

# Public Call for Evidence for an Opinion on sustainability within Solvency II

## Responding to this call for evidence

EIOPA welcomes responses to the call for evidence concerning an Opinion on sustainability under Solvency II.

Comments are most helpful if they:

- respond to the question stated, where applicable;
- contain a clear rationale; and
- describe any alternatives EIOPA should consider.

Comments are welcome via this online survey by **Friday 8 March 2019**.

Contributions received via other means than the EU on-line survey tool or after the deadline will not be processed.

## Publication of responses

Contributions received will be published on EIOPA's public website unless you request otherwise in the respective field in the tool for comments.

Please note that EIOPA is subject to Regulation (EC) No 1049/2001 regarding public access to documents and EIOPA's rules on public access to documents.

Contributions will be made available at the end of the public consultation period.

## Data protection

Please note that personal contact details (such as name of individuals, email addresses and phone numbers) will not be published. They will only be used to request clarifications if necessary on the information supplied.

EIOPA, as a European Authority, will process any personal data in line with Regulation (EC) No 45/2001 on the protection of the individuals with regards to the processing of personal data by the Community institutions and bodies and on the free movement of such data. More information on data protection can be found on [EIOPA website under the heading 'Legal notice'](#).

## Reasons for the call for evidence

On 28 August 2018, the European Commission issued a [call to EIOPA for an Opinion on sustainability](#)

[within Solvency II](#).

The call for Opinion follows a previous [call for Technical Advice to EIOPA and ESMA](#) on potential amendments to, or introduction of, delegated acts under Solvency II and the Insurance Distribution Directive with regard to the integration of sustainability risks and factors.

The call for Opinion pertains to both the asset and liabilities side of the balance sheets of (re)insurance undertakings. It focuses on a number of areas, ranging from practices with respect to climate change in investment policies, valuation of assets, risk structures of assets with respect to climate change, underwriting policies, inclusion of climate risks in technical provisions and the Solvency II risk framework for natural catastrophe events.

The present call for evidence aims at collecting market data to analyse the how sustainability risks affect (re)insurers investments, with particular focus on climate change and aims at collecting market practices on insurance underwriting. In its call for Opinion, the European Commission asks EIOPA to assess whether Solvency II presents any inherent incentives and/or disincentives to sustainable investment, including but not limited to investments in unrated bonds and loans, unlisted equity and real estate.

To support the analysis, National Competent Authorities will collect information from individual undertakings within their jurisdiction, via a separate request for information. The responses to that request for information will not be published.

## **Next steps**

Based on the feedback received, EIOPA will prepare the draft Opinion to the European Commission for consultation during the second half of 2019.

## **1. Definitions**

### *Sustainability risks*

Sustainability risks are operationalised via the concepts of environmental, social and governance risks. Sustainability risks could affect both the investments and the liabilities of insurance and reinsurance undertakings. Currently the assessment of environmental factors, in particular climate change, is most advanced in theory and practice.

Climate risks will be the main, though not exclusive, focus of call for evidence.

### *Environmental, social and governance (ESG) factors*

[Reference is made to the European Commission proposal "on disclosures relating to sustainable investments and sustainability risks and amending Directive (EU) 2016/2341", in Article 2(o) "sustainable investments".]

- Environmental: factors that contribute to an environmental objective. Such objectives include climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, waste prevention and recycling, pollution

prevention and control and protection of healthy ecosystems. [See Article 5, Commission Proposal for a Regulation of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, COM(2018) 353 final.]

- Social: factors that contribute to a social objective, and in particular to tackling inequality, an investment fostering social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities;
- Governance: factors that contribute to good governance practices, and in particular companies with sound management structures, employee relations, remuneration of relevant staff and tax compliance;

### Physical risks

Risks arising from increased damage and losses from physical phenomena associated with both climate trends (e.g. changing weather patterns, sea level rise) and events (e.g. natural disasters, extreme weather). Climate trends and shocks could pose economic disruptions affecting insurers, the economy, and the wider financial system. At the macro-economic level, losses from physical risks may affect resource availability and economic productivity across sectors, the profitability of firms and individual assets, pose supply chain disruptions, and ultimately impact insurance market demand. Losses arising from physical risks, especially when uninsured, may have cascading impacts across the financial system, including on investment companies and banks.

### Transition risks

While the transition to a low-carbon economy may create opportunities, it may also create risks (e.g. credit, liquidity) and/or significantly constrain economic growth, especially in the case of too sudden or too late policy changes. Transition risks are arising from disruptions and shifts associated with the transition to a low-carbon economy, which may affect the value of assets or the costs of doing business for firms. Those risks may be motivated by policy changes, market dynamics, technological innovation or reputational factors (see figure below). Key examples of transition risks include wrong assessments of climate-induced risks and opportunities and policy changes and regulatory reforms which affect carbon-intensive sectors, including energy, transport and industry. Policy and regulatory measures may affect specific classes of financial assets (such as real estate portfolios), in addition to those affecting capital markets.

### Liability risks

These pertain to risks that industries, companies and possibly individuals may be held liable for contributing to climate change or climate change-related events, or fail to disclose the climate impact of their operations.

