> were taken on board.

Policy pricing mechanisms at a micro level were delved into, though simple ‘premium reduction for positive action’ rarely takes effect and is often more of a marketing tool unless the discount is significant. As explained, a 5% reduction in a small premium for a chicken farm is unlikely to ensure a farmer implements a significant model change regarding waste disposal as the implementation is likely to cost significantly more than the premium reduction. The only areas where this type of incentive is possible is where the implementation of such a change leads to a tangible, measurable risk reduction, and in these instances, it is more likely that insurers would make it a subjectivity to achieve cover, rather than a benefit. Interestingly, it was generally agreed that the reverse is true: where insurance is a requirement (as it is for most businesses impacting nature) premium increases from their norm can lead to positive action. As budgets operate annually, rising costs such as insurance premiums can significantly influence business operations.

## Nature for Insurance

A key theme of the week was examining how nature can benefit insurers, particularly through the resilience of projects in de-risking portfolios and their prospective claims figures – as well as insurability in an ever-shrinking pool of ‘positive’ client risk profiles. After freerider issues were outlined and the limitations of insurers focussing on historic

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<sup>4</sup> <https://gaiasicura.com/insights/a-blueprint-for-insurance-for-nature-regeneration-projects>

<sup>5</sup> <https://www.fidelispartnership.com/sustainability/underwriting>

<sup>6</sup> <http://convexin.com/underwriting/equine-livestock-aquaculture/livestock/>

<sup>7</sup> <https://www.lr.org/en/knowledge/press-room/press-listing/press-release/2025/lr-joins-lownoiser-project-to-help-protect-marine-ecosystems-from-underwater-noise-pollution/>

<sup>8</sup> <https://climateshotinvestor.org/>

<sup>9</sup> <https://agcurate.com/>

<sup>10</sup> <https://pure.ul.ie/en/persons/john-garvey>

data whilst operating within annual insurance and reinsurance cycles was discussed, we were able to explore broader ways in which nature can de-risk an insurance or reinsurance portfolio.

Investment mechanisms that cover wide portfolios based on actual reduction of risk within an annual cycle, rather than prospective long-term risk reduction (such as those being explored by the FloodAction Coalition<sup>11</sup>) were discussed in detail. Attendees analysed specific areas that could lead to insurer and wider financial interest - whether through bonds such as those discussed by Doug Mason<sup>12</sup> in his Keynote, or other novel investment vehicles allowing top-down funding through performance. It was agreed that, whilst nature is fundamentally a 'de-risker', a standardised set of metrics spanning entire financial portfolios is needed to accurately apply real term value reduction to a specific entity, such as a bank or insurance company, in relation to specific perils. Carbon credits<sup>13</sup>, whilst flawed, have managed to create a common language that is understood globally – in particular by financial markets (especially when coupled to insurance<sup>14</sup>). Similar metrics are needed across nature, and it is likely a specific taskforce evaluating this will be necessary, and in fact, we will be looking to arrange this with some of the delegates from the festival.

Once unifying and standardised language and metrics can be established, discussions around risk reduction with a monetary value will become easier.

### Macro-level insurance solutions for Nature

Given the specific research that Naturance was undertaking, EU-wide policy around insurance solutions for nature were a perpetual thread. It was established that, as stated above, without standardised language and measurement of risk reduction, any macro-scale investment solutions would be complex when not looking at traditional bonds. However, some large-scale insurance mechanisms were discussed in detail as potential avenues for benefit.

One that we felt had significant opportunity was the utilisation of parametric insurance by public bodies to act as a 'top-down' insurance policy (similar to a very large-scale excess layer insurance policy across a project) and much like those utilised for coral reefs in the Gulf of Mexico and Australia<sup>15</sup>. The proposal was a parametric cover that would, in effect, fill in across areas that were unable obtain traditional insurance for the peril named, such as national parks, public land, key infrastructure and other

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<sup>11</sup> <https://www.theconduit.com/floodaction-coalition/>

<sup>12</sup> <https://www.linkedin.com/in/douglasmason>

<sup>13</sup> [https://resources.oxbowpartners.com/hubfs/202402%20Kita%20%20Oxbow%20Partners%20-%20Gross%20Written%20Carbon%20Report%20\(05.02.24\).pdf](https://resources.oxbowpartners.com/hubfs/202402%20Kita%20%20Oxbow%20Partners%20-%20Gross%20Written%20Carbon%20Report%20(05.02.24).pdf)

<sup>14</sup> <https://legalsustainabilityalliance.com/members-news/clyde-co-signs-five-year-deal-to-lock-in-carbon-removals/>

<sup>15</sup> <https://marfund.org/en/wp-content/uploads/2021/03/Fact-Sheet-Insurance-Model-for-Reefs.pdf>

uninsurable elements, the ownership for which to be taken on by local or national governments. By having large geographies sitting under the policy, risk is pooled and economies of scale under the premium figures would reduce the net cost. Premium paid by local or national governments would need to be funded through tax revenue, however this would be a fraction of tax revenue currently allocated to repair and restoration work. Capacity could be provided through a mixture of traditional reinsurance capacity, Cat/Environmental bonds, and government levies such as those used in the UK for FloodRe<sup>16 17</sup> – though better focussed on the industries that have outsized impact on the risk being covered rather than the insurance industry providing the capacity.

