



Institute
and Faculty
of Actuaries

Life Conference 2022

23-25 November, ACC Liverpool

#LifeConf





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The War Against your own Brain - Cognitive Biases and Climate Change

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#LifeConf



Hymans Robertson speakers



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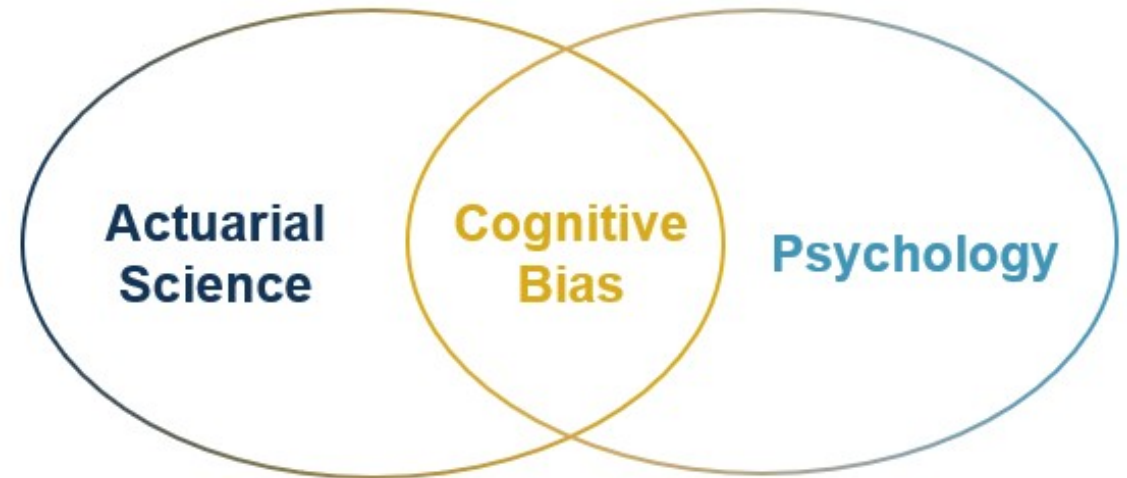
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The War Against your own Brain

Agenda

- How is cognitive bias impacting us and our climate change goals?
- Why aren't we dealing with this issue?
- Does the problem lie with us?
- Be the change you wish to see!
- What 3 things you can do.
- Q&A



