



Westminster Energy Forum

“Trends in Insurable Risks and their Criteria:
international variance in responding to climate
change through insurance and facilitating the
energy transition”

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Impact of Insurers' Net-Zero Transition on Policyholders

Challenges

Increase in:

- Climate disclosures
- Regulatory frameworks & guidance
- Transition plans

Insurance alliances

- NZIA
- FIT

Pressure

- Campaigning
- Litigation
- Reputation
- Legislation & regulation

Focus on Underwriting Portfolios

PCAF Methodology

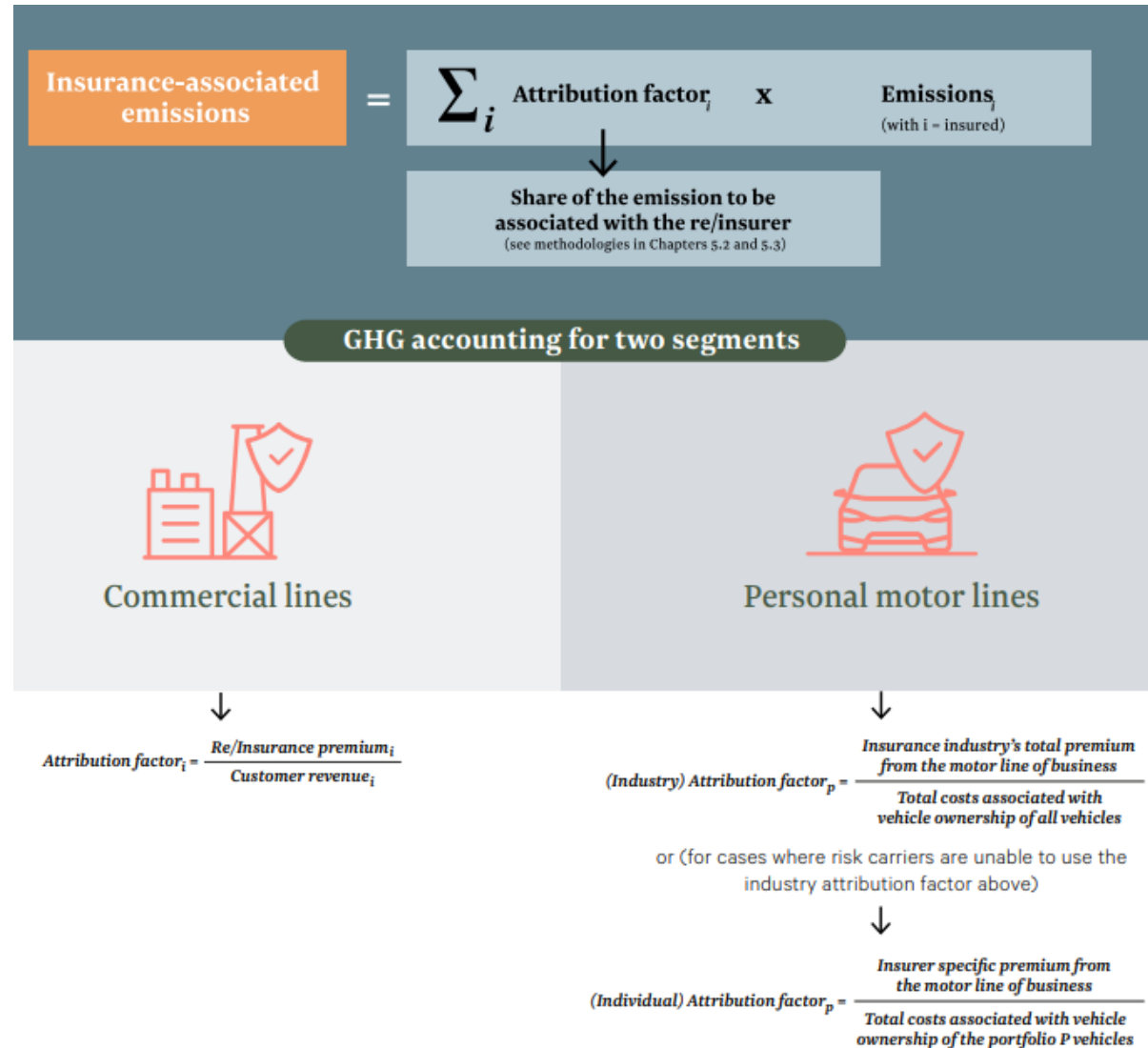
- Personal motor
- Commercial lines
- Expand to other Lines of Business

PCAF Methodology subject to mixed reception

For insurers with net zero targets & ongoing reporting requirements:

- important to at least start to navigate data challenges
- set baselines
- understand impact of underwriting decisions
- develop strategy
- avoid greenwashing risk

PCAF Formula to Calculate Insurance-Associate Emissions



Impact of Insurers' Net-Zero Transition on Policyholders

What does that mean for buyers of insurance?

Likely focus on:

- Increasing engagement from insurers
- Data requests
- Incentives to encourage decarbonisation
- Ongoing consideration 'behind the scenes' on potential targeted restrictions and climate stress testing

What questions are insurers considering?

Variations by carrier

- Multi-national insurers vs. small specialised insurer

Market variations

- Continue writing profitable business
- Expand into renewable energies – first mover advantage, yet need to understand technology, innovate, deal with unproven technologies, gaps in knowledge, underwriting data

Jurisdictional variations

- Differing outlook in Asia Pacific and ASEAN when compared with Europe
- Inclusive decarbonisation

Supporting Clients – Stakeholder Pressure – Governmental Action - Investment