### Micro-level insurance solutions for Nature

We have covered the benefits of insurance as a tool for nature regeneration projects in other reports, and an article for the festival<sup>18</sup>, however as a recap, and as demonstrated at the festival, insurance policies for the nature regeneration projects themselves can lead to greater incentives for both upfront investors and ultimate revenue generating demand side players. There is no other physical-asset based market in the world where the core asset is not insured in each stage of the lifecycle, from design through to purchase, offtake, maintenance and decommission. If we need private finance – and it was agreed that we do, despite misgivings – to step in to support nature restoration and nature regeneration, then insurance can act as the enabler of this when incorporated as an up-front consideration as part of a project’s financial planning.

It is near-impossible to link specific small-scale projects to direct investment from insurers based solely on their local impact to property policies held, as has been discussed. However, by utilising agreed frameworks, standardised language, and industry agreed metrics for resiliency and reduction of risk, conversations with local businesses, authorities, and insurance providers concerning ongoing revenue for projects is considerably easier.

Finally, we observed that discussions relating to nature regeneration financing mechanisms were often paradoxical. There was a strong consensus that greater private finance was required to boost nature regeneration as explored above<sup>19</sup>, and yet when topics turned to how projects could make ‘revenue’ – i.e. the means by which any private finance would be engaged in these investments as their return mechanisms<sup>20</sup> – it

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<sup>16</sup> <https://www.floodre.co.uk/>

<sup>17</sup> <https://www.abi.org.uk/products-and-issues/topics-and-issues/flood-re/flood-re-explained/>

<sup>18</sup> <https://www.naturanceproject.eu/insurance-financial-enabler-nature-regeneration/>

<sup>19</sup>

[https://www.ebrd.com/content/dam/ebd\\_dxp/assets/pdfs/green/Unlocking%20Private%20Finance%20for%20Nature%20as%20Infrastructure.pdf](https://www.ebrd.com/content/dam/ebd_dxp/assets/pdfs/green/Unlocking%20Private%20Finance%20for%20Nature%20as%20Infrastructure.pdf)

<sup>20</sup> <https://nature4climate.org/nature-finance/>

was sometimes met with negativity as the perception of nature having a revenue was counter to the overall perception of its inherent good. Some interesting perspectives on this point were raised: Climate KIC<sup>21</sup>, UNEP<sup>22</sup>, and the EU Commission looking at Nature Credit pathways<sup>23</sup> in particular had informative views on how to navigate an investable project that looks to generate returns.

Ultimately, if a project can demonstrate that a) they are fully insured for the actions they are undertaking and b) they have a strong revenue for the model they are implementing for the following years, then investment and private finance conversations cease to be through a lens of complex impact bonds, predatory Equity models, and taxing grant models and can begin to take standard commercial views that are net-positive for all.<sup>24</sup>

### Non-insurance commentary

Regulation to support the revenue generating capabilities of nature projects is of paramount importance. Basic economics shows that demand leads supply, and yet regulation has to this point been overwhelmingly focussed on the supply side of nature regeneration by concentrating on up-front investment. This is understandable as we have looked at the ‘demand’ for nature coming from its necessity and not from its financial outcome, in doing so, however, we have made it hard for private finance to engage meaningfully. If we want private finance to play a greater role then we need to make adjustments that provide a stable, revenue generating opportunity that is insurable, measurable, and provides net-benefit for all – even the financial institutions involved.

Carbon credits are a flawed system, and offsets are not a long-term method of resilience, but they are a measurable and significant way that nature projects can generate revenue and that investors can rely on. They are an example of how a standardised metric and language can lead to measurable outcomes that generate predictable financial returns. We are capable of utilising flawed systems whilst refining them to reach new heights, and the evolution of the carbon market compared to where its early iterations prove the substantial progress in moving towards something that is beneficial for nature.

The concept of additional ‘voluntary’ nature credits was mooted several times; it is our view that this will not lead to anything but fringe solutions as significant corporates rarely purchase what is not a requirement beyond marketing benefits, which in the current geopolitical landscape are dwindling. This is not to say there is no place for

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<sup>21</sup> <https://www.climate-kic.org/>

<sup>22</sup> <https://www.unepfi.org/insurance/>

<sup>23</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_25\\_1679](https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1679)

<sup>24</sup> <https://finance.earth/wp-content/uploads/2021/05/Finance-Earth-GPC-Market-Review-of-NbS-Report-May-2021.pdf>

these mechanisms, with increased reporting requirements such as TNFD<sup>25</sup>, high fidelity voluntary systems already in use around the world<sup>2627</sup>, providing broad variance and impact. However, to significantly boost demand to necessary levels, we need corporations and commercial entities to channel mandatory portions of funds into this space where they are currently contributing to the net decline – however that contribution may be measured.

