



ESG gerelateerde trends in (her-)verzekering

Arno Gabriël en Thordis Jensen



Agenda

- Het landschap van vandaag - Overzicht
- Implicaties voor (her-)verzekeringen
- Effecten op het Underwriting
- EU Taxonomie



Het landschap van vandaag - overzicht

Meer dan ooit zijn ESG-kwesties belangrijk voor bedrijven en financiële belanghebbenden

De ESG-status 'Outlier' heeft het potentieel om het risico op aansprakelijkheid voor een bedrijf en de toekomstige winstgevendheid te vergroten.



Vraag:
Onder de Top 10 Risico's voor Nederland, vanuit perspectieffe Management, welke risico's verwachten jullie?



Het landschap van vandaag - overzicht

Top 10 Risks - Netherlands

1 Cyber Attacks / Data Breach	2 Workforce Shortage	3 Failure to Attract or Retain Top Talent	4 Commodity Price Risk / Scarcity of Materials	5 Business Interruption
6 Failure to Innovate / Meet Customer Needs	7 Regulatory / Legislative Changes	8 Supply Chain or Distribution Failure	9 Absenteeism Workforce	10 Economic Slowdown / Slow Recovery

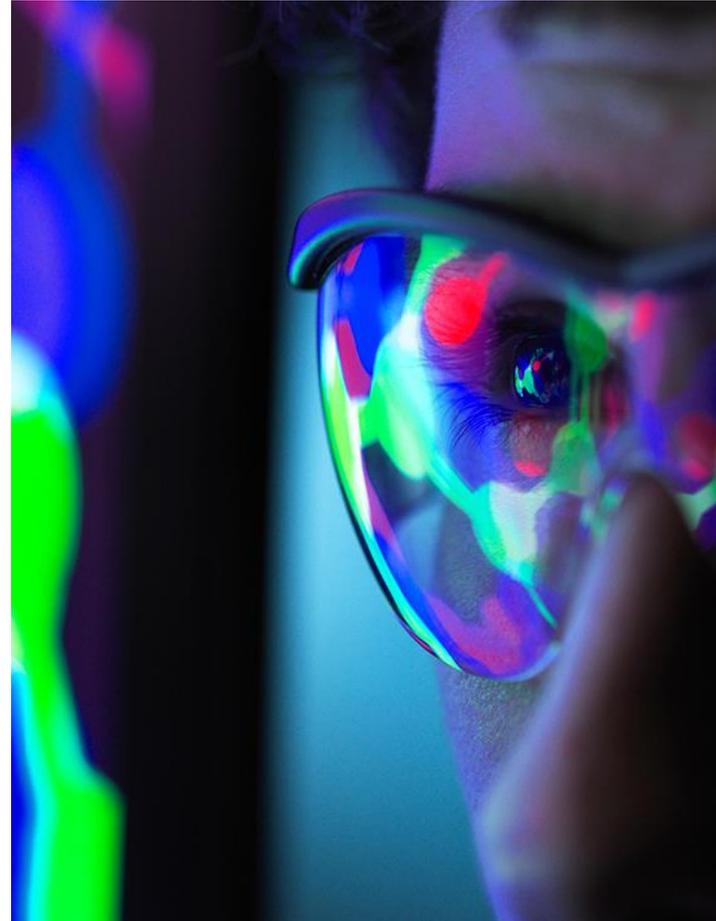
Source: Aon 2023 Global Risk Management Survey

Het landschap van vandaag - Overzicht

ESG-kwesties brengen brede en complexe risico's en kansen met zich mee voor alle organisaties en beleggers

- De stem van de aandeelhouders kan aanzienlijk worden beïnvloed door ESG-gerelateerde factoren. Toenemende vraag naar publicatie van informatie en transparantie over de hele waardeketen.
- ESG-gerelateerde regelgeving en publicatievereisten nemen toe, vooral op het gebied van Klimaat en op Diversity, Equity & Inclusion (DE&I).

Het ESG-landschap is complex en gefragmenteerd.



- ESG-kwesties kunnen een positieve en negatieve invloed hebben op het kapitaal van een organisatie.
- Strategieën voor het aantrekken en behouden van werknemers worden in toenemende mate beïnvloed door ESG-factoren.

Implicaties voor (her-)verzekeringen



2021, Ahrtal-overstroming, Duitsland

Het vandaag identificeren van de ESG-prioriteiten, deze aan de pakken en hierover te rapporteren, draagt in belangrijke mate bij aan de duurzame bescherming van de balanspositie en het vermogen om in de toekomst waarde te kunnen blijven creëren.

- Toegenomen risico's leiden tot hogere verzekeringspremies
- Schade ervaring uit het verleden wordt minder relevant voor pricing.
- Verzekeraars spelen een sleutelrol bij het mogelijk maken van transitie
- Meer beperkingen van de verzekeringsdekking door lagere limieten en uitsluitingen
- Rol van de overheid als vangnet

Effecten op het Underwriting

Effecten op het Underwriting

AXA, the 10th insurer to (almost) stop covering new gas fields

Paris, 28 July 2023 – French insurer AXA has announced it will no longer cover new gas fields, becoming the 10th insurer to make such a commitment (1). But AXA has not gone as far as some of its peers, allowing exceptions for companies it considers to be “in transition”. Reclaim Finance decries the exceptions, highlighting that the International Energy Agency (IEA) has stated that achieving a 1.5°C scenario means no new oil and gas projects. Reclaim Finance calls on AXA to demand an end to the expansion of oil and gas production and transport, and to make this a red line that its clients must respect in order to receive insurance cover.

