



Climate Change Reserving Working Party

Background

Climate Change is an issue of increasing societal importance and presents many new issues for actuaries. To date, the lead on general insurance research in this area has been taken by risk and capital actuaries. This reflects the “emerging risk” nature of climate change, and the absence of a specific class of attributable reserving events.

GIROC now believe it is timely to establish this working party, so that reserving actuaries are well-placed to discharge their professional responsibilities in respect of climate change and can participate meaningfully in conversations on this topic.

Terms of Reference

A. Research

1. Understand the landscape of reserving approaches and challenges arising from climate change through:
 - a. Practitioner interviews and surveys; and
 - b. Literature reviews.
2. Identify and initiate new areas of research, relating to data gathering and modelling tools and techniques.

B. Co-ordination and liaison

3. Liaise with other general insurance bodies and actuarial associations in the UK and internationally considering reserving issues arising from climate change.
4. Liaise with IFoA Sustainability Board and other committees relating to public policy and other public interest matters relating to reserving and climate change.

C. Promote good practice

5. Develop and promote good practice guidelines for reserving actuaries in respect of climate change relating to:
 - a. Data gathering.
 - b. Specimen wordings suitable for reporting, including in actuarial opinions, and other disclosure requirements.
 - c. Analysis tools and techniques.
6. Arrange events for general insurance reserving actuaries relating to reserving for climate change.