

ESG is in the insurance industry's DNA

About the Industry

May 14, 2021

IN THIS ARTICLE

Ideal partners

Bringing ESG together

Insurers' ESG focus at a glance

Regulators, Rating Agencies, and NGOs

SHARE THIS



DOWNLOAD TO PDF

Corporations increasingly include non-financial factors, such as environmental and social impacts of operations and investment practices, into business analyses to help them identify risks and growth opportunities.

Generally referred to as environmental, social, and governance (ESG), these factors have become more significant due to:

- Globalization,
- Concerns about climate and extreme weather, and
- Social media making inequity and injustice more visible in real time.

This visibility can affect purchasing choices, spur consumer and shareholder activism, or even

spark civil unrest, leading to physical injuries, property damage, and business disruptions.



ESG Insights From *the Triple-I Blog*

[Triple-I CEO: Insurance Leading on Climate Risk](#)

[White House, FEMA Resilience Officials Speak at Triple-I Event](#)

[Climate Risk Is Not a New Priority for Insurers](#)

[Insurance Is a Key Part of Financial Literacy](#)

Read more about ESG on the [Triple-I Blog](#).

Ideal partners



While ESG priorities may seem new to many industries, insurers have long been involved in understanding and addressing these and other risk factors as a fundamental part of doing business:

Although typically discussed in terms of three distinct “buckets,” ESG priorities overlap significantly, as illustrated below. As the COVID-19 pandemic has shown, hazards that affect “everyone” tend to have a disproportionate impact on vulnerable populations – particularly communities of color. This is particularly evident in the case of [natural catastrophes](#), but it also is relevant when speaking about product access and affordability, hiring and promotion, and composition of boards of directors. Climate/weather issues often straddle social concerns, and governance needs to take both into account.

And, far from being an impediment to profitable performance, research increasingly demonstrates an [ROI advantage](#) for companies that include ESG into their business strategy.

Bringing ESG together



Insurers’ ESG focus at a glance



Below are links to the ESG protocols and priorities of rating agencies and other influential

entities to help insurers and other companies think about the ESG landscape.

Also, see the [Triple-I Resilience Accelerator](#) for data-driven insights around resilience.

Regulators, Rating Agencies, and NGOs



AM Best Ratings and ESG

[American Property Casualty Insurance Association \(APCIA\) Sustainability Reporting and Assurance Website](#)

[Fitch Ratings ESG Relevance and Long-Term ESG Vulnerability Scores](#)

[Institute of International Finance \(IIF\) Building a Global ESG Disclosure Framework: A Path Forward](#)

[Morningstar Sustainability Ratings](#)

[Moody's and ESG Website](#)

[National Association of Insurance Commissioners \(NAIC\) ESG Implementation Project](#)

[Standard & Poor's ESG Evaluation](#)

[U.N. EPFI Principles for Sustainable Insurance](#)

[Back to top](#)