



# Associazione Nazionale fra le Imprese Assicuratrici (ANIA) Insurance Summit

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Good morning, everyone – Ministers and other dignitaries.

It's more than a pleasure – it's an honour to be with you today, among such distinguished company and in service of such an important issue.

I want to begin by extending a formal note of gratitude to ANIA and to President Farina for the opportunity to speak with you today – and for their work to organize this important summit.

Rome is one of my favourite cities, so I very much wish I could be there in person.

I am instead speaking to you from six hours and 7,000 kilometres away.

Canada is a part of the world not exactly known for its heat waves. But let me tell you about our summer.

In the span of only a few days, we lost more than 500 people to record-high temperatures in our western province of British Columbia. No one was prepared for a crisis of this magnitude.

In June, the town of Lytton set a Canadian heat record – 49.6 degrees Celsius.

The next day, a wildfire sparked in a nearby valley. Within hours, the entire town had burned to the ground.

An unprecedented disaster. And a possible omen for what's to come in future years.

University scientists examined the phenomenon. And in their report, they reached the following conclusion: A heat wave of this scope and magnitude, in this part of the world, would be – and I quote – “virtually impossible without human-caused climate change.”

Canada is not the only country experiencing the lethal impacts of our changing climate.

Far from it. It's a global reality – and taking action to fight climate change, and adapt to its effects, is a global challenge.

Put another way: Climate change is no longer a future threat. Today, right now, it represents a clear and present danger to property, to infrastructure, to the natural world and to human lives.

We need to act now – for our own good and that of future generations.

Within this new reality, sustainability has been a central theme of the Italian G20 Presidency.

As I've had the opportunity to tell Minister Franco and Governor Visco directly: Our organization welcomes that focus. It's smart, it's timely and it's very much needed.

I am participating in today's event in my role as President of the Global Federation of Insurance Associations.

GFIA is a worldwide voice for our industry. The companies we represent account for almost 90% of insurance premiums around the globe.

Global insurers were among the first to model climate risk and sound the alarm about the potential impact of human-influenced change.

That was more than 40 years ago. In fact, the Nobel committee just recently awarded its physics prize to one of the first scientists to study human influence on weather patterns.

Today, GFIA is on the front lines as physical climate risks rapidly escalate worldwide in the form of heat events, wildfires, floods, and tropical storms.

Beyond this role, we believe the insurance industry has a pivotal role to play in facilitating our collective transition to a sustainable economy.

Let there be no doubt: There is enormous potential in sustainable finance.

It presents us with the opportunity to fuel growth and enhance stability – by transitioning toward more resilient, more inclusive and greener economies and societies.

Of course, transformation on such a massive scale won't be easy – and it won't happen overnight.

But with leadership, with determination and with a consistent focus on the benefits of doing things differently – and doing them better – we can over time evolve both our economies and our way of living.

So, what's the best way to move forward? How can we, as insurers, contribute to a more sustainable future?

First, we can help to weather the storm.

Already, we are seeing how climate-influenced weather events can bring enormous financial costs to cities and countries alike.

In 2020 alone, global economic losses from natural catastrophe events approached \$200 billion US. That's the fifth highest year on record. And the trend is very much heading in the wrong direction.

Amid this growing pressure, insurers have played – and will continue to play – a critical role in protecting public treasuries and national economies.

Insurers have already developed substantial expertise in understanding and responding to climate risk.

We are well positioned to contribute to both discussion and actions aimed at combating both the short-term and longer-term effects of climate change.

Second, we can – in our capacity as long-term investors – help drive the transition toward a sustainable economy.

More and more, insurers are directing funds to companies and projects that support a more sustainable future.

But it goes beyond that. A roster of global insurers and reinsurers will formally launch the Net Zero Insurance Alliance at COP.

These companies have committed to transition their underwriting portfolios to net-zero greenhouse gas emissions by 2050.

Globally, insurers have more than \$30 trillion of assets under management. In other words, we have the capacity to make a difference.

Third, the global insurance industry can play a greater role in supporting a financial system that is both resilient and sustainable.

For instance, many insurers have already individually committed to meeting the targets set in the Paris Climate Agreement.

That said, I think there is value in acknowledging exactly where we stand as an industry on this.

When it comes to responding to the challenge of climate change, our industry has moved at a different pace in different parts of the world.

Insurers in some countries are well ahead of others. Some have been slower to act.

But they're working to catch up – and they're taking lessons and guidance from those who are further along on this important journey.

Many insurers have now integrated ESG factors into their corporate governance and investment strategies.

In several ways, the transition to sustainability is in line with the essential role that insurers already play in addressing climate risks.

We are focused on innovation as a way of encouraging effective adaptation to climate risk.

Through risk-based pricing, we provide critical economic signals about climate-influenced risks.

And we are investing in risk-appropriate opportunities that hold the potential not only for solid returns – but for positive societal outcomes.

There are challenges ahead, for certain.

The key is not only to support existing options for sustainable finance – it's to encourage participation and growth in the sector.

We will all benefit from having a larger number of sustainably minded companies in operation – creating jobs and fueling growth while also contributing to a better future.

And we will all benefit from greater use of climate-risk disclosures – and from the availability of reliable and comparable ESG data from investee companies, which will aid insurers in their investment decisions.

Make no mistake: We will go further if we go together. A difficult transition can be eased if we all pull in the same direction – decision-makers, economic stakeholders and so on.

I can tell you that in Canada, our federal financial regulator has signaled its intention to devote greater attention to the emerging risks of climate change – and their potential impact on federally regulated financial institutions.

In an effort to advance today's conversation, GFIA will be hosting a virtual event at COP26 – where we will explore the role of the insurance sector in promoting a net-zero economy, climate adaptation and so on.

Our hope is that GFIA can play a role – at COP26 and beyond – in helping to coordinate a dialogue between government and the private sector.

We all need to find common ground on the types of investments and decisions that will have the greatest positive impact.

Each of us has a range of reasons for caring about the impacts of our changing climate.

Some of the reasons are common, shared, collective in nature. We want to protect our planet, our economy, our way of life.

Some of the reasons are personal.

I think often of my grandson.

I grew up on an island in Canada's Atlantic region – how will that beautiful place be transformed?

What will be different for him – and for those he loves?

What hardships will emerge?

What won't survive?

And then the most important question: What can I do now – what can we do now – to limit the impacts, to reduce the dangers, to turn the tide?

I'd like to leave you today with this thought: Mobilizing private sector capital is critical to driving and financing the transition to a low-carbon economy.

Today, more than ever before, institutions and investors are considering environmental, social, and governance factors as part of their decision-making process.

They're thinking about climate risk. They're searching for solutions – for sustainable options that will contribute to a better world and a better way forward.

We should be heartened and energized by the fact that so many of us now share the same goal – confronting and adapting to the short- and longer-term challenges of climate change.

We seek the same destination. The challenge now is to find our way along the same path. We need to get there together.

On behalf of the members of GFIA, I thank the international leadership of the G20 – and I wish everyone a productive summit.

Thank you.