Insurance Leading on Climate Risk

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Chief Executive Officer

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We are the trusted source of unique, data-driven insights on insurance...

......to inform and empower consumers.
Insured Cat Losses Are Increasing At An Alarming Rate –Nearly 700% Since 80’s

$0 $10 $20 $30 $40 $50 $60 $70 $80 $90 $100 $110
80 82 84 86 88 90 92 94 96 98 00 02 04 06 08 10 12 14 16 18 20

$ Billions, 2019

- 1980s: $5 B
- 1990s: $15 B
- 2000s: $25 B
- 2010s: $35 B

- 1980: $5 B
- 1990: $15 B
- 2000: $25 B
- 2010: $35 B

- Hurricane Andrew
- WTC
- Katrina, Rita, Wilma
- Harvey, Irma, Maria

*Sources: Property Claims Service, a Verisk Analytics business; Aon; Insurance Information Institute.
Macro Solvency a.k.a. Policyholders Surplus 2007-2020 Quarterly

Surplus at end of 2020 stood at $914.3B, an all-time high

2007:Q3 Pre-Crisis Peak
Drop in 2011 due to very large CAT losses

Drop in 2018 due to unrealized investment losses

Policyholder Surplus: Positive

Sources: NAIC data sourced through S&P Global Intelligence; Insurance Information Institute.
ESG: Is In Insurers’ DNA

Environmental
- Invest for maximum impact, minimal harm
- Understand & manage climate risk
- Innovate through technology & partnerships

Governance
- Board composition
- Director performance & independence
- Compliance & transparency
- Hiring & compensation equity
- Investment & solvency standards
- Responsibilities to stakeholders:
  - Customers
  - Employees
  - Regulators
  - Communities
  - Shareholders

Social
- Risk-based pricing rooted in fairness
- Highly competitive market fosters consumer choice
- Invest in what makes us better as a society

Bottom Line:
- Regulated by 50+ jurisdictions
- NAIC Risk Management & Own Risk and Solvency Assessment (ORSA) model
- Climate risk/resilience research/information sharing (e.g., Triple-I Resilience Accelerator)
- Investment in diverse, inclusive work force; community aid; financial literacy; and other social goods
Insurers’ ESG Focus At A Glance

**Driving Resilience**
- From “recovery and repair” to “predict and prevent”
- Risk partners and financial first responders for families, businesses, and communities
- Sophisticated hazard modeling and data-driven loss control support informed risk taking

**Giving Back**
COVID:
- U.S. auto insurers returned over $14 billion to customers in response to reduced driving during COVID-19 pandemic
- Insurers have pledged more than $280 million in donations to organizations fighting the pandemic

**Sharing Insights**
Nonprofits driving understanding of insurance for diverse audiences:
- Griffith Foundation
- Insurance Information Institute
- Insurance Institute for Business and Home Safety
- Insurance Research Council
- National Association of Insurance Commissioners
- Society of Insurance Research
## 2000 to 2009 Hurricane Track

### Peril Maps

#### Hurricanes

<table>
<thead>
<tr>
<th>Storm</th>
<th>Losses</th>
<th>Forecast</th>
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Select a storm from the dropdown button or scroll over a state to see the path and shifting strength of historical hurricanes and tropical storms. Storms are listed chronologically starting with the most recent. Same-named storms are differentiated by year.

**Storm:**

- **2000**
- **2009**

**Years:**

- 2000
- 2009

More about the data [here](#)
Resilience Blog

Lightning Rounds: Investing in disaster and risk management technology

July 17, 2020 The Insurance Information Institute (Triple-I) yesterday hosted a webinar showcasing technology companies whose products mitigate the impact of severe [...]
Considerations
Thank you!

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