

# SUSTAINABILITY IN THE FINANCIAL SECTOR - A UK INSURER (GENERAL) PERSPECTIVE

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## UK INSURANCE



- UK insurance largest in Europe and 3<sup>rd</sup> in the world
- 11% of worldwide income
- Employs 300,000 ( ca 1M in whole of FS)
- £18M /day on private car claims
- £9M /day household claims

# MANAGING CLIMATE CHANGE RISKS IN BAU



- Increasing losses through extreme weather (eg flood) pose obvious risks
- Difficult to build into traditional risk management models
  - Long timescales
  - Lots of uncertainty
- Difference between flood and climate models
- Underlying challenges
  - Reliability of historical data
  - Capital adequacy and stress testing

## OUR PROGRESS IN RSA



- Reporting on our impacts since 2000
- Achieved UK carbon neutrality in 2006
- Developed a range of green products and services
- Ongoing reduction efforts - footprint down 20% 2009 vs 2007
- Working with others - WWF, ClimateWise
- Sunday Times Best Green Companies 2009, 2010



## IS THERE AN UPSIDE – NEW PRODUCTS AND SERVICES?

- Segmentation appears similar to other studies – dark green and disinterested minorities
- Service and price are key – but willingness to pay extra for green (women more than men 55%+ overall)
- Not sure what a green insurance product is?
- Not sure who the green insurers are?



## WHAT ARE THE DRIVERS

- Little external pressure
- Perception of low impact
- Risk management or philanthropy
- Financial Services Skills Council  
CR profile – empathy, interpersonal skills, volunteering and workshops
- Is CRC a significant development?

## THE FUTURE?



- Socially useful?
- Employee engagement
- Differentiation and new products and services
- Do we know what we don't know?