

How is ClimateWise changing the relationship between insurers and the public?



ClimateWise

REDUCING THE RISK FOR TOMORROW

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Structure

1. Me...you...and the role of the insurance industry
2. ClimateWise: the story so far
3. 'Changing the relationship with the public'
4. How are you responding?



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1. Me...

What I am not...

- Professional climate scientist or insurance expert

What I am...

- Programme Manager, University of Cambridge Programme for Industry
- ClimateWise Secretary

...you



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Why you are interested in being here...

Why this presentation should be of particular interest...



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Allianz 

AIG




AVIVA



BENFIELD


CIS COOPERATIVE
INSURANCE

 Ecclesiastical
Insuring, Investing and Protecting

F&C
Investments


FRIENDS PROVIDENT

 HBOS plc

LLOYD'S

 Lloyds TSB Group

 Münchener Rück
Munich Re Group

 RBS Insurance

RSA 

Swiss Re



ZURICH

...and the role of the insurance industry



- World's largest economic sector
- Reaches virtually every consumer and business in the developed world
- Experts in short and long-term risk, informing risk-based decisions with careful calculations
- Ability to help customers manage and reduce the risks they face

Climate Change Context



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“A material financial challenge”

- Lloyd’s of London: “**number-one issue**”
- Allianz: increase in insured losses by **37%** within a decade
- UNEP: **\$1 trillion** losses in ‘extreme’ year

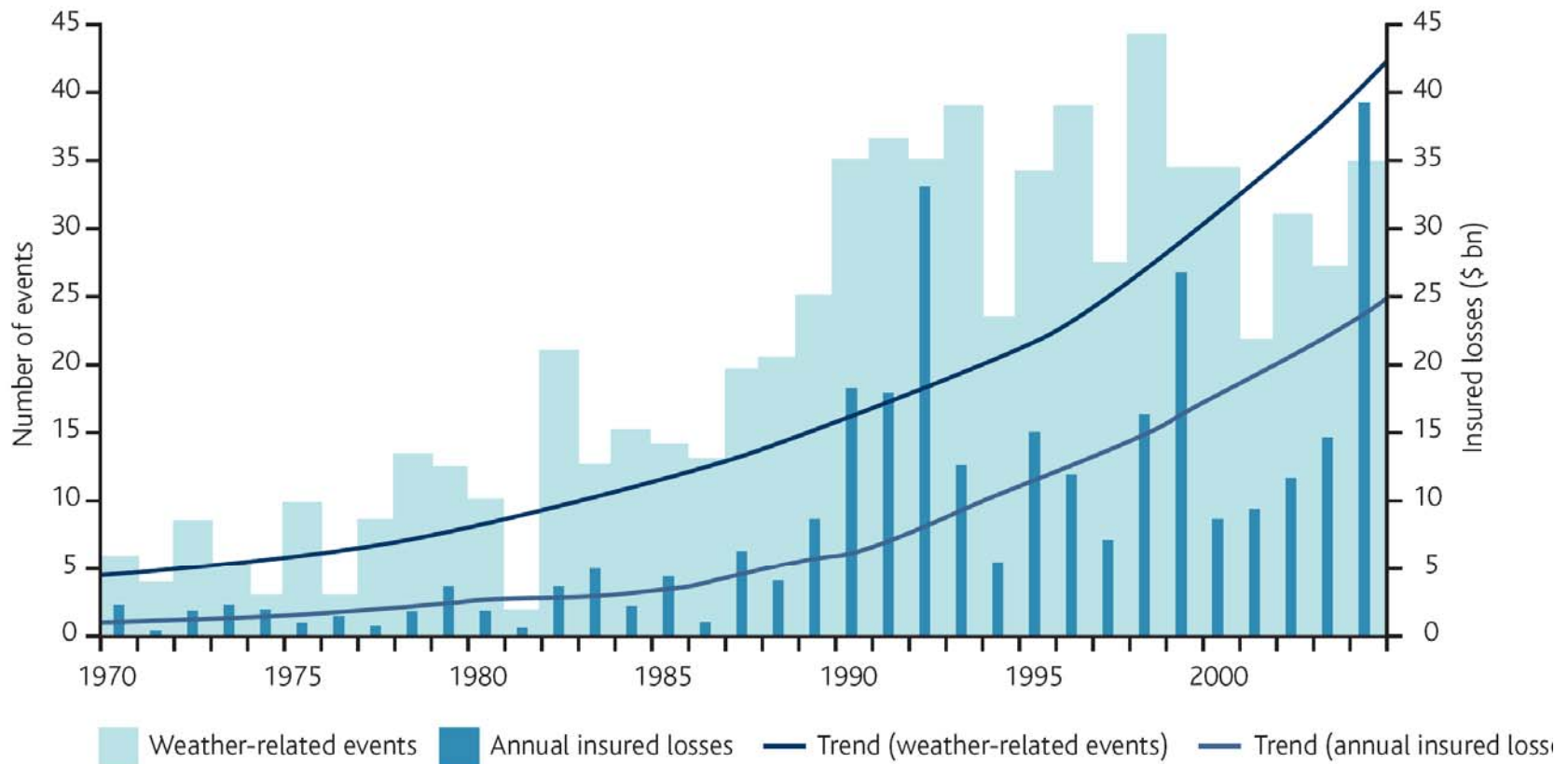
Climate Change Context (2)