The War Against your own Brain

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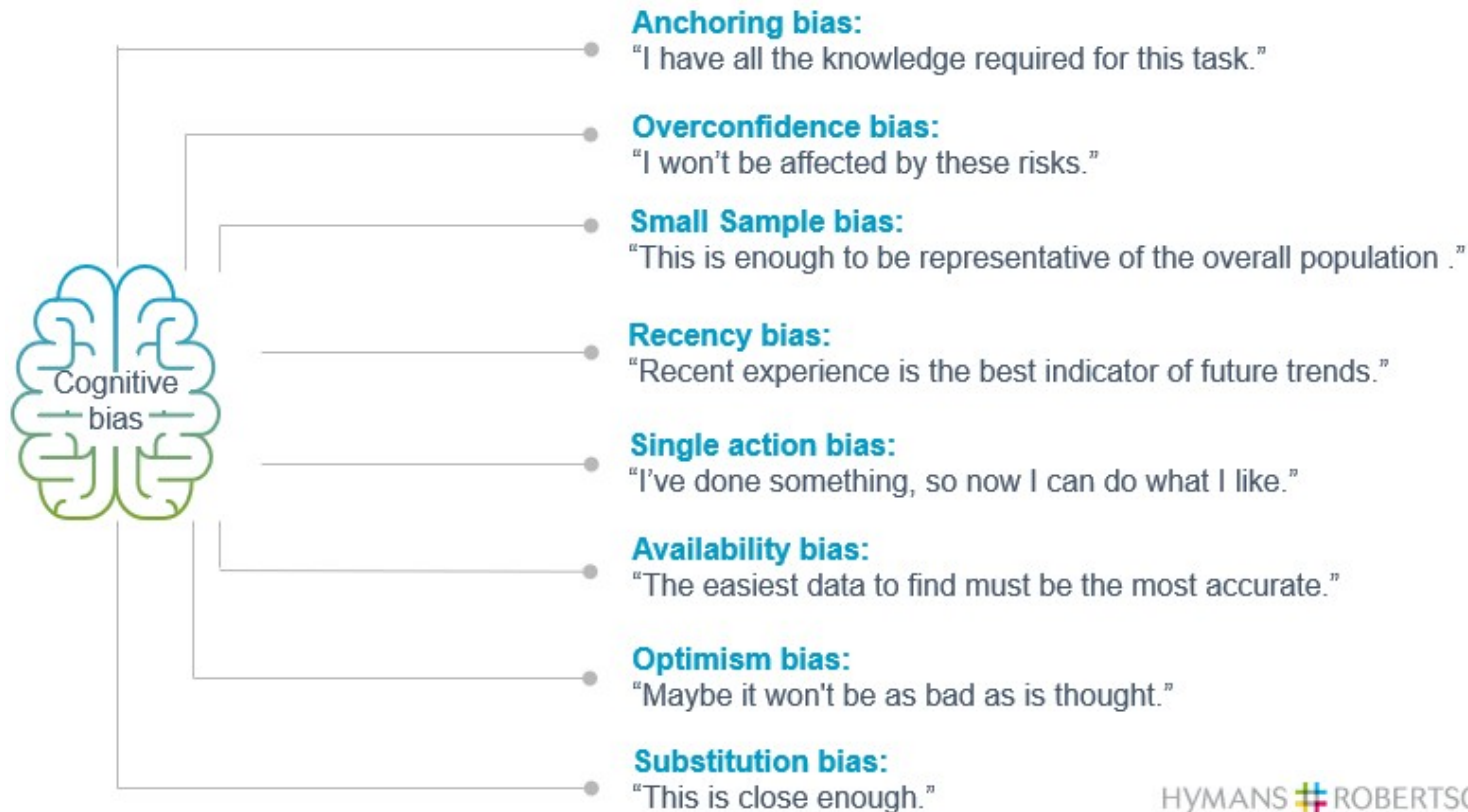
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“We are the first generation to feel the sting of climate change, and we are the last generation that can do something about it.”– Jay Inslee

Cognitive Bias and Its Influences

“The confidence that individuals have in their beliefs depends mostly on the quality of the story they can tell about what they see, even if they see little.” — Daniel Kahneman

