



Remarks by Don Forgeron

Economic Club of Canada

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Welcome, everyone.

Thank you all for joining us here today. I'm going to take a moment or two to set the scene – and then we'll get into our discussion.

There are some who still think about climate change in the future tense – as something that is going to happen. Something that is going to have an impact on how we live.

Insurance companies are on the front lines of climate impact, so I can tell you first-hand: Climate change is affecting Canadians now. It has gone from future threat to present danger. We are already feeling its effects – across the country, and on the bottom lines of many businesses and organizations.

You just have to look at the numbers. And I would encourage you to bring your analytical abilities to assessing the reality of climate change today – and its effect on how we live and who is at risk.

A generation ago, insurers paid out – on average – about \$400 million a year on weather-related costs in Canada ... flooding, hail, fires and the like. Today, that number is often over \$1 billion, and sometimes much higher.

That represents just the insured costs associated with natural catastrophes – not the costs to government treasuries, which have been growing at an even faster rate.

Globally, 2017 was the costliest year on record – more than \$300 billion in losses related to weather events.

The simple fact is that severe weather is happening more frequently, and with greater severity.

And yet, the response to this threat has been somewhat muted – both by policymakers and by the business community.

I was at a conference last month and got a chance to hear from Bob Rubin, the former treasury secretary of the US. He said that when he's at dinner parties with CEOs, they all seem very focused on climate change as a public policy issue. Very knowledgeable and aware.

But when they get back to the office, they get amnesia. They don't make investment decisions with the climate in mind. They don't press political leaders for quicker and smarter action on climate policy. This is an area our panellists will weigh in on.

Within the insurance industry, we are taking steps to better educate consumers about the realities of flood – and how to reduce their individual risk.

We are also advocating for improved infrastructure and land-use policies. And we're helping to develop new protective technologies, such as basement moisture sensors.

Small steps, all of them – but they are steps forward.

A much larger issue looms, however ... the leadership role the private sector needs to play.

No one can solve this challenge on their own. No one decision or investment is going to make the difference.

At IBC, we firmly believe that everyone has a role to play – and only by working together ... each of us contributing ... are we going to be able to confront this challenge. We call this a “whole-of-society” approach to climate change.

We believe it is time we had a national conversation about sustainable investing and the financial levers that will help us transition to a low-carbon economy.

It’s time we confront reality and begin to understand that due diligence and risk management in the 21st century must also include climate risk.

So I look forward to the discussion we’re going to have here today. We’ve assembled an excellent panel who will help us better understand the impact climate change is already having, how it is being factored into investment decisions and, more importantly, the role the private sector needs to play if Canada is to meet its international commitments for greenhouse gas reductions.

I will take the panel through a few questions, and we will open it up for questions from the audience.

Thank you.