








Adapting to and mitigating climate-related risks

A selection of good practices by national insurance associations






Physical risks: Actions to mitigate losses

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-  UK: Participation in setting up a government-backed reinsurance company (Flood Re).
 -  Canada: Introduction of a new, overland (freshwater) flood insurance coverage and collaboration with government and insurance companies to create a high-risk flood insurance pool for residential properties.
 -  Ireland: A memorandum of understanding with public authorities to increase the insurability of flood-risk areas and better acknowledge investments to improve resilience.

Disclosure: Increasing transparency about the risks



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-  UK: Participation in the Climate Financial Risk Forum convened by UK regulators, which produced a [guide](#) in June 2020 to help the financial industry approach and address climate-related financial risks.
 -  New Zealand: Supporting the government's introduction of transparent and consistent mandatory disclosure under the Financial Stability Board's Task Force on Climate-related Financial Disclosure framework where a materiality threshold is reached.
 -  Germany: Natcat risk awareness campaigns with the German federal states. Annual natcat report ("[Naturgefahrenreport](#)") making a large amount of statistical data publicly available.
 -  Japan: Collective engagement aimed at improving the disclosure of climate change information. Establishment of dialogues between investors and companies through Japan's TCFD Consortium, which encourages disclosure aligned with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosure.

Data: Understanding the threats

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-  France: Facilitation of more transparent and structured access to public data through the "[Mission Risques Naturels](#)", an initiative aimed at studying and preparing for the effects of natural catastrophes and climate change.
 -  Canada: Assistance in building a comprehensive framework for climate data.
 -  Australia: Aggregation of the data from floods to assess which structures are most appropriate for a climate-changed future.
 -  Germany: Creation of online risk-assessment tools for policyholders ("[Naturgefahren-Check](#)" to assess natcat risks) and for insurers ("[ZÜRS Geo](#)", also for natcat risks, especially for pluvial and fluvial flooding).









Research: Filling gaps in the knowledge of risks

-  Germany: Conduct of studies with the scientific community. Research cooperation with Germany's National Meteorological Service on pluvial flooding and other extreme weather events.
-  New Zealand: Research sponsorship and work with research institutions.
-  France: Publication of guides: methodologies to assess climate risks in investment portfolios.
-  Morocco: Collaboration with public authorities and the support of the World Bank to better assess the impact of floods on the insured and uninsured in different regions.
-  Japan: Publication of "[Climate Change Starter's Guide](#)" that focuses on impacts and key considerations for the life insurance industry.



Engagement: Advancing through collaboration

-  US: Active participation in multi-sector coalitions (ie [SmarterSafer.org](#) and the [BuildStrong Coalition](#)) to convey public policy recommendations to improve resilience.
-  Canada: Collaboration with government to improve resilience.
-  Bermuda: Advocacy in favour of more resilient measures among private firms, notably through participation in the governing committees of the Insurance Development Forum.
-  EU: Regular engagement with EU institutions to bring to their attention [European insurers' role](#) in addressing climate-related risks and advancing sustainability.
-  Morocco: Implementation of a mandatory insurance coverage mechanism against certain risks (including flooding) and the signing of a "climate finance" roadmap by the government and the various stakeholders in the financial sector.
-  New Zealand: Work with public and private stakeholders to develop a Sustainable Finance Roadmap.