

Climate Change & Environment Conference 2024

On the Frontline of Climate Change: The essential role of insurance

Hosted by the Liberty Mutual Climate Transition Center
Boston, Massachusetts
15–16 October

Climate change is increasing the frequency and severity of extreme weather events. The impacts of these events are exacerbated by a rising concentration of people and assets in high-risk areas such as coastal zones, as well as factors like ageing infrastructure. Over the last three decades, global insured losses from weather-related extreme events have more than quintupled, yet these only account for about a third of total economic losses. Certain factors are limiting insurance uptake, and, in many high-income markets, the availability and affordability of re/insurance is a rising concern. Also, the cost of climate adaptation could become prohibitive in some regions if climate mitigation measures are not effectively implemented and scaled to reduce greenhouse gas (GHG) emissions. This requires massive transformation across all sectors of the economy, shifts in market and consumer behaviours and the adoption of many new technologies over the coming decades.

This conference took a deep dive into how to enhance the insurability of physical climate risk and how to address the massive financing gap for building climate resilience and decarbonising the economy. It explored how insurers, as risk managers and investors, can enable and innovate solutions, including through cross-sectoral collaboration, to help build societal resilience and expedite the transition.

Agenda (times in ET)

Conference moderation by **Maryam Golnaraghi**, Director Climate Change & Environment, The Geneva Association

Tuesday, 15 October

18:30–21:00 Dinner reception at Liberty Mutual Insurance

Welcome remarks provided by **Melanie Foley**, EVP, Chief Purpose & DEI Officer, Liberty Mutual Insurance

Location: Liberty Mutual Insurance; 157 Berkeley Street; Room: Bullnose, 1st floor

Wednesday, 16 October

8:15–9:00 Registration and welcome breakfast

Location: Liberty Mutual Insurance; 157 Berkeley Street; Room: 26–28 foyer, 2nd floor

9:00–9:15 Opening remarks

Maryam Golnaraghi, Director Climate Change & Environment, The Geneva Association

9:15–9:45 **Keynote interview with Tim Sweeney, President & CEO, Liberty Mutual Insurance**
Moderator: **Jad Ariss**, Managing Director, The Geneva Association

9:45–10:45 **Boosting the Insurability of Physical Climate Risk: An all-of-society endeavour**
Moderator: **Ernst Rauch**, Chief Climate & Geo Scientist, Munich Re

Panellists:

- **Dave Burt**, Founder & CEO, DeltaTerra Capital
- **Kevin Gaffney**, Commissioner, Vermont Department of Financial Regulation
- **Carla Smith**, EVP & Chief People, Strategy & Climate Officer, Intact Financial Corporation
- **Roy E. Wright**, President & CEO, Insurance Institute for Business & Home Safety

Without the implementation of climate risk reduction and prevention measures, some risks may no longer be insurable through commercial insurance markets and will instead require interventions such as public-private partnerships. In a few high-income economies with mature insurance markets, insurers are being forced to limit or cease offering new policies, in some cases in response to regulatory pressure to cap insurance premiums, despite rising risks. This session will explore ways to incentivise risk prevention and reduction among key stakeholders. It will also look at how physical climate risks are holding back decarbonisation projects and the need for new tools that can assess long-term physical climate risks to support decision-making.

10:45–11:15 **Coffee break**

11:15–11:30 **Special address: From Halfway There to There**
Tom Rowlands-Rees, Head of Research, North America, BloombergNEF

11:30–12:30 **Changing the Financing Narrative: How can insurance enable the energy transition?**
Moderator: **Maryam Golnaraghi**, Director Climate Change & Environment, The Geneva Association

Panellists:

- **John C. S. Anderson**, Global Head Corporate Finance & Infrastructure, Manulife
- **Liz Geary**, President, Insurance Solutions, Liberty Mutual Insurance
- **Sonja Gibbs**, Managing Director & Head of Sustainable Finance, Institute of International Finance
- **Tom Rowlands-Rees**, Head of Research North America, BloombergNEF

Limiting global warming requires rapid and sustained reduction in GHG emissions. This requires a well-planned, whole-of-economy approach to limiting the global average temperature increase over the next few decades. The annual investment gap between now and 2050 to fund this transition is estimated at USD 7–9.2 trillion. This session will explore the critical role insurance can play in unlocking capital to narrow this gap. It will also examine the importance of cross-sectoral collaboration and why risk mitigation and management measures are key to designing more resilient, decarbonised business models.