Offset models ‘work’ (in that they can be implemented, not necessarily that they have a net-benefit) because there is a measurable impact that is being addressed which a) leads to a deterrent of that practice, and b) forces funds into nature restoration works through revenue. What needs to be taken forward is the idea of not only ‘offset’, but ‘uplift’, where we are not simply replacing ‘like-for-like’, but ‘like-for-like + XX%’. The Biodiversity Net Gain<sup>28</sup> regulation in the UK is a great example of this kind of uplift-based regulation, creating an entire market of private and public finance for nature restoration based on improving on a baseline, rather than merely replacing it. Spatially focussed scoring (e.g. value multipliers for greater geographic distance from the impact), uplift as a baseline, and above all: mandatory purchase of these kinds of ‘credits/units/offtakes’ will not only drive better practice by businesses, it will also create viable revenue streams for investors to work with on nature projects, without which the market will not scale.

Where credits are not viable, revenue can still be sought, whether through engagement of local businesses to provide letters of intent to fund ongoing maintenance of projects based on their risk reductions; through access rights for public welfare at marginal cost; or via tourism, regenerative agriculture/silviculture and other methods, all can work to attract finance if established in advance. We spoke through this in detail with the WWF<sup>29</sup> at their roundtable and look forward to taking this conversation onwards.

Away from the specifics of projects, other final points of note from the conference:

- Public funding often has the same requirements as private funding, blended finance especially so, so engaging with revenue models and insurance as a risk mitigation strategy before public funding applications will assist in these discussions<sup>30</sup>.

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<sup>25</sup> <https://tnfd.global/>

<sup>2626</sup> <https://creditnature.com/>

<sup>27</sup> <https://www.caissedesdepots.fr/eclairage/blog/articles/credits-nature-une-nouvelle-solution-europeenne-pour-endiguer-le-declin-de-notre>

<sup>28</sup> <https://www.gov.uk/government/collections/biodiversity-net-gain>

<sup>29</sup> <https://www.wwf.org.uk/who-we-are/who-we-work-with/nbs-accelerator/projects>

<sup>30</sup> <https://www.eea.europa.eu/en/topics/in-depth/sustainable-finance/unlocking-finance-and-investments-in-nature>

- Focusses on solution-oriented approaches are positive, but public and private sectors must ensure they are operating with unified purpose, not in parallel, especially when the focus is on increased private sector engagement.
- It was agreed we are not on track for 2030 targets,<sup>31</sup> therefore we do not have time for long review processes and regulatory shifts in isolation, we need to utilise the systems we have in place to their full whilst refining them to be better, as well as working on wider paradigm shifts.
- Stable regulation is as important as new regulation; nature regeneration takes time, as do the returns it can create, constantly changing landscapes around financial regulations on money into nature will act as a deterrent to long term funding and project developers alike<sup>32</sup>.
- Co-benefit<sup>33</sup> reviews are useful, but will always be subject-specific, for both public and private finance and demand models. They should be focussed on where a project should be targeting its finance demands (i.e. large carbon removal opportunity leads to more private focus, large public risk reduction leads to more public focus) – as such it should be part of the design phase of a project, not action taken in implementation.

Our ultimate takeaway from the event was that there are multiple, extraordinary databanks of projects, models, and research workstreams out there which can now be utilised by all parties with an interest in driving finance – insurance and otherwise – into nature regeneration under one roof.

The focus as the Naturance project comes to an end must now be on implementation – we cannot afford years more of new models being thought up, of additional pilot-project after pilot-project being looked into at small scales, and of further large scale research on top the significant work that has been undertaken - especially when it felt like at times some of the research was significantly overlapping, and even redundant in certain areas given the speed at which the industry has moved since its inception.

It is clear that the Naturance project and its associated partners have made significant and groundbreaking steps in their work though, and ultimately we look forward to the implementation of this with great interest. We offer our support in how best the application of the research and policy recommendations can be undertaken in practice with the insurance and finance industries.

*For any questions on the content of this report, please don't hesitate to reach out to us at [enquiries@gaiasicura.com](mailto:enquiries@gaiasicura.com) or through our [LinkedIn page](#)*

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<sup>31</sup> <https://www.unep.org/resources/state-finance-nature-2026>

<sup>32</sup> <https://www.theplanner.co.uk/2025/12/15/bng-requirements-small-sites-should-be-retained-letter-urges>

<sup>33</sup> <https://www.sciencedirect.com/science/article/pii/S0921800925002666>

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