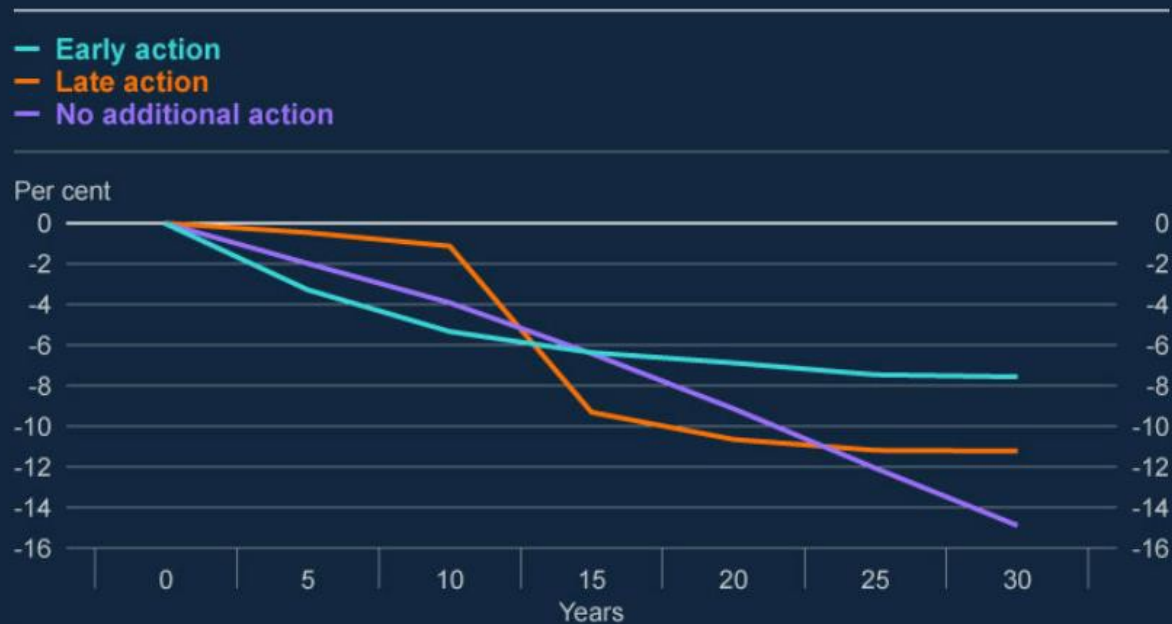
Short Term Thinking



Predicting the Unpredictable

Chart 4.7: Projected investment losses are largest in the NAA scenario

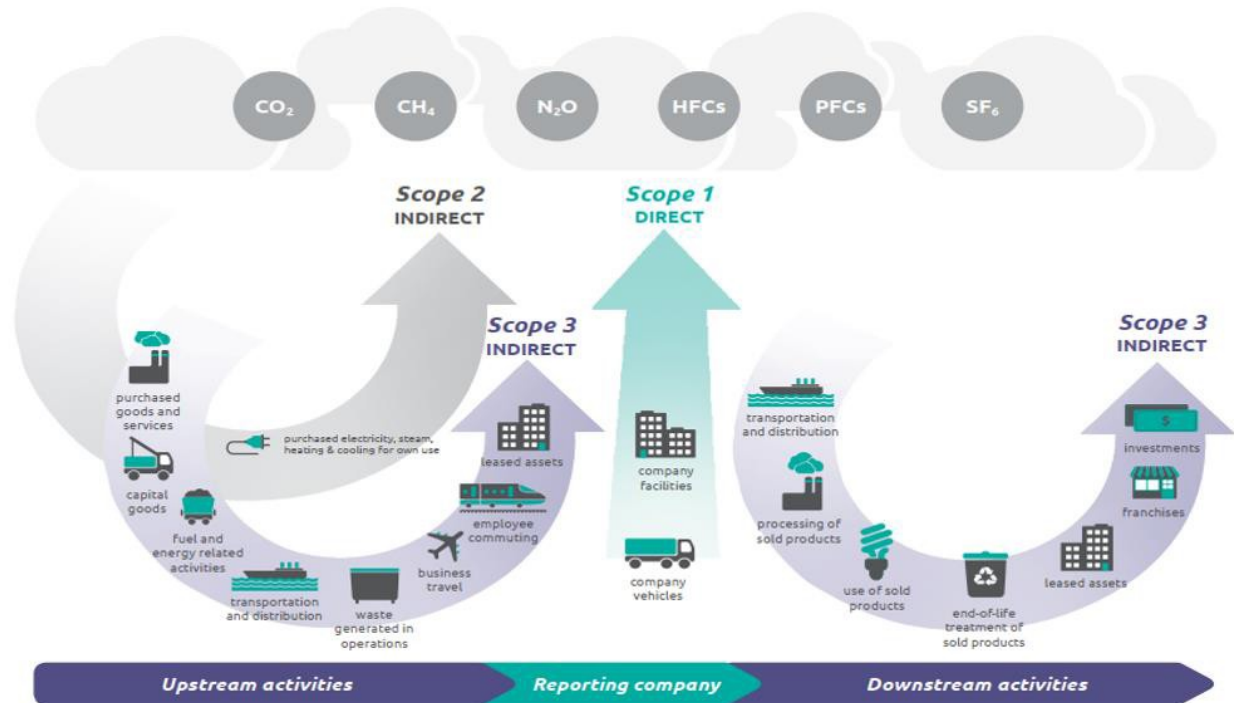
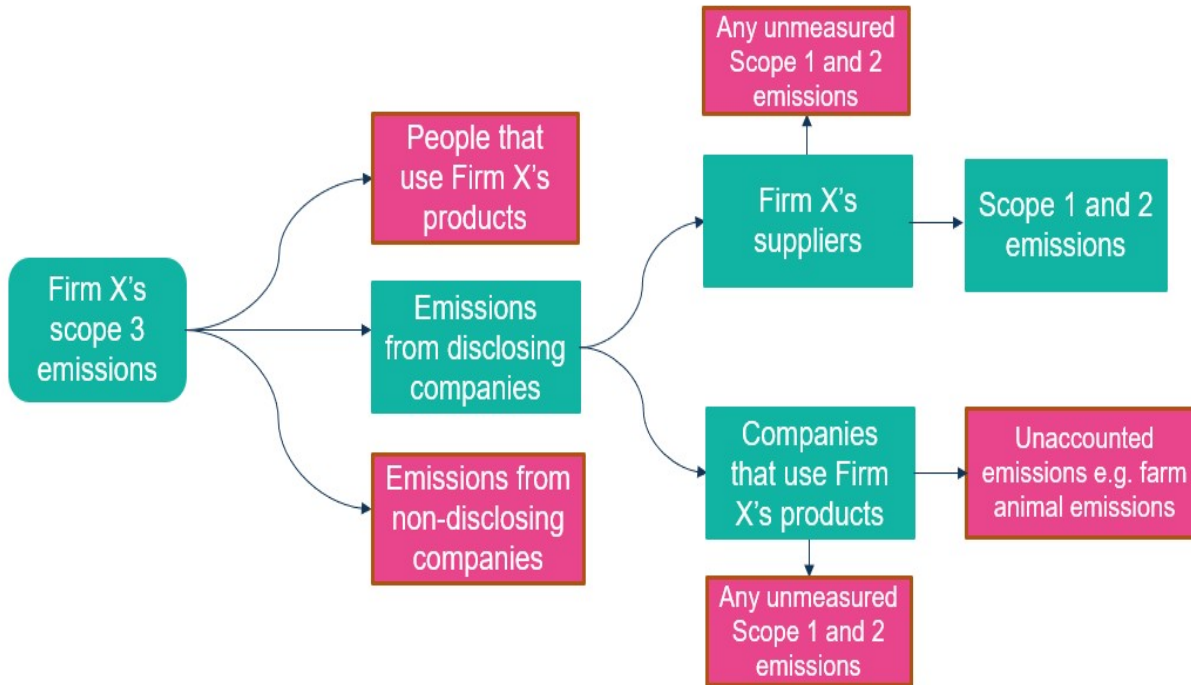
Change in Market Value of insurers' invested assets ^(a)



Source: [Bank of England](#)

“As human beings, we are vulnerable to confusing the unprecedented with the improbable. In our everyday experience, if something has never happened before, we are generally safe in assuming it is not going to happen in the future, but the exceptions can kill you, and climate change is one of those exceptions.” – Al Gore

The impacts on climate goals



Greenhouse Gas Protocol

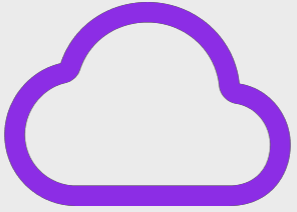
“Climate change represents the greatest and widest-ranging market failure ever seen.”

— Sir Nicholas Stern

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If we told you the death rate per unit of electricity production from OIL was 18.43, what would you guess the death rate was for nuclear?

