

Insurers Mitigating the Severity of Natural Disasters, Panel Agrees

January 28, 2021

SHARE THIS



DOWNLOAD TO PDF

For immediate release

New York Office: Scott Holeman, 212-346-5566, scotth@iii.org

NEW YORK, Jan. 28, 2021—Financial services companies and academic institutions are developing the products and policies needed to mitigate the impact of extreme weather events, according to panelists who convened today at the [Insurance Information Institute's](#) (Triple-I) annual Joint Industry Forum (JIF).

The JIF panelists who gathered to discuss *Climate Change Risk & Resilience: Facing the Facts* agreed extreme weather events were occurring with more frequency and greater intensity, resulting in higher risk exposure and expenses for insurers and their policyholders worldwide.

Moreover, the climate and sustainability agenda has been the fastest growing workstream in their ranks in recent years, they said. Starting in Europe, climate risk issues have become a global issue with working groups in jurisdictions and capitals around the world, the panelists explained.

Dr. Michel Léonard, Vice President and Senior Economist, Triple-I, moderated the panel. The panelists included Tim Adams, President and CEO, [Institute of International Finance](#); Susan Holliday, Senior Advisor, [International Finance Corporation](#), a member of The World Bank Group; and Carolyn Kousky, Executive Director, [Wharton Risk Management and Decision Processes Center](#). In addition to their professional careers, Holliday and Kousky also serve as non-resident scholars at the Triple-I.

Adams discussed the importance of finding explanations for problems and solutions that transcend the political spectrum. He also noted the value of science-based research, methodology, and data as critical building blocks for constructing and responding to regulatory guidelines.

“We can craft smart policies to address the most important challenge of our professional careers through a combination of industry creativity, responding to our clients’ needs and demands, and engaging with policymakers at the state and federal levels,” said Adams.

Holliday said getting people to understand how catastrophic events in one country or continent impact the rest of the world can help people understand risk and help steer engagement on climate-related issues.

“In my view, we need to look in terms of prevention and mitigation, as well as ways of compensating when bad weather events take place,” Holliday said. “To only look at compensation after the event and ignoring other angles is not sustainable, nor is it affordable for the private sector or governments.”

Kousky says academic research around climate-related impacts has greatly expanded and is being addressed by a wide range of disciplines. That is because the issue will impact every sector of the economy, Kousky added.

“We have research looking at how changing climate extremes impacts housing markets and mortgage markets,” Kousky said. “We’ve also been looking at the potential impacts of climate to the property insurance industry. For example, we’re examining the responses to the escalating wildfire risk in California.”

Kousky also noted many tools are emerging to help manage risks but said there should be more coordination across various sectors.

The Triple-I has a full library of educational videos on its [YouTube Channel](#). Information about Triple-I mobile apps can be found [here](#).

[Back to top](#)