Environmental - Zurich Insurance stops underwriting new fossil fuel projects

Zurich Insurance stops underwriting new fossil fuel projects

Environmental campaign welcomes action, calls for more oil and gas exits



Another major insurance group commits to stop insuring new oil and gas exploration

May 2, 2023 | Press Release

Germany, Hanover May 2, 2023 – Talanx, a major German insurance group which operates globally, has [adopted new restrictions on oil and gas](#). New oil and gas fields will no longer be insured as of July 1, 2023. New oil power plants and new infrastructure directly associated with new oil fields will also be excluded. Talanx is the 15th major insurer to adopt restrictions on conventional oil and gas.

APR 10, 2024 • 2 MIN READ • OPERATIONS & FINANCE

Zurich stops underwriting new oil and gas projects

In 2022, the Swiss insurance company was the world's sixth largest fossil fuel underwriter.

INSURANCE INVESTOR

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Munich Re stops fossil fuel investments from 2023

Effects to investment industry could be wide felt, as major reinsurer joins growing list of companies turning away from fossil fuels.

Andrew Putwain | Friday, Oct 07, 2022

Major reinsurer changes

Munich Re Group has said it will no longer invest or insure oil and gas projects from January 1, 2025, with some campaign groups saying it has taken too long for the company to join others in the industry that had promised the change.

"The Group has set itself ambitious decarbonisation targets for its investments, its (re)insurance transactions and business operations."

The German multinational reinsurer, which has €240bn in wider investments, announced this week it will [not invest in fossil fuels](#) due to their effects on climate change and other environmental concerns.

In a statement on Thursday, it said "The Group has set itself ambitious decarbonisation targets for its investments, its (re)insurance transactions and its own business operations." The Group's size and global footprint could see it spur further companies to make the same decision on where it invests. According to Munich Re's 2021 [Group Annual Report](#), it had a return on investments of 2.8% in 2021. Insurance-related investments were €12.28bn.

Vanuit de shareholders ontstaat druk op (her-)verzekeraars om inzicht te geven in hun transitie naar een meer duurzame onderneming. Het ondersteunen van transitieprocessen is belangrijk om markten in staat te stellen duurzamer te worden en onverzekerbaarheid van sectoren te voorkomen.

EU Taxonomy

- What is EU taxonomie?

Reporting Voorbeelden (voor 2023):

Munich Re

(Re)insurance KPIs as per Art. 8 of the EU Taxonomy Regulation

	Substantial contribution to climate change adaptation		
	Absolute insurance revenue	Proportion of insurance revenue	Proportion of insurance revenue
	€m	2023	Prev. year ¹
Non-life insurance and reinsurance underwriting activities		%	%
Taxonomy-aligned (environmentally sustainable)	2,931	7.9	
Thereof: Reinsured	160	0.4	
Thereof: Stemming from reinsurance activity	2,673	7.2	54.9
Thereof: Reinsured (retrocession)	160	0.4	
Taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned)	17,797	48.1	
Taxonomy-non-eligible	16,243	43.9	45.1
Total	36,971	100.0	100.0

¹ Minor differences to the previous year's reported values are due to the adjustment of the calculation basis from gross premium to IFRS insurance revenue, analogous to financial reporting.

Scor

Eligibility and alignment of SCOR (re)insurance activities under the European Taxonomy

In accordance with the Taxonomy Regulation (EU 2020/852) and associated Delegated Acts - SCOR has assessed the share of its (re)insurance activities that are eligible and aligned under the European Taxonomy. Figures used to compute eligibility and alignment ratios are based on IFRS 17 Insurance Revenues as required by the regulation.

SCOR has performed a qualitative and quantitative assessment of its eligible and aligned non-life (re)insurance activities⁽¹⁾.

The eligibility ratio is based on IFRS 17 revenues and calculated on a Group consolidated basis as per the regulation:

- The numerator represents the sum of eligible IFRS 17 (re)insurance revenue relating to climate-related perils from the four direct proportional and non-proportional eligible lines of business. In accordance with the European Commission guidance, in the case of multi-risk insurance products covering also climate-related perils, SCOR retains the share of the premium that specifically covers climate-related perils.

- The denominator is the total sum of Non-Life IFRS 17 insurance revenue (calculated on a consolidated basis).

Based on the methodology described above, as of 31 December 2023:

- Eligible IFRS 17 Insurance revenue amounts to EUR 1,059 million;
- Total Non-Life IFRS 17 insurance revenue amounts to EUR 7,496 million.

In 2023, the eligibility ratio stands at 14.1% which compare to a 2022 recalculated ratio of 14.2% (57.6% in the previous calculation format⁽²⁾).

Alignment was assessed for the first time in 2023, based on the eligible scope of activities. The approach is based on both a quantitative and qualitative analysis aiming at identifying the share of SCOR's underwriting Non-Life activities compliant with the criteria set out by the Taxonomy Regulation and associated Delegated Acts.

Vragen?

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