

What's Your Environmental, Social, and Governance (ESG) Intelligence Score?

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Environmental, Social, and Governance (ESG)

Panel Members:

Maryam Haji

VP, Head of Catastrophe Research, Risk Management
Transatlantic Reinsurance Company

Cheryl Rosario

Head of Diversity & Inclusion and CSR
Munich Re US P&C Operations

Moderator:

Laura A. Foggan

Chair, Insurance & Reinsurance Practice
Crowell & Moring LLP



“E” = Environmental

Insurers and reinsurers are facing global pressure to lead on climate change and environmental justice.

Some Key Observations:

- **How is climate change changing threats from severe weather?**
- **What trends do you see in natural catastrophe losses?**
- **What role can insurers play in climate adaptation and reducing the insurance gap?**
- **What is the “Socio-economic” aspect of climate change?**



“S” = Social

Insurers and reinsurers are focusing on the lack of workforce diversity, internal inclusion efforts, and racial disparity concerns in underwriting and claims handling, particularly in pricing and use of data and AI.

Some Key Observations:

- **What falls under the area of Social in ESG?**
- **How does creating an inclusive culture support the social area of ESG?**
- **In this current competitive environment, how can companies attract diverse talent?**
- **How do you see companies moving forward to stand behind social issues and show publicly their commitment to DEI?**
- **How do companies truly embed DEI in everything they do?**



“G” = Governance

Insurers and Reinsurers must integrate ESG into their risk management and foster a culture of good governance to protect against reputational harm and potential liability.

Some Key Observations:

- **What is your executive compensation and how great is the gap between employee and executive paychecks?**
- **Have you shown corporate responsibility towards the environment?**
- **What about boardroom diversity?**
- **Corporate responsibility to protect against cyber risks, bribery, and unethical practices**
- **Tax opacity, lobbying activities**



Managing ESG Risks

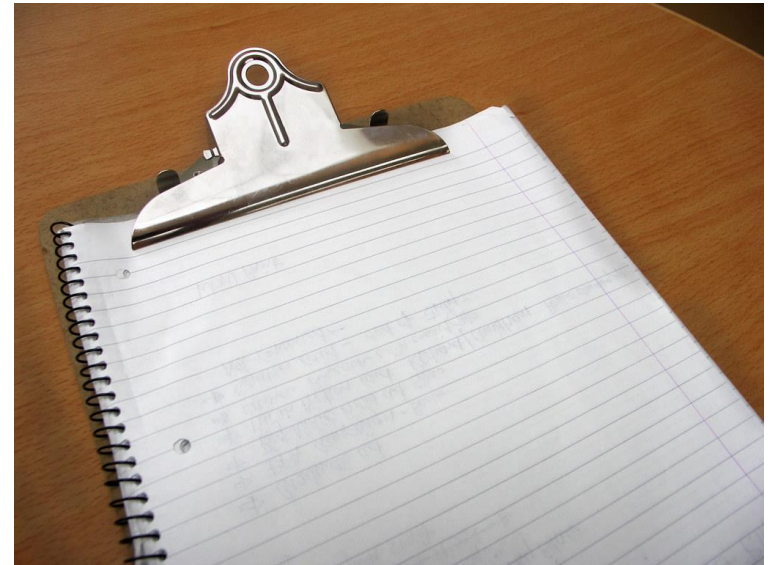
Guidance for managing these risks comes from many sources

- Develop an internal ESG approach and level of risk tolerance
- Integrate ESG factors throughout the organization
- Defined responsibilities for identifying, evaluating, and making decisions on ESG risks
- Provide clear reporting
- Evaluate the appropriate time horizon to assess climate risk, taking into consideration the insurers' business lines and activities
- Embed climate risks into existing risk management frameworks, including insurers' Own Risk and Solvency Assessments (ORSA), and use scenario analysis
- Take a proportionate approach



Environmental, Social, and Governance (ESG)

- Regulation & Legislation
- Outside Activism and Pressure
- Potential Direct Liability
- ESG Coverage Issues and Litigation
- Insurer Innovation and Leadership



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Thank you!