The War Against your own Brain

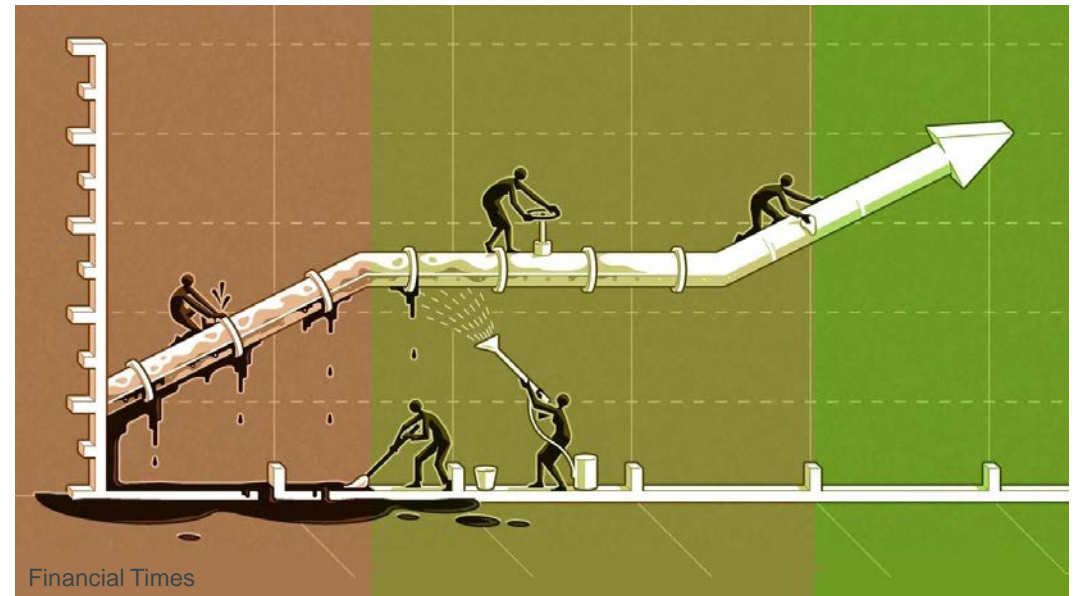
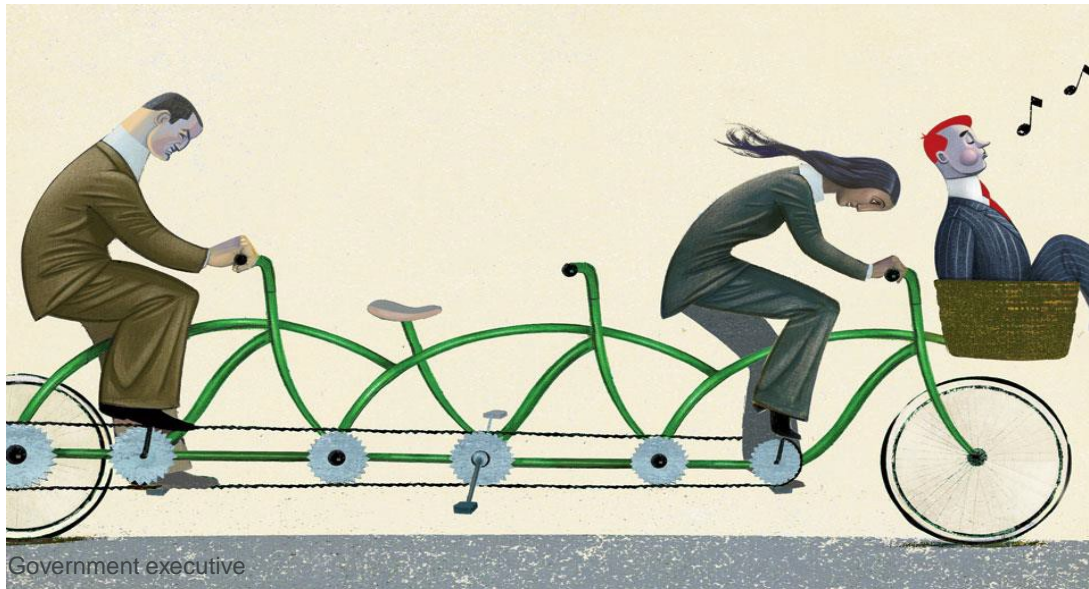
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“If you really think that the environment is less important than the economy, try holding your breath while you count your money.” — Guy McPherson