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Q1. Do you agree with these definitions? If not, please provide the definitions you usually use when defining climate change related-risks, from existing legislation or of other sources you refer to?

We generally agree with the definitions. However, we propose a clarification of the definition of sustainability risks concerning investments. As proposed by the Council in Art. 2 (t) of the proposal “on disclosures relating to sustainable investments and sustainability risks”, “a sustainability risk must have a material negative impact on the value of the asset”.

With respect to physical risks, we would like to highlight that they encompass a wider range of risks than the sole environmental risks. In addition, uninsured risks should be taken out of scope of the definition of physical risks.

Q2. What types of gaps and barriers (information, data, scenarios), if any, are currently complicating the identification and assessment of climate change risks?

In terms of potential impacts on the liability (insurance) side (i.e. potential impact on claims, risk pricing and premium income), there are only few scientific studies available which project not only hazard into the future under climate change (in this case: hurricane winds), but also an entire insurance market, i.e. the entire market response to changed NatCat risk. From today’s perspective, there is not much substantial guidance available on projecting conditions such as insurance uptake/exposures or vulnerabilities into the future, for instance for a period 2030-2040.

There are a series of gaps and barriers that complicate the identification and assessment of climate change risks on a company-wide scale. As for climate, corporate disclosure is still in its infancy. This impairs data availability and quality (e.g. on data indicated in Q3). Concerning the data which is available there are significant differences between different data providers (e.g. on carbon footprint). There is a lack of clear definitions and rules for the classification of sustainable activities as well as valid scenarios and knowledge on expectations for future technological development and demand. Furthermore the identification and valuation models are recent; related methods are not yet stabilized: the choice of data necessary for valuation depends on the chosen method, which could consequently evolve with the progresses made in methodologies.

Q3. What types of data inputs do you use to inform your analysis of climate-related risks (for both assets and liabilities)?

Insurers inform their analysis of climate-related risks based on the loss history and underwriting experience for the insurance operations, and the analysis of the underlying fundamentals for investments. Specifically, the following data inputs are used in various degrees:

- company-specific quantitative data , policies and strategies sector-specific data, eg energy diagnostics are used in the real estate field. When there are prescribed norms for some activities, the data linked to these norms are usually used;
- internal data on loss history and underwriting experience for the insurance operations;
- external metrics and policy tools related to a number of initiatives (eg referring to IPCC, RCP scenarios). Carbon footprint data, energy / fuel mix, decarbonization strategies, climate targets, green patents are often used across industries;
- geospatial and infrastructure information of (operator/investee) assets to run physical risk scenarios against it.

Generally, we believe to build on qualitative scenarios, i.e. discussing options and responses to a variety of future developments under uncertainty. This approach corresponds with the fundamental thought of climate change impacts being hard to disentangle from a multitude of other factors that will change and collectively challenge P & C insurance business in the future. This is also in line with the IPCC perspective: climate change is interlinked with many factors, partly influencing or even aggravating each other.

## 2. Assets and sustainability risks

### 2.1. Identification of the assets subject to sustainability risk

Climate change can pose risks as well as bring opportunities for investments.

Climate change impacts on environmental system (oceans, marine environment, coastal zones, freshwater systems, ecosystems of forests, soils) as well as on society (human health, agriculture, energy, transport, tourism, climate migration...). Climate change will affect the frequency and severity of certain extreme weather- and climate-related events, such as droughts, heat waves and heavy precipitation events [See European Environment Agency, Climate change, impacts and vulnerability in Europe 2016. An indicator-based report. EEA Report No 1/2017.].

This may in turn induce changes in consumer expectations, the development of new technologies dealing with climate change, adaptations in policies and regulation enabling the transition towards a lower carbon economy and may drive changes in investment behaviour.

Q4. Which impacts of climate change or the transition to a low-carbon economy do you consider to pose the greatest risks on investments for insurers? Which would create opportunities? Which other impacts of climate change should we consider? Please specify.

Oceans, marine environment

- |                                  |   |
|----------------------------------|---|
| <input type="radio"/> Major risk | <input type="radio"/> Major opportunity |
| <input type="radio"/> Minor risk | <input type="radio"/> Minor opportunity |
| <input type="radio"/> No risk    | <input type="radio"/> No opportunity    |

Please comment:

Coastal zones

- Major risk     Major opportunity
- Minor risk     Minor opportunity
- No risk         No opportunity

Please comment:

Freshwater systems

- Major risk     Major opportunity
- Minor risk     Minor opportunity
- No risk         No opportunity

Please comment:

Ecosystems (forests, soils)

- Major risk     Major opportunity
- Minor risk     Minor opportunity
- No risk         No opportunity

Please comment:

## Human health

- Major risk
- Minor risk
- No risk
- Major opportunity
- Minor opportunity
- No opportunity

Please comment:

## Agriculture

- Major risk
- Minor risk
- No risk
- Major opportunity
- Minor opportunity
- No opportunity

Please comment:

## Energy

- Major risk
- Minor risk
- No risk
- Major opportunity
- Minor opportunity
- No opportunity

