



**Climate Change Risk
Regulation and Measurement:
22 companies to know**



About InsTech

InsTech was founded in 2015 and has grown to become a leading intelligence network shaping the future of insurance and risk management. We connect the industry to the technology, data and analytics providers driving and influencing change through innovation. The two executive partners, Matthew Grant and Robin Merttens, each have over 30 years of experience bringing new technologies into the global insurance market and draw on an extensive network of consultants and collaborators. InsTech runs regular events (live and digital), provides market commentary and insights and a weekly podcast. In addition, we offer advisory services to our members, from ad hoc recommendations to in-depth consulting studies. We are supported by (and grateful to) our corporate members of over 150 companies and an extended community reaching 25,000 people who keep us honest and informed about what is happening in insurance, technology and beyond.

Report authors

This report has been prepared by Matthew Grant, Partner at InsTech and Ali Smedley, Research Analyst with specific contributions from Rebekah Bostan, Director of Research and Insight. Our work is further informed by the over 200 discussions we are all having with companies in, and supporting, the global insurance industry each month. We are also grateful to the following for their input; Tom Philp, Rachel Delhaise, Johanna Carter, Simone Thompson, Annemarie Büttner, Joss Matthewman, Emily White, Katherine Greig, Hayley Maynard, Katie Lennon, Bob Reville, Chris Illman, Paul McCarney, Charlie New, Oriol Gaspa Rebull and Alexander Alabaster.

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InsTech reports

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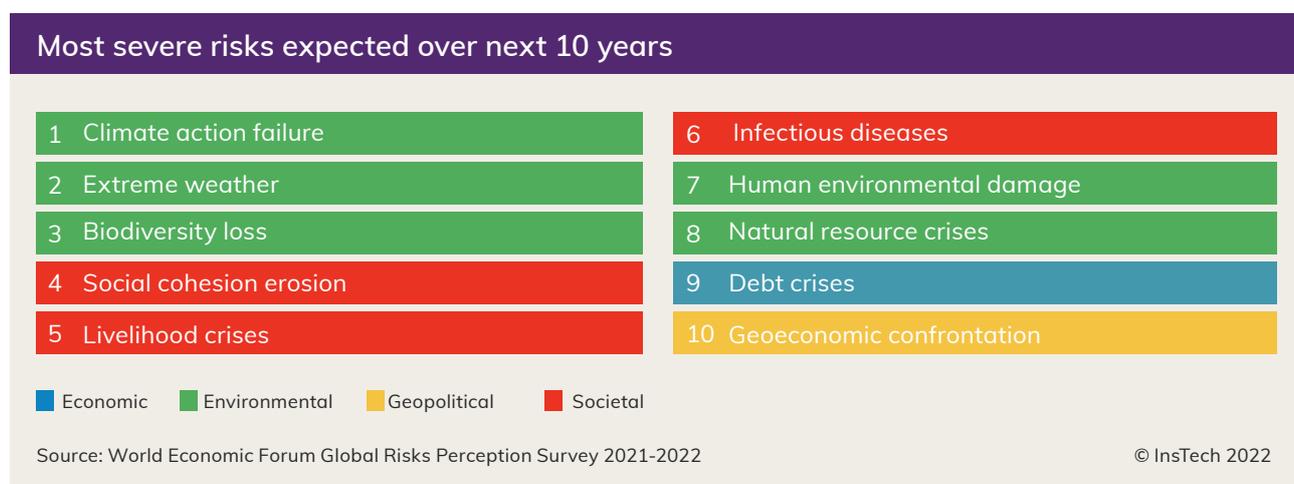
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Introduction

We are confident you need no reminder that managing and measuring the impacts of climate change are going to be some of the top priorities of insurers for the foreseeable future. Insurers face pressures from multiple directions including investors, underwriting regulation and what appears to be a looming threat of increased liability litigation. We can all agree there is a problem. The solutions are less clear. Society is looking to see who is taking the lead and what can be learnt from them. It is becoming essential for insurers to be able to develop agreed approaches to measuring climate change risk.

As we conclude this report, the World Economic Forum has released its own [Global Risks Report 2022](#). Nearly 1,000 global experts and leaders were asked to identify the most severe risks on a global scale over the next 10 years. The top three all related to the environment, with climate action failure being seen as the greatest threat.



Many are now asking how insurers and their clients are impacting the climate, and how they are being impacted by climate change. We all will need to know how to measure climate impact today, how this is changing over time and what works. The gap between recognition and action is measurement. Measurement allows for improved understanding of the issue and allows insurers to put in place decarbonisation, mitigation and resilience strategies more effectively.

Our first report that touched on climate, [Location Intelligence 2021 - the Companies to Watch](#), released in 2021, provided an introduction to the organisations that are helping insurers identify hazards, properties, construction type and other core characteristics to assess loss. With this report we are looking at the companies that are building the tools to measure climate change risk, to help inform the decisions of today. We've been talking to the insurers and risk model providers to learn what they are doing right now and their plans.

Whilst the challenges are big, so are the opportunities. Despite growing awareness of the problem, the number of companies that are offering credible, robust solutions to insurers is, in our view, limited and challenging to critique. At best, the current crop of climate change risk models and analytics can provide directional guidance only. Developing more robust tools and analytics to measure climate change risk, in an interconnected way across physical and transition risk, is needed.

Whether you are an insurer looking for guidance on your next steps, or a technologist looking for your next area of focus, we expect you will find something of use here.

Ali Smedley and Matthew Grant

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