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Source: Sigma Database, Swiss Re.

2. ClimateWise: the story so far



How it came about

- HRH The Prince of Wales
- Industry Working Group
- A clear, ambitious aim
- Output – the ClimateWise Principles



ClimateWise: the Principles



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- 1. Risk analysis**
- 2. Public policy making**
- 3. Influencing customers**
- 4. Investment strategy**
- 5. Reduce own environmental impact**
- 6. Report and be accountable**

Principles 1 – 3



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1. Risk analysis

Targeted research / Forecasting / Inform pricing / New technologies / Share research

2. Public policy making

Resilient economy / Public debate / Targets / Resilient infrastructure / Work effectively together in disasters

3. Influencing customers

Inform of risk / Encourage to adapt and reduce emissions / Resilient repair / Developing world

Principle 4



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4. Investment strategy

Company performance and shareholder value /
Encourage disclosure / Investment property
portfolio / Share strategy openly / Pension fund
trustees

Principles 5 – 6



5. Managing Facilities and Estates:

Suppliers / Own impact / Disclosure / Working with employees

6. Report and be accountable

Board Level strategic planning / Annual reporting

ClimateWise today...



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Benefits to members



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1. Learning from University of Cambridge work
2. Specific to Insurance Industry
3. Setting minimum standards worldwide
4. Flexibility plays to strengths & accommodates diversity of industry
5. Framework for individual & collaborative work
6. Reporting – tool for change
7. Benchmarking – industry comparison

3. 'Changing the relationship with the public'



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1. Risk analysis:

Risk Management Solutions



climate change risk screening service

3. 'Changing the relationship with the public'



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3. Customer awareness:



GREEN WHEELS: new motor insurance product rewards climate-friendly behaviour

3. 'Changing the relationship with the public'



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5. Business impacts:
supporting employee
investments to cut
carbon

Swiss Re



4. How are you responding?



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- A holistic framework to engage **all** of your core business functions?
- Learn from peers?
- Learn from other business leaders through University of Cambridge?
- Increase influence of what you are already doing?
- See how your actions compare to industry?
- Collaboration and support from peers?

Where is ClimateWise going?



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Immediately:

- Independent review – November 24th
- Follow up CEO meeting with HRH The Prince of Wales
- UNFCCC public statement

Take home messages from me...



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How is ClimateWise changing the relationship between insurers and the public?

Working individually and collectively to reduce the economy's and society's long-term risk from climate change, and within the confines of a competitive market, we:

- lead in risk analysis
- inform public policy making
- support climate awareness amongst our customers
- incorporate climate change into our investment strategies
- reduce the environmental impact of our business

Take home messages to you...



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- See how the Principles could apply and help your organisation
- Look out for independent review on Nov 24th
- Get in touch!

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