



ClimateWise Insurance Advisory Council

Call for nominations: Deadline 10th June 2016

Terms of Reference

- Name:** ClimateWise Insurance Advisory Council
- Context:** Insurance is among the industries being most affected by climate change because of what it insures and what it invests its assets in. Consequently, insurers are keen to mitigate the risks associated with climate change globally, which has led to them working voluntarily both individually and as part of leadership groups. However, a more coordinated response is required across the financial system requiring a combination of industry leadership together with cutting edge research and analysis.
- Purpose:** The ClimateWise Insurance Advisory Council will assemble C-suite executives from the global insurance industry to strengthen the industry's voice around the mitigation of and adaptation to climate change. The Council's purpose will be to leverage the University of Cambridge's and strategic partners' specific capabilities to help strengthen industry support for regulators, policy makers and other stakeholders as they consider how to promote a more systematic response to climate change across the financial system that has society's wider needs in mind.
- Objectives:** The objectives of the ClimateWise Insurance Advisory Council are to:
1. Ensure different types of regulators and policy makers **fully understand** the nature of climate change risks impacting insurance and the wider economy and how the industry is already responding.
 2. **Identify opportunities** where regulators can support system wide responses to climate change across the financial sector and beyond.
 3. **Directly support** other insurance or industry bodies with the knowledge to enhance their own responses to this agenda.
- Commitment:** Involvement in the ClimateWise Insurance Advisory Council would require participants to:
- Provide strategic oversight for relevant multi-disciplinary analysis that the Council identifies as necessary for achieving the objectives (subject to appropriate resourcing). This will include meeting two (2) times per year as well as occasional informal interactions.
 - Engage with regulators and other industry bodies at key summits and events (not anticipated to exceed 2-3 per year);



- Membership:** Board or Executive Committee leaders from organisations across the insurance value chain that are able to demonstrate and support leadership on climate change. ClimateWise membership is not a prerequisite.
- Size:** Based on ambition but limited to 15.
- Lifespan:** Phase I of the ClimateWise Insurance Advisory Council will run for **two years** from the date of the first meeting. After this phase, a review of the Council's Terms of Reference will be conducted before embarking on subsequent phases.
- Governance:** The ClimateWise Insurance Advisory Council will initially be Chaired by the Chair of ClimateWise, or their nominee. The secretariat will be provided by the University of Cambridge Institute for Sustainability Leadership (CISL), which hosts the Centre for Sustainable Finance, the purpose of which is to build on CISL's extensive experience of working with the finance industry through the Banking Environment Initiative, Investment Leaders Group and ClimateWise.
- Resourcing:** To be discussed and based on ambition.

Addendum A

Example partners

Example partners the ClimateWise Insurance Advisory Council could support

- Domestic and regional insurance industry associations
- FSB Task Force
- ICMIF
- International Association of Insurance Regulators (IAIS)
- Insurance Development Forum (IDF)
- International Insurance Society
- The Geneva Association
- UNEP Fi Principles for Sustainable Insurance (PSI)
- European Commission

Addendum B

Example areas for investigation

- Is regulation shaping the capital treatment of long-term infrastructure investments fully taking into account the risk of a disorderly transition to a low carbon economy? If not, what impact is this having on mobilising insurer investment in infrastructure that meets society's longer term needs?



- Under what circumstances should the insurance industry's tools and techniques for modelling tail risks linked to natural catastrophes be integrated into other parts of the financial system (e.g. rating agency methodologies, bank mortgage portfolios etc.)?

Nomination process

- Nominations close on **10th June 2016**.
- Please submit expressions of interest indicating your suitability against the membership criteria and your motivation to climatewise@cisl.cam.ac.uk.
- Appointments will be based on seniority, any existing organisational leadership around climate change and to achieve regional and industry diversity.
- Throughout June, we will work to constitute the strongest possible inaugural Council.
- Final confirmation will be made by the beginning of July 2016.
- The date of the first meeting is likely to be in September.