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ICMIF Sustainability Summit: 1<sup>st</sup> Edition

November 1-2, 2023

London, UK

# Agenda

1. Context and Motivation
2. Mechanism Case Studies
3. Benchmark

# Context & Motivation

## Take-Aways:

1. Our purpose compels us to build resilience.
2. We are already in the resilience business.
3. We are increasingly focusing on strategic opportunities for prevention.

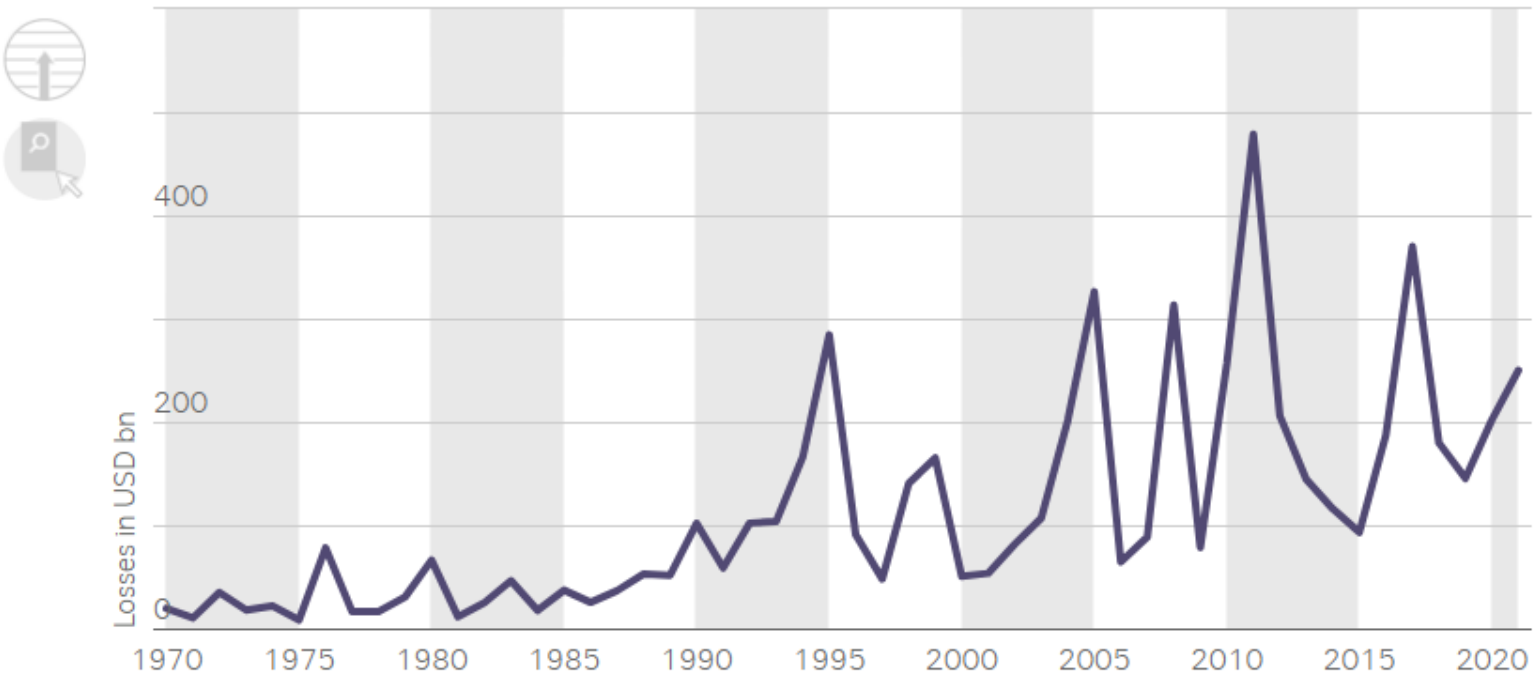
# Global Total Economic Losses from NatCats



Total losses

Time  
1970 – 2021

Region: worldwide



Data set  
● Natural catastrophes (total)

Source: Swiss Re Sigma Explorer

# Purpose:

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Take-Aways:

1. Mechanism #3 is challenging to employ—but we are trying!
2. Information asymmetry is a real barrier to risk-informed decision-making; co-ops/mutuals are well positioned to drive behaviour change by sharing risk information and sending risk/price signals.
3. Resilient reinstatement ('building back stronger') should be mandatory.

