

## **IAIS publishes comprehensive Application Paper on the supervision of climate-related risks in the insurance sector**

- The Application Paper provides a comprehensive overview of how the IAIS' existing Insurance Core Principles (ICPs) can be applied to address climate-related risks.
- The IAIS will continue to support its members with practical materials and knowledge-sharing sessions to help address climate-related risks within supervisory frameworks.

**Basel, Switzerland** – The International Association of Insurance Supervisors (IAIS) today published its Application Paper on the supervision of climate-related risks in the insurance sector, following four consultations and extensive member and stakeholder engagement.

Climate-related risks, including extreme weather events, are increasingly impacting consumers and businesses, highlighting the key societal purpose of insurance in building resilience. The risks associated with these events need to be managed well by insurers, given the importance of having a resilient global insurance sector with financially sound insurers and protected policyholders. In turn, supervisors need to assess the management of such risks by insurers.

This comprehensive paper will support supervisors in effectively integrating climate-related risks into their supervisory practices, thereby strengthening the resilience of the global insurance sector.

IAIS Application Papers do not include new requirements, but provide further advice, illustrations, recommendations or examples of good practice to supervisors on how the ICPs may be implemented. This Application Paper builds on and replaces an earlier Application Paper published in 2021 on climate-related risks. This paper also relates to the IAIS' support for multi-party efforts to build resilience, including work to address natural catastrophe protection gaps.<sup>1</sup>

The Application Paper outlines good practices and guidance for supervisors on several areas, including:

- The role of supervisors in assessing climate-related risks;
- Integration of climate-related risks into supervisory frameworks with respect to corporate governance, risk management and internal controls;
- The impact of climate-related risks on valuation and investment practices;
- Supervisory reporting, public disclosure and macroprudential supervision of climate-related risks;
- Group supervisory issues; and
- The role of climate-related risk scenario analysis and important considerations for the impact of climate-related risks on market conduct.

The IAIS will host a public background session webinar to discuss the Application Paper on 28 April at 13:00-14:30 CEST. [Registration is now open.](#)

Read the Application Paper on the supervision of climate-related risks in the insurance sector [here](#).

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<sup>1</sup> [A call to action: the role of insurance supervisors in addressing natural catastrophe protection gaps](#)



### **About the IAIS**

The IAIS is a global standard-setting body whose objectives are to promote effective and globally consistent supervision of the insurance industry to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders and to contribute to the maintenance of global financial stability. Its membership includes insurance supervisors from more than 200 jurisdictions. Learn more at [www.iais.org](http://www.iais.org). Follow us on LinkedIn: [IAIS – International Association of Insurance Supervisors](#).

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