

12 March 2024

Our Ref: INS/TEC/10/51

By **email** only

To: Chief Executives of Authorized Insurers

Dear Sirs,

Climate Risk Management Survey

Thank you for participating in the climate risk management survey¹ conducted by the Insurance Authority (IA) in the second half of 2023. We received a good response across the industry, reflecting its common recognition of climate change as an imminent threat.

Most respondents have drawn up a concrete plan to implement or are already implementing climate risk management practices, even though such practices vary between companies. However, there are areas that require further attention such as nurturing awareness and knowledge of the board, strengthening capacity for scenario analysis and preparing for compliance with evolving disclosure standards and requirements. A summary of the survey results is at **Annex**.

The insurance industry is in an ideal position to take advantage of the opportunities presented by climate change. It is exposed to physical and transition risks, it can develop innovative products to incentivize preventive and adaptive actions, it is also a reliable source of impact investment. The survey results provide visibility on overall readiness of the industry, which will serve as useful reference for the Insurance Authority in mapping out support measures and supervisory guidance going forward.

We will continue to partner with the Hong Kong Federation of Insurers, building on commitments underpinning the Insurance Industry Climate Charter, to realize our full potential in helping to secure a better future for mankind.

¹ https://www.ia.org.hk/en/legislative_framework/circulars/reg_matters/files/Cir_dd_30.06.2023_Eng.pdf

If you have any enquiries on this subject, please contact us at climaterisk@ia.org.hk.

Yours faithfully,

Tony Chan
Associate Director
Policy and Legislation Division
Insurance Authority

c.c. The Hong Kong Federation of Insurers
The Hong Kong Confederation of Insurance Brokers
Professional Insurance Brokers Association

Encl.