Mechanism #3:  
Investing in  
climate  
resilience  
infrastructure





# Investing for climate resilience

High River, Alberta, Berm Project



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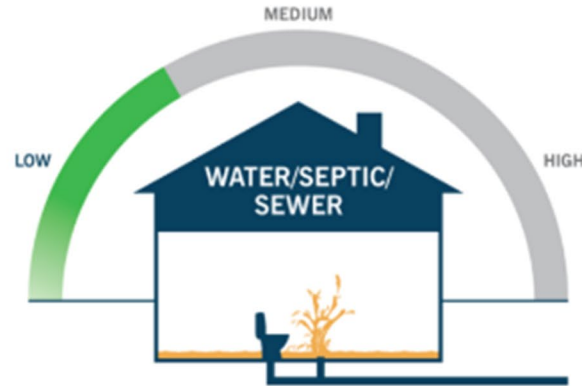
# Risk awareness deficit



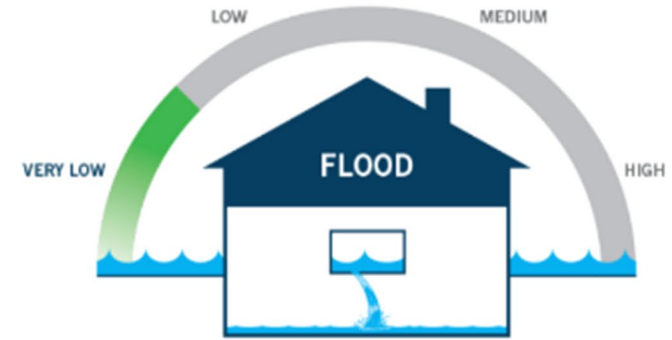
94%

of surveyed  
Canadians living in  
flood risk zones  
were not aware of  
their risk

Here is your personalized risk assessment.



YOUR WATER/SEPTIC/SEWER RISK: LOW



YOUR FLOOD RISK: VERY LOW



## THE RISK

of water damage is different for everyone.

It depends on where you live, the weather, and other factors. Know your risk with our easy online assessment.

Enter your postal code to take the assessment

Enter your Postal Code

Get Started



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Mechanism #X:  
Resilient  
reinstatement

# Benchmark

Take-Away:

1. The ICMIF-UNDRR Benchmark offers a means of regular re-evaluation.

# ICMIF-UNDRR Benchmark: Preliminary/Unofficial Result

## Score Summary

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### Direct mechanisms – for insurance products to reduce disaster risks:

- Apply variable pricing of insurance to provide incentives for risk reduction
- Include prerequisites and exemptions to provide incentives for risk reduction
- Ensure investment reduces and prevents risk and builds resilience

### Indirect mechanisms – for insurance providers to reduce disaster risks:

- Raise awareness of the systemic nature of risks and provide transparent information and advice for reducing hazards, exposure, and vulnerability
- Build and share capacity and technology for risk modelling, analysis and monitoring
- Promote and enhance local social capital for responding to disasters and innovating to reduce risks
- Collaborate with the public sector to signal unsustainable development and support decision making towards disaster risk reduction and risk-informed investment while closing protection gap

1: 11/16

2: 0/5

3: 6/9

4: 7/8

5: 4/6

6: 2/2

7: 4/4

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Total: 34/50

# In Summary

## Take-Aways:

1. We are already in the resilience business—and now focusing more on prevention.
2. The 7 Mechanisms offer means for insurers to enhance prevention; co-ops/mutual should lean into areas where they can make a material impact.
3. ICMIF-UNDRR's benchmark can be helpful tool in our journey.

# Thank you!