12:30–13:30 **Networking lunch**
Location: Liberty Mutual Insurance; 157 Berkeley Street; Room: 26–28 foyer, 2nd floor

13:30–14:00 **Keynote speech: Driving Commercialization**
Vanessa Z. Chan, Chief Commercialization Officer & Director, Office of Technology, U.S. Department of Energy

14:00–14:10 *Participants progress to interactive sessions*

14:10–15:25 **Interactive sessions**

Session 1: Forward-looking Climate Risk Information for Enhanced Decision-making

Location: Liberty Mutual Insurance; 157 Berkeley Street; Room 29, 2nd floor

Co-facilitators: **William Keithler**, Senior Director, Chief Investment Office, AIG and **Raghuv eer Vinukollu**, Head, Climate Insights & Advisory, Munich Re US

This session will explore the linkages between physical and transition risks and challenges related to managing them. It will examine the evolving needs of the insurance industry for climate risk information to support short-, medium- and long-term decision making in managing both sides of the balance sheet, as well as how to vet the next generation of climate risk analytics tools.

Session 2: How the Climate Transition will Impact the Insurance Business Model

Location: Liberty Mutual Insurance; 157 Berkeley Street; Rooms 1 + 2, 2nd floor

Facilitator: **Margaret Peloso**, Global Climate Officer & Executive Director, Chubb Charitable Foundation

This session will explore emerging societal challenges related to climate change and what is needed to develop a more resilient and decarbonised economy. It will identify solutions that need to be adopted by individuals, businesses and governments, as well as the implications for insurance needs and the ways current insurance business models may need to change.

Session 3: How Can the Insurance Industry Champion Resiliency?

Location: Liberty Mutual Insurance; 157 Berkeley Street; Room 9, 2nd floor

Facilitator: **Swenja Surminski**, Professor in Practice, LSE and Climate Thought Leader, Marsh McLennan

Who creates and owns climate risk? Who is impacted by it and who has the mandate to – or can manage it? With insurers transferring the residual risk, building resilience is foundational to the affordability and availability of insurance. This session will analyse how P&C insurers can act to champion resiliency among the broader stakeholder ecosystems.

15:25 - 15:40 **Coffee break**

15:40–16:40 **The Household Transition: How consumer behaviour can move the needle on climate change**

Moderator: **Rakhi Kumar**, SVP, Business Integration & Sustainability Solutions, Liberty Mutual Insurance

Panellists:

- **Greg Guthridge**, Global Customer Transformation Lead, Energy & Resources Consulting, Ernst & Young
- **Eric Johnson**, Norman Eig Professor of Business & Director, Center for the Decision Sciences, Columbia Business School
- **Jeff McAulay**, CEO & Co-Founder, Energetic Capital

In addition to policy and technology advancements, a third and growing dimension of the energy transition is aligning consumer and market behaviour. Business and government action will not be sufficient without significant changes at the individual level. Effectively balancing consumer demand and supply will be key to governments and businesses beginning or advancing their own transitions and reaching climate goals. This session will explore how consumers are looking at the transition and factors driving their decision-making, as well as how insurers can help shift behaviour among their customers.

16:40–16:45 **Closing remarks**

Maryam Golnaraghi, Director Climate Change & Environment, The Geneva Association

Light farewell refreshments provided in the foyer, following closing remarks

17:15–17:35 **Shuttle to Boston Logan International Airport (optional)**

Location: Liberty Mutual Insurance; 175 Berkeley Street