Bystanders, free-riders and the tragedy of commons

“What is common to many is least taken care of, for all men have greater regard for what is their own what they possess in common with others.” – Aristotle



Clickbait culture and our need for instant gratification

Shop now.
Pay later
with Klarna.

Cyclorise

Klarna.

	1 plastic bag 33g CO2		1 disposable coffee cup 16g CO2		1 Google search 0.2g CO2
	Latte (dairy) 350g CO2		1 pint of beer 665g CO2		1 glass of wine 300g CO2
	Microwave Use (0.945 kWh) 400g CO2		Clothes Washing Mach. (0.63kWh) 275g CO2		Tumble Dryer (2.50kWh) 1000g / 1kg CO2

clevercarbon.io

unclimatechange ✓

UN Climate Change

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Kim Kardashian

Follow

5.3M Followers 21.5M Likes

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It's not easy being green

FINANCIAL TIMES

ESG's legal showdown: 'There's nothing to suggest DWS is a one off'

Greening your pension is **21x** more powerful at cutting your carbon footprint than stopping flying, becoming a vegetarian and moving to a renewable energy provider combined.*

*research by Make My Money Matter, Aviva and Route2

Misleading Labels



Trustworthy Certifications



[THRIVE Project](#)

The War Against your own Brain

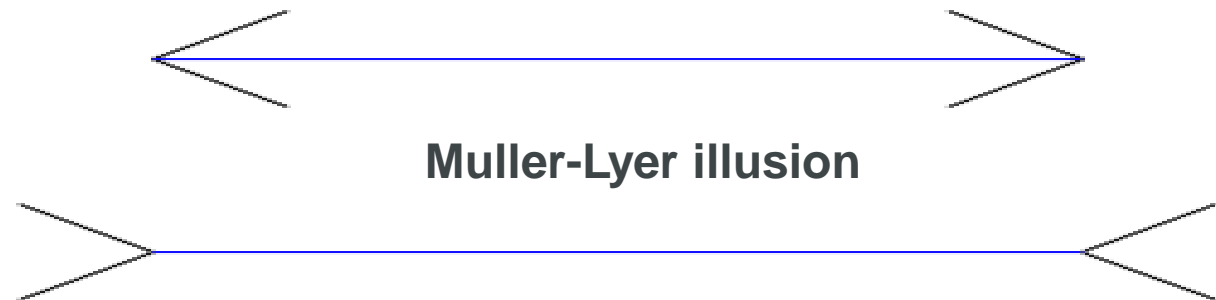
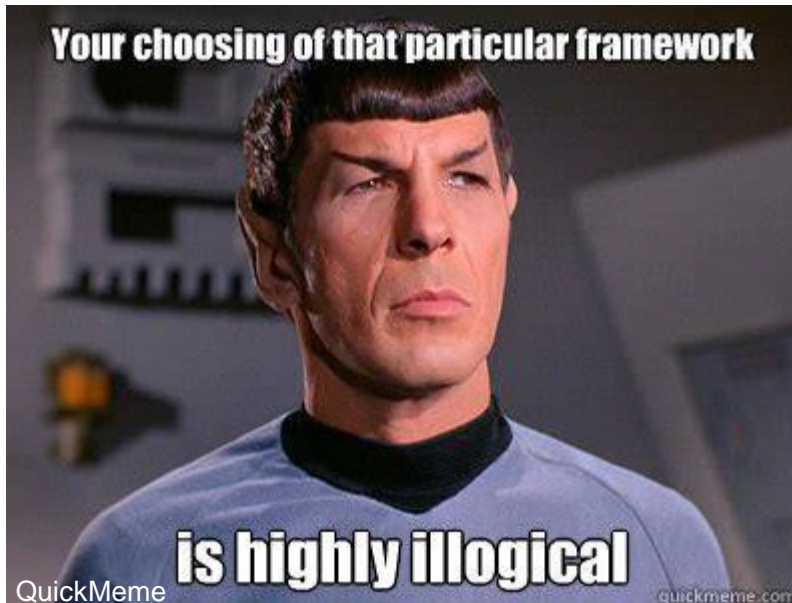
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“A resource arrangement that works in practice can work in theory.” — Elinor Ostrom

