

## Vision

An insurance industry which contributes to improving resource efficiency and reducing the climate impact of its business operations.

## Our Commitment

We will seek and respond positively to opportunities to reduce environmental impact in our fulfilment of claims.

This involves:

1. **Engaging with our claims fulfilment suppliers and claims handling teams to ensure they can support our objectives.**
2. **Educating and seeking support from our customers.**
3. **Evaluating current technologies and seeking innovation.**
4. **Reviewing and re-engineering the claims fulfilment process.**
5. **Increasing the sustainability of materials used.**
6. **Making environmentally sound replacement versus repair decisions.**
7. **Reducing journey miles per claim and on-site power consumption.**
8. **Improving waste disposal, recycling and water management.**

## Opportunities

### **No extra cost and potential savings**

Scenario modelling in domestic property claims (an annual average cost of £2.7bn in the UK) illustrates that reductions in environmental impact can also generate possible cost savings in terms of both indemnity spend and a decrease in cycle times.

### **Improve customer satisfaction**

Many options to reduce environmental impact can also shorten the duration of the claims fulfilment process leading to quicker claim settlements, reducing customer disruption.

### **Respond to emerging trends and client demand**

Demonstrate active support for national commitments to reduce carbon emissions and improve resource efficiency.

### **Lessen environmental impact so improving sustainability**

Europe has the world's highest net imports of resources per person, and its economy relies heavily on imported raw materials and energy in a way that is not sustainable as resources are depleted and degraded and in terms of addressing climate change. Improve the resilience of your business.



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PROGRAMME FOR  
SUSTAINABILITY LEADERSHIP

In committing to a sustainable claims process the following is required:

1. Identification of priority areas to reduce environmental impact
2. Implementation of a sustainable claims management plan to reduce environmental impacts
3. Communication, appropriate to your business, with contractors, suppliers and customers on opportunities to reduce environmental impact.
4. Standardised annual reporting on progress.

## 1. Identification of priority areas to reduce environmental impact

- i Identify and describe the claims area which will be focussed on.
- ii Collect data on the following areas:
  - Material usage
    - Key materials to focus on:
      - Plaster & plasterboard
      - Floor and wall coverings
      - Doors and windows
      - White goods
  - On-site energy
  - Travel
  - Waste management
  - Water management
- iii Assess the potential to improve performance
- iv Assess how data relates to market position
  - Identify targets being adopted by peers
  - Identify targets being adopted by suppliers
- v Set priority areas and consider targets for reducing environmental impact
- vi Review existing contractual terms and their impact on the ability of suppliers and fulfilment partners to achieve target reductions



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### 2. Implementation of a sustainable claims management plan

- i Embed priorities within corporate policies and processes
  - Claims management plan
  - Policy on corporate responsibility/sustainability
  - Annual reporting on corporate responsibility
  - Website information to suppliers and other stakeholders
  - Preamble to procurement documents
- ii Ensure appropriate skills and resources to support staff in implementation
- ii Consider best practice training for all claims handlers and suppliers

### 3. Communication, appropriate to your business, with contractors, suppliers and customers on opportunities to reduce environmental impact

#### Suppliers and Contractors

- i Ensure priorities are embedded in future procurement contracts through incorporating in requests for quotations and invitations to tender and evaluating tenders on the extent to which they meet this requirement.

Requirements should be used as a basis for engagement with suppliers (including small contractors) so that all parties can work to improve environmental performance.

- ii State requirements throughout the procurement process. It may be useful to map out the procurement process and evaluate which documents should be amended.
- iii Monitor compliance – take the opportunity at review meetings to monitor performance levels.

#### Customers

- iv Where claims are settled by cash provide advice to customers on suppliers and materials that have a lower environmental impact.

#### Driving innovation

- v Engage with suppliers to consider new technologies and products that will reduce environmental impact and consider combined purchasing power in driving change. Potential examples are highlighted within the regime definitions that are part of the Carbon Footprint Models document in Annex 1.



### 4. Standardised annual reporting on progress

- i The potentially complex matrix of actions which may be taken by members at different times from different starting positions does not lend itself easily to standardised reporting. Other constraining factors are the nature of existing supplier relationships and potential sensitivity over some of the performance data.
- ii It is recommended to formally investigate a method of sharing anonymised data on a voluntary basis to help those who apply the guidance move forward and evidence success. We recognise that sharing data requires careful consideration of competition law commitments.
- iii It is suggested that any reporting is managed as part of a continuing representative forum that will be governed by an agreed process to ensure competition law is respected.
- iv It is anticipated that this forum could agree benchmarks against which participants can calculate their current status and periodically report updated information. The information should be readily ascertainable and it is understood that reliance on detailed fulfilment data held by supplier partners may be a critical factor. No commercially sensitive information will be exchanged at any time other than in an appropriately unattributed format.
- v **Potential areas for voluntary reporting include:**
  - Relative numbers and values of cash and supplier fulfilment settlements.
  - For cash settlements, a split between straight cash and supplier card arrangements where the latter is signed up to a sustainability agreement (numbers and values).
  - For supplier settlements, a split between those subject to a sustainability agreement and those not (numbers and values including if possible indications of repair v replace, repair of affected area v repair of whole e.g. ceiling , repair using sustainable products v not).
  - A measure of numbers of site visits per claim by type.
  - A measure of distance travelled to a claims site per claim by type.
  - A measure of usage of the more sustainable drying regimes in water damage claims.

The Sustainable Claims Guidance has been developed under the auspices of ClimateWise involving insurers, loss adjustors and suppliers. Particular acknowledgement should go to insurance claims consultancy CWMC Ltd ([www.cwmc.info](http://www.cwmc.info)) for its support in drawing up the documents and to Cunningham Lindsay ([www.cunninghamlindsey.com](http://www.cunninghamlindsey.com)) and the British Damage Management Association (BDMA – [www.bdma.org.uk](http://www.bdma.org.uk)) for their contribution to standardising the underlying analysis.

ClimateWise is the global insurance industry's leadership group to drive action on climate change risk and is facilitated by the University of Cambridge Programme for Sustainability Leadership (CPSL) – [www.cpsl.cam.ac.uk](http://www.cpsl.cam.ac.uk) For further information please contact the ClimateWise Secretariat: [www.climatewise.org.uk](http://www.climatewise.org.uk) | [info@climatewise.org.uk](mailto:info@climatewise.org.uk) | Tel: 020 7216 7530

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