

Global insurers unite to tackle climate risk with launch of Geneva Association Task Force

- The Geneva Association has mobilised experts from 17 of the world's largest P&C and life insurers, representing the companies of its CEO members, to develop and hone climate risk assessment methodologies and tools for the insurance industry.
- The first report of the task force presents an integrated decision-making framework for climate risk assessment that considers four dimensions: 1) business line (P&C versus life); 2) side of balance sheet (assets versus liabilities); 3) time horizon (short-medium- versus long-term); and 4) type of risk (physical and transition). The report sets the stage for the task force to drive innovations in this space.
- The task force will be engaging with regulators, supervisors, rating agencies and the scientific community to identify the most appropriate approaches.

ZURICH, 25 February 2021 – The Geneva Association's new report, [*Climate Risk Assessment for the Insurance Industry*](#), finds that, for both P&C and life re/insurers, climate change poses different levels of physical and transition risks to both sides of the balance sheet, liabilities and assets. Climate risk assessment requires qualitative and quantitative approaches over short- and long-term time horizons and must account for uncertainties associated with transitioning. Knowledge sharing across companies and with other stakeholders is critical to raising risk awareness and leveraging all available expertise.

Jad Ariss, Geneva Association Managing Director, said: "In 2020 alone, the world witnessed massive wildfires in California and Australia, historic floods in China and a record hurricane season in the Atlantic. The societal impacts of climate change have become ubiquitous, and individuals and institutions must fully commit now to confronting the climate crisis. Insurers are obvious, strong leaders on global climate action, given their core functions – managing risk and investing – and our industry-led initiative demonstrates that they are proactively rising to the occasion."

Maryam Golnaraghi, Director Climate Change and Emerging Environmental Topics and project leader, said: "This initiative is taking the insurance industry's climate action and collaboration to the next level. Building on lessons learned from previous pilots and initiatives, our task force is focused on advancing climate risk assessment and scenario analysis anchored in companies' decision-making, in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Our first report lays the foundation for us to design and test methodologies and tools – in collaboration with regulators and the scientific community – to converge on robust solutions for P&C and life insurers."

Global re/insurance companies represented on the task force: Achmea, Aegon, AIG, Allianz, Aviva, AXA, Chubb, Daichi Life, Hannover Re, Intact Financial, Manulife, MetLife, Munich Re, Prudential Financial, SCOR, Swiss Re, Tokio Marine.

The task force will continue its work analysing the insurance regulatory landscape related to climate risk and conduct a technical 'deep dive' to develop scenario analysis and qualitative and quantitative tools.

About The Geneva Association

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:

- Identifies and investigates key trends and risk areas that are likely to shape or impact the insurance industry and develops corresponding recommendations for the industry and for policymakers;
- Provides a platform to its members, policymakers, academics, multilateral and non-governmental organisations to discuss these trends and recommendations;
- Highlights the positive contributions of insurance to a better understanding of risks and to building more resilient and prosperous economies and societies – in both developed and emerging countries – and thus a more sustainable world.

In total, the companies of Geneva Association members are headquartered in 25 countries around the world; manage USD 17.1 trillion in assets; employ 2.4 million people; and protect 1.8 billion people.

ENDS

Contact:

Pamela Corn

Director Communications

+41 44 200 49 96

pamela_corn@genevaassociation.org