

## Insurers are innovating to address nature loss, details Geneva Association report

**ZURICH, 24 November 2022** – Large-scale nature degradation and biodiversity loss are some of the most threatening risks facing the world, carrying grave consequences for societies and economies. In the lead-up to the 15<sup>th</sup> UN Convention on Biological Diversity, The Geneva Association has released *Nature and the Insurance Industry: Taking action towards a nature-positive economy*, a report offering insights on the impacts of human activity on nature and the profound inter-connectivity between nature loss and climate change. The report explores, in depth, the challenges and opportunities of nature-related risks for the insurance industry.

Over 50% of global GDP is dependent on natural capital and ecosystem services. Many of those ecosystems are close to tipping points, beyond which they may be unrecoverable. This will have significant implications for nature-dependent industries. The three largest nature-dependent sectors are construction, agriculture and livestock, and food and beverage.

The large-scale impacts of nature loss on socio-economic development, combined with other factors like sustainable finance and regulatory developments, are making nature-related considerations a core business issue. By taking action now, re/insurers can help reduce nature-related risks and incentivise the shift towards more sustainable business models – both of which will be integral to the transition to a nature-positive, net-zero and more resilient economy. The Geneva Association’s report presents concrete ways that re/insurers are enabling sustainable business models in various nature-dependent sectors by preserving natural capital through underwriting and investing in nature-based solutions.

**Jad Ariss**, Managing Director of The Geneva Association, said: “Insurance innovations to address nature loss, on both the investment and underwriting sides, are truly remarkable, the challenge for the industry is now to deploy them at scale. By continuing to form the right partnerships – within and outside of the industry – and apply their relevant expertise, insurers have the potential to make a major contribution to the nature agenda.”

The author of the report, **Maryam Golnaraghi**, Director Climate Change & Environment at The Geneva Association, said: “Re/insurers are taking nature degradation and risks seriously and have started to invest in research, raise awareness and roll out innovative solutions. However, the industry needs to better understand the materiality of these risks. Also, the large-scale deployment of new climate technologies for decarbonisation come with potentially serious environmental

impacts, which need to be managed with a full life cycle view. Re/insurers are well-placed to share their risk expertise and incentivise more sustainable behaviours.”

*The Geneva Association is the only global association of insurance companies; its members are insurance and reinsurance CEOs. Based on rigorous research conducted in collaboration with its members, academic institutions and multilateral organisations, The Geneva Association investigates key risk areas that are likely to impact the insurance industry, develops recommendations and provides a platform for stakeholders to discuss them. In total, the companies of Geneva Association members are headquartered in 26 countries around the world; manage USD 21 trillion in assets; employ more than 2.5 million people; and protect 2.6 billion people.*

<https://www.genevaassociation.org/press-releases/insurers-are-innovating-to-address-nature-loss>

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