



11-09

09. 12. 2009

International Association for the
Study of Insurance Economics

Information on Geneva Association activities and publications

Geneva Association Information Newsletter

Press Release

Copenhagen, December 2009

Geneva Association Calls on Global Leaders and Policy-Makers to Harness Insurance Expertise in Dealing with Climate Change

Copenhagen, Denmark, 9 December 2009. Leading international insurance economics think tank, The Geneva Association, will today address policy makers and NGOs at the United Nations Climate Change Conference (COP15) in Copenhagen, calling on them to establish partnerships with the insurance industry to assist in the development of further mitigation and adaptation actions on climate change.

Accounting for more than 7 per cent of global GDP the insurance industry is one of the world economy's largest sectors. Using the industry's core competencies in the assessment and management of risk to establish risk-based pricing signals and differentiated premium pricing, insurers are already making significant private sector contributions to climate change mitigation and adaptation measures. Those competencies could also be used by governments in local, national and international level responses, reducing the impact of climate related events in both human and financial terms. The spectrum of potential contributions includes educating communities on loss prevention, conducting and sharing risk research, developing new products, reinforcing risk consulting and adjusting investment policies.

Insurers are offering to work more closely with policy-makers on communicating to customers their climate risk levels, develop possible strategies of mitigation and adaptation, and to quantify the financial benefits of those strategies. As an industry, insurers also recognise the significant benefit of pooling climate risks and urge policy-makers to collect robust data and make it freely available to allow proper risk assessment. In order to facilitate efficient solutions and to transform risk profiles into viable market information that incentivises actors to behave responsibly, insurance premiums need to be calculated according to the risks involved and insurers need to be able to select risks based on objective criteria.

The presentation to delegates in Copenhagen forms part of the ongoing Geneva Association Climate Change and Insurance (CC+I) project, established in May 2008. The project has been initiated to crystallise insurance industry consensus on mitigation and adaptation actions, to provide a single point of industry representation at an international level and to realise opportunities outside the industry where insurers can use their expertise to educate, support and drive climate change reactions.

Lloyd's Chief Executive, Dr Richard Ward said, *"Climate change will change the way we live and work, and will lead to greater competition for scarce resources, such as food and water. This could lead to increased economic nationalism and greater global insecurity, adding to the complexity and cost of commerce. This threat to economic development is most significant in developing countries and is something we can't ignore. The insurance industry is already taking steps to foster growth in the developing world and Governments and NGOs have the opportunity to harness the insurance industry's skills to help mitigate this risks and to adapt to the changing world."*

Christine Bosse, Chief Executive of TrygVesta, said, *"The insurance industry provides peace of mind for the population facing uncertainty. As the costs and the frequency of events increase, so people will turn more to insurance to manage these risks. Governments too must manage these risks through education, changing behaviour and developing or adapting infrastructure to manage the increased risks. We, as an industry, stand ready to complement their efforts."*

Secretary General and Managing Director of The Geneva Association, Patrick M. Liedtke said, *"Without the input of the global insurance industry, governments across the globe might be ignoring the advice of the one industry that has the deepest expertise in the management of the risks climate change brings. Smart climate change management means smart risk management and that means the involvement of insurance. We are here at Copenhagen to make that point."*

The press conference will take place at 10am on Wednesday 9 December 2009 at the Bella Centre, Copenhagen as part of the COP15 proceedings. The conference is open to those with accreditation for the COP15 event. The Geneva Association is not able to provide COP15 accreditation. The event will also be available as a webcast on The Geneva Association website on 9 December from 4pm CET alongside a series of related materials, see:

http://www.genevaassociation.org/Home/Climate_Change/COP_15.aspx

For more information, please contact:

Anthony Kennaway
Head of Communications, The Geneva Association
Tel. +41 789 20 5677
anthony_kennaway@genevaassociation.org

About The Geneva Association

The Geneva Association is the leading international insurance "think tank" researching strategically important insurance and risk management issues.

The Geneva Association identifies fundamental trends and strategic issues where insurance plays a substantial role or which influence the insurance sector. Through the development of research programmes, regular publications and the organisation of international meetings, The Geneva Association serves as a catalyst for progress in the understanding of risk and insurance matters and acts as an information creator and disseminator. In parallel, it advances—in economic and cultural terms—the development and application of risk management and the understanding of uncertainty in the modern economy.

The Geneva Association membership comprises a statutory maximum of 80 Chief Executive Officers (CEOs) from the world's top (re)insurance companies. It organises international expert networks and manages discussion platforms for senior insurance executives and specialists as well as policy-makers, regulators and multilateral organisations. The Geneva Association's annual General Assembly is the most prestigious gathering of leading insurance CEOs worldwide.

Established in 1973, The Geneva Association, officially the "International Association for the Study of Insurance Economics", is based in Geneva, Switzerland and is a non-profit organisation funded by its members. For more information please visit www.genevaassociation.org.

For more information on the CC+I project, please also visit the website at:
http://www.genevaassociation.org/Home/Climate_Change/COP_15.aspx