

The Sustainable Insurance Forum



Press Release: Joint SIF-IAIS Issues Paper on Climate Change Risks to the Insurance Sector Released for Public Consultation

Amsterdam, April 6th, 2018

The International Association of Insurance Supervisors (IAIS), jointly with the Sustainable Insurance Forum (SIF), has released a draft Issues Paper on Climate Change Risks to the Insurance Sector for public consultation.

This paper is a significant milestone for the IAIS and the SIF - and is groundbreaking in confirming that climate risks present significant material challenges for the insurance sector, which require "ongoing and intensifying scrutiny" by insurance supervisors. This is the first time that a global financial authority has explored how climate change relates to its core standards (in this case, the ICPs) - jointly drawing on the expertise of a leadership group of supervisors from around the world.

The purpose of this Issues Paper is to raise awareness for insurers and supervisors of the challenges presented by climate change, and explore how supervisors can respond. It provides an overview of how climate change is currently affecting and may affect the

insurance sector now and in the future, provides examples of current material risks and impacts across underwriting and investment activities, and describes how these risks and impacts may be of relevance for the supervision and regulation of the sector.

Most importantly, the paper sets out current and contemplated supervisory approaches for addressing climate risks, providing a set of options for supervisors to consider in line with their mandates, statutory responsibilities, and strategic objectives. Ten case studies, provided by SIF members, set out the "state of the art" on supervision of climate risk in insurance globally.

Speaking at the Inaugural meeting of the Central Bank and Supervisors Network for Greening the Financial System in Amsterdam, Geoff Summerhayes, SIF Chair, said: "The SIF has drawn on the expertise and enthusiasm of likeminded supervisors, and has welcomed the help of the IAIS taking forward joint work. This Issues Paper is at the nexus of that collaboration – and is an important stepping stone towards building supervisory understanding of climate risks at the global level."

The paper, and consultation response portal, can be accessed on the IAIS website: <https://www.iaisweb.org/page/consultations/current-consultations/draft-issues-paper-on-climate-change-risks-to-the-insurance-sector>. All interested parties are encouraged to provide comments. The deadline for responses is **April 29th, 2018**.