

**Title:** Climate insurances as compensation mechanisms for Loss and Damage.

**Abstract:** This paper argues that insurance schemes have no intrinsic features that makes them a priori inappropriate as compensation mechanisms for Loss and Damage. The terms 'compensation' and 'insurance' are frequently employed in climate debates, yet their interpretation can vary among policymakers. Thus, a clarification of these terms is imperative before assessing the feasibility of utilizing insurance as a means of compensation.

Due to the fact that there is no established account of compensation for L&D, it is necessary to provide a philosophical classification of the different alternatives. Section I outlines a classification comprising five essential components that any comprehensive compensation framework should encompass, alongside illustrative examples. First, it should elucidate the reason behind providing compensation, such as rectifying instances of adverse chance or addressing harm. Second, it should delineate the extent or degree of compensation, whether it aims to 'make whole' or 'provide the closest substitute.' Third, it must specify the method, be it economic or moral-symbolic. Fourth, it should address the burden-distribution question, determining who should furnish compensation. Lastly, it should tackle the question of benefit distribution, determining the recipients of compensation.

Once the classification of compensation frameworks is established, an examination can be conducted to ascertain the adaptability of climate insurance mechanisms to these various frameworks. If insurance schemes can align with different compensation frameworks, they can be flexible enough to conform to the yet-to-be-agreed-upon correct compensation framework for Loss and Damage. To accomplish this, Section II offers a definition of insurance mechanisms and categorizes their variations. These variations are underpinned by philosophical justifications concerning the role of risk, its distribution, and the party responsible for paying premiums. Additionally, it investigates whether insurance schemes can function as standalone compensation mechanisms or if they can complement other mechanisms. The conclusion drawn is that the term 'insurance' encompasses a family of schemes with diverse characteristics, making them, a priori, adaptable to various compensation mechanisms, particularly when used in conjunction with other policies or entities.

Section III scrutinizes five challenges posed against the utilization of insurance for addressing Loss and Damage and demonstrates that they only pertain to specific insurance schemes, not all of them. With suitable adjustments, insurance schemes could effectively address these challenges. These challenges encompass the 'vulnerable-pays problem' (Linnerooth-Bayer et al., 2009:388), the 'slow-onset-events problem,' the 'high-and-known risk problem' (Nordlander et al., 2020:707), the 'Un-insurability Objection' (Gewirtzman et al., 2018:1083), and the 'problem of context-dependence' (Serdeczny et al., 2016:16-8).

**Statement:**

Discussions revolving around adaptation and Loss & Damage frequently invoke the terms 'compensation' and 'insurance.' Nevertheless, these terms lack clarity and require precise definitions. Furthermore, their definitions are contingent upon various philosophical frameworks. As a result, this paper employs principles from political philosophy, particularly within the realm of distributive justice, to establish a taxonomy for distinct compensation frameworks and insurance schemes. The primary objective is to facilitate more productive deliberations among policymakers. This approach empowers them to move beyond mere favoritism or opposition towards "insurances" or "compensation" and, instead, engage in discussions regarding the specific type of insurance or compensation and the principles of justice that should underpin their implementation.