



News release

Insurance Council
of Australia

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Insurance Council launches insurer roadmap to net zero

The Insurance Council of Australia (ICA) today released a landmark paper outlining the way insurers can achieve net zero emissions for their operations by 2030 and across the entirety of insurers' activities by 2050.

[Towards a Net Zero and Resilient Future](#) was authored by Boston Consulting Group for the Insurance Council and draws on extensive consultation with the \$60 billion general insurance sector over the last 12 months.

The Insurance Council's climate change roadmap, launched at the Insurance Council's Annual Conference in Sydney today, charts a path for insurers to achieve net-zero by 2030 for their own operations through measures such as investing in energy efficiency, rooftop solar for office buildings, and transitioning corporate fleets to electric.

It also outlines a pathway for insurers to undertake the more difficult task of reducing emissions associated with underwriting activities, the claims supply chain, and investments, achieving net zero no later than 2050.

Insurers are on the frontline of extreme weather impacts and have been strongly advocating for improved measures and investments to better protect against extreme weather risk.

The implementation of this new roadmap will place insurers at the vanguard of the financial services sector when it comes to acting on the cause – not just the impacts – of worsening extreme weather.

A number of insurers are already aligned with the roadmap, while others will use the report to chart the operational and strategic changes required to meet its aims.

Insurers are already taking action to reduce emissions in a variety of different ways, from setting a shadow carbon price to ensure investment portfolios align with the economic transition already underway through to building electric vehicle charging infrastructure and underwriting clean energy technology of the future.

Released a week before the critical COP conference in Egypt, the roadmap underscores that emissions must rapidly decrease this decade.

The Insurance Council will advocate on behalf of its members and their customers for policy settings that accelerate Australia's transition to net zero.

The Insurance Council will be working to support the wider sector's alignment with the roadmap's goals and will publish an annual update to track the progress of insurers against the report's recommendations.

Comment attributable to Andrew Hall, CEO Insurance Council of Australia:

As a financial service focused on risk, insurance is already bearing the cost of worsening extreme weather driven by climate change.

Insurance customers around the country are facing a new era of extreme weather, from more intense rainfall and flooding, more severe bushfires, and projections of more intense cyclones.

The total cost of these extreme weather events is forecast to be unlike anything we have experienced, with climate-related extreme weather events expected to cost \$39.3 billion a year by 2050.

Insurance is a foundational component of the Australian economy with billions of dollars invested in industries globally, and coverage of millions of Australian homes, businesses and assets.

This roadmap will play a critical role in enabling our industry to do our part in reducing emissions and achieving the goals of a net zero economy.