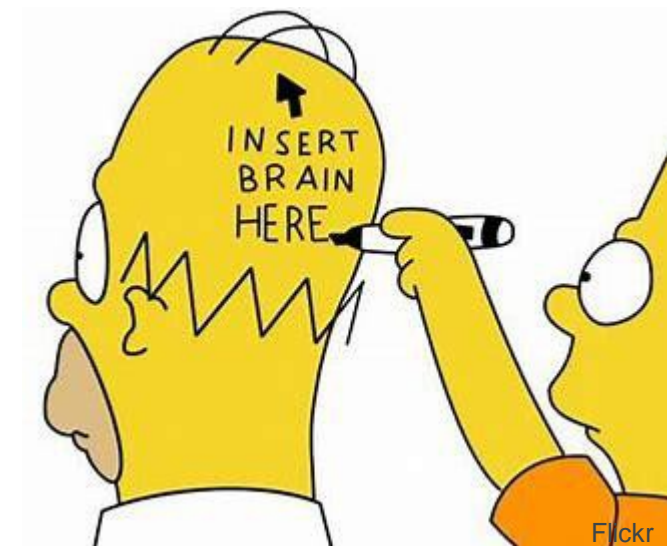
Are we rational beings...

“To save what can be saved, just to make the future possible: that is the great motivating force, and the reason for passion and sacrifice.” - Albert Camus, Philosopher



... or do we have limits to our rationality?

"We have come this far because we are the smartest creatures who have ever lived. But to continue, we require more than intelligence; we require wisdom." - David Attenborough



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***“Only when the last tree has died
and the last river has been
poisoned and the last fish has
been caught will we realise that
we cannot eat money.” – Cree
Indian Proverb***

Shift your focus

“Climate change does not respect border; it does not respect who you are – rich and poor, small and big. Therefore, this is what we call ‘global challenges,’ which require global solidarity.” – Ban Ki-moon




GREEN NEWS

Children's COP: Young people given a 'seat at the table' for the first time in Egypt



Just Stop Oil 🚫🛢️
@JustStop_Oil

 Peter, retired bouncer and grandad from south London
vs.

 55 Tufton St, the shadowy home of Big Oil



From **Rich Felgate**

8:49 pm · 25 Oct 2022 · Twitter for iPhone

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Our actions have impact!

“There is no question that climate change is happening; the only arguable point is what part humans are playing in it.”

