RAA CLIMATE CHANGE POLICY

The world’s climate is changing. An increase in the severity and frequency of extreme weather is impacting daily life for the global community. Mounting evidence from the scientific community makes it increasingly clear that climate change is having a significant effect on the world’s social and economic risks and that it will continue to do so. The scientific evidence also strongly indicates that human behavior is having an impact on the climate, primarily through carbon emissions.

With a fundamental role in assisting individuals and businesses manage risk, it is prudent for the insurance industry to acknowledge the changing climate as well as the risks it poses to all areas of its business. Furthermore, policymaking and corporate strategies must also reflect measures for the mitigation of, and adaption to, climate change.

The RAA is committed to working with policymakers, regulators, and the scientific, academic and business communities to assist in promoting awareness and understanding of the risks associated with climate change.

Specifically, the RAA will take the following actions:

- In the scientific arena, promote research on climate change, including improvements in the capability to assess climate change and extreme weather events. We acknowledge the importance of enhanced national and regional forecasting. Additionally, recognizing our primary reliance on the scientific community for fundamental insights about climate change, the RAA and individual member companies will provide to the public, insurers and to policymakers our understanding of the likely impact of climate change, particularly the impact of extreme weather events on insurers and policyholders.

- Support climate change awareness for insurers and policyholders. Additionally, the RAA will work with regulators and industry to develop appropriate risk disclosure responsibilities of insurers.

- Support the efforts of RAA members and other private market participants to develop and offer financial products and services using risk-based pricing to assist in managing the financial risk associated with climate change and catastrophic risk. The RAA acknowledges the need to improve the evaluation of future risks associated with climate change as a part of the reinsurance risk assessment and capital management processes.

- At the state and national levels, the RAA will work with policymakers to support legislation to mitigate greenhouse gases and take steps to adapt to climate change through improved preventive measures and public initiatives to address the reduction of risks associated with climate change. These measures include natural hazard mitigation.

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through better land use planning, improved building codes, the use of structurally sound, environmentally friendly building materials, alternative energy sources and other appropriate means.

The RAA will also encourage each of its members to assess the impact of their business operations to analyze their contribution to climate change and to evaluate emissions reductions measures and improve their use of every efficient technologies.