

Natural Catastrophes Insurance Cover Individual System Summary Updates

As of [26th May 2026]

1	The name of the Cover	<i>Danish Natural Hazards Compensation Scheme. The scheme is administrated by The Danish Natural Hazards Committee.</i>
2	Cover Purchase / Distribution Channels	<i>Established by law in June 1991 referring to incidents that happened from 1st October 1990 and onwards. The Danish Natural Hazards Committee was established 1st July 1991. Its activities are governed by the Natural Hazards Act. Natural hazards coverage is a compulsory cover linked to fire insurance policies in Denmark. All fire insurance holders, both property and content, are covered by the Storm surge, Flooding and Draught damage pool and a special windfall pool for private forest owners. The pools are financed by the Natural Hazards Tax on each fire insurance policy, collected by the insurance companies and administrated by the Danish Natural Hazards Committee. The tax is a flat rate tax of 40 DKK a year per policy, 30 DKK for the Storm surge, Flooding and Draught damage pool, and 10 DKK for the windfall pool. The pools collect approx. 200 million DKK (30 million €) a year. The pools are furthermore backed by a state guarantee of 200 million DKK and until 2033 the Storm surge, Flooding and Draught damage pool has a higher guarantee of 1 billion DKK (133 million €).</i>
3	Coverage (incl. perils, sum insured & premium etc.)	<i>The scheme covers losses caused by storm surge, flooding from streams and lakes and draught (only on buildings). In addition, the scheme also provides subsidies to private forest owners who have had damage to their forest due to severe windfall. The windfall subsidies come from the Windfall pool. The pools have no limit on coverage and are backed by a state guarantee. The premium rate (the Natural Hazards Tax) is set by the Natural Hazards Act and is as a principle 40 DKK per insurance policy covering fire. The Natural Hazards Council can decide to raise the tax rate to 60 DKK per policy if the Storm surge, Flooding and Draught damage pool is emptied and the state guarantee comes into play.</i>
4	Claim Criteria / Loss Trigger	<i>Direct losses, caused by the perils storm surge, flooding and draught beside windfall losses as defined in the Natural Hazards Act.</i>
5	Current Risk Assuming and Transferring structure (see following diagram)	<i>Not relevant as the scheme is a compensation scheme not based on insurance.</i>

6	Recent Loss events	<i>In the history of the Danish Natural Hazards Compensation Scheme there have been loss events statistically once a year. The most severe incidents were the storm surges in 2006, 2013 and 2023 with more than 10.000 damage claims (accumulated). The total cost of the event in 2013 was approx. 1,2 billion DKK (160 million €) followed by the event in October 2023 with a cost of 1 billion DKK (133 million €).</i>
7	Latest take-up rate (Penetration rate)	<i>N/A</i>
8	Current Accumulate reserves (fund)	<i>The current reserves are 1 billion DKK (133 million €). The fund (pool) is backed by a state guarantee.</i>
9	Website / annual report Linkage	<i>Website: https://natureskaderaadet.dk (da), https://danishnaturalhazardscouncil.dk (en), Annual account: Annual account 2024</i>
10	Others	

Current Risk Assuming and Transferring structure (diagram)