– David Attenborough

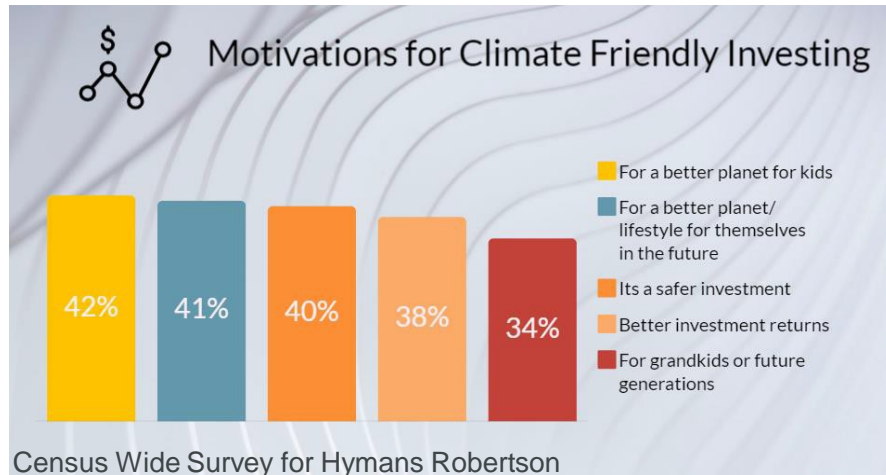


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How psychology can help



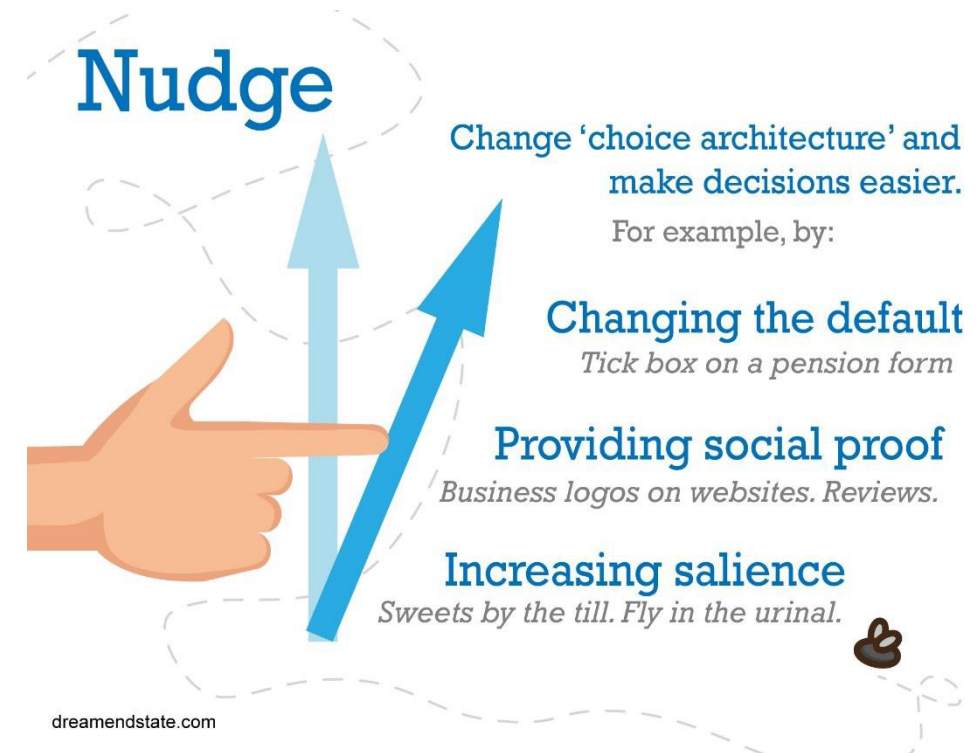
 **ZURICH**

Planting a forest, one policy at a time

We have partnered with Tree-Nation, a reforestation enterprise that aims to stop climate change by enabling companies and individuals to easily plant trees. In the last few years, our customers across various business areas in the UK have helped us plant more than 400,000 trees.



[Zurich.co.uk](https://www.zurich.co.uk)



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“Twenty-five years ago, people could be excused for not knowing much, or doing much, about climate change. Today we have no excuse.” — Desmond Tutu

What can you do?

- Encourage all default options to be sustainable/impactful
- Exit vs voice: what are YOU achieving vs what would be done anyway
- Engage with our own psychology more honestly

Questions

Comments

Expressions of individual views by members of the Institute and Faculty of Actuaries and its staff are encouraged.

The views expressed in this presentation are those of the presenter.



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Thank you

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