



Strategic Roles of Insurance in Green and Sustainable Finance

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Strategic roles of insurance

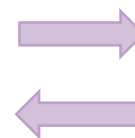


Collaborative partnership

The Green and Sustainable Finance Cross-Agency Steering Group (CASG)



The Financial Services and the Treasury Bureau;
The Environment and Ecology Bureau



Task Force on Green Insurance



Capacity Building
Working Group

Centre for Green and Sustainable Finance (GSF)



Data Working Group

Bridging data gaps – GSF Data Source Repository



Expertise contributed by the insurance sector

Expertise in Risk Modelling

Experience in Risk Assessment

Climate Risk Management and Mitigation Tools

Bridging Data Gaps

- Availability
- Accessibility
- Reliability



Data application / use cases for the insurance sector

1 Climate risk management

2 Climate scenario analysis

4 Support low carbon transition

5 Promote capacity building

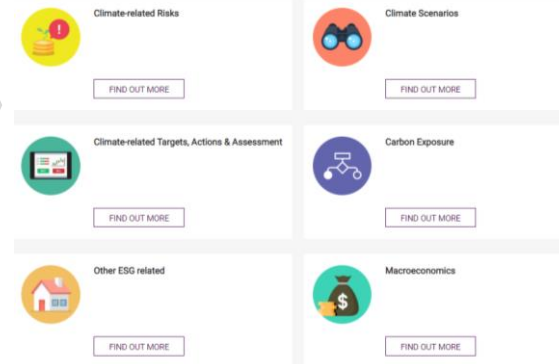
3 Setting climate goals and strategies

6 Product development
(e.g. parametric insurance & ILS)

Green and Sustainable Finance Data Source Repository

This repository contains a set of available data sources for assisting climate risk management and other green and sustainable finance related analysis and research. It was recommended and compiled by the GSF Centre's Data Working Group based on current industry practice and is not exhaustive. The GSF Centre will review and update the repository on an ongoing basis.

* Suggestions and feedback are welcome. Please send them to the e-mail address: hkgsf@hkiama.gov.hk.



Climate risk regulatory development trend

CURRENT STATE

- GL 21 requires authorized insurers to include climate risk, among other relevant and material risks, ERM framework
- Most insurers have not yet considered climate factor in risk assessment and mitigation – 2021 ORSA reports

EXPECTATION

- More guidance on climate risk management
- TCFD* aligned / upcoming ISSB disclosure requirements
- Climate scenarios analysis
- Proportionate and pragmatic approach on implementation

TO ENHANCE INDUSTRY READINESS

Industry Survey

*Promote good practice
and address gaps and
challenges*

*GSF Data Source
Repository*

*CDP** SME
Questionnaire*



- CASG collaborated with CDP to develop a Climate and Environmental Risk Questionnaire for Non-listed companies/small and medium-sized enterprises (SME Questionnaire)
- To facilitate financial institutions to collect client's climate related data
- Launch event in March

*TCFD reporting framework includes four pillars: (i) Governance, (ii) Strategy, (iii) Risk management, and (iv) Metrics and targets

**CDP is an international non-profit organisation that runs the global environmental disclosure system for companies



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