Please comment:

## Transport

- Major risk
- Minor risk
- No risk
- Major opportunity
- Minor opportunity
- No opportunity

Please comment:

Tourism

- Major risk     Major opportunity
- Minor risk     Minor opportunity
- No risk         No opportunity

Please comment:

Climate migration

- Major risk     Major opportunity
- Minor risk     Minor opportunity
- No risk         No opportunity

Please comment:

Other, please specify:

As the above division is company specific, we cannot give answers for the German insurance industry as a whole and only give a general comment:

The above division does not always meet the investors' analysis which looks at the individual activities within the analysis of the specific issuers. Even if climate change will affect various industries differently, investors will diversify at geographical and industry levels as a means to eliminate idiosyncratic risks. The sector also notes that ESG factors, and climate change in particular, can be risks or opportunities according to the governance of the investee, more than its activities.

Q5. With regard to drivers of investment behaviour, please specify if they represent a risk or an opportunity of investment for insurers, as well as their importance. Do you think that additional drivers need to be considered? If yes, please specify.

Changes in consumer expectations

- Major risk     Major opportunity
- Minor risk     Minor opportunity
- No risk         No opportunity

New technologies

- Major risk     Major opportunity
- Minor risk     Minor opportunity
- No risk         No opportunity

Policies and regulations enabling the transition towards a lower carbon economy

- Major risk     Major opportunity
- Minor risk     Minor opportunity
- No risk         No opportunity

Other, please specify:

As this is a company specific question, we cannot give an answer for the German insurance industry as a whole.

*Physical risk*

Q6. Which drivers of physical risk do you consider have the greatest impact on assets in the geographical areas where you invest? Are there geographical differences between the markets in which you invest? If yes, please specify.

As this is a company specific question, we cannot give an answer for the German insurance industry as a whole.

*Transition risk*

Q7. Which drivers of transition risk do you consider have the greatest impact on assets in the geographical areas where you invest? Are there geographical differences between the markets in which you invest? If yes, please specify.

As this is a company specific question, we cannot give an answer for the German insurance industry as a whole.

*Green/brown assets*

Q8. Do you consider that green assets need to be distinguished from other assets in order to implement an efficient asset allocation regarding climate change impacts? If yes, which criteria do you consider relevant for classifying assets as “green”?

No, there is no need for a binary green/brown approach as a precondition for insurers adopting efficient asset allocations with regards to climate change.

The only necessary work is the one focused on the EU taxonomy on sustainability, namely on the identification of E, S and G factors. Once the E factor is clarified in a consistent and comparable way, all investors will be better positioned to assess their asset allocations against climate change objectives. However, we believe that a taxonomy would only be fit for purpose in the finance sector for the application in project finance, (e.g. the financing of a wind park, a solar park or public transport). Here, a static definition of “green” is reasonable and well applicable as has been shown for instance in the green bond universe. For the financing of entire companies/conglomerates, we regard a taxonomy (the approach currently under discussion) as not fit for purpose. Due to shifts in activities and strategy in the regular course of business or as a result of mergers and acquisitions the footprint of a company could materially change.

Generally it is key that the Solvency II regulation remains modern and risk-based and imposing investment limits is avoided. Solvency II should measure the risks that insurers are exposed to when investing; only if there is proof that E, S, G factors can have an impact on the risk profile/value of an investment, these should be reflected in the framework.

Therefore there is no need for a green/brown definition, and definitely not a need for EIOPA to develop a definition for the insurance sector. Any definitions in the area of E, S, G should be envisaged at European or even international level.

Q9. Do you consider that brown assets need to be distinguished from other assets in order to implement an efficient asset allocation regarding climate change impacts? If yes, which criteria do you consider relevant for classifying assets as “brown”?

See answer to Question 8.

**2.2. Impact of sustainability risks, with particular regard to climate risks on valuation of assets and on market risks**

Q10. What are the transition risks that you consider most relevant to have an impact on asset valuation?

- |  |  |
|--|--|
| <input type="checkbox"/> Change in investors' expectations and preferences | <input type="checkbox"/> Demand for more transparency      |
| <input type="checkbox"/> Policy changes                                    | <input type="checkbox"/> Rise in the cost of energy or CO2 |
| <input type="checkbox"/> Technological trends                              | <input type="checkbox"/> Change in consumers' preferences  |
| <input type="checkbox"/>   |  |

Reputational factors

Other, please specify:

As this is a company specific question, we cannot give an answer for the German insurance industry as a whole.

Q11. What trends or events caused by climate change, potentially leading to physical risks on assets do you consider most relevant to have an impact on asset valuation?

- Trends / temperature rise
- Trends / changing/extreme weather patterns
- Trends / sea level rise
- Trends / higher CO2 concentrations
- Trends / higher global emissions (other than CO2)
- Trends / trends on biodiversity/animal migration
- Trends / displacement / climate migration
- Trends / Other
- Events / windstorms
- Events / flood
- Events / hail
- Events / heat waves
- Events / drought
- Events / subsidence, landslides
- Events / freeze, snowfalls, avalanches
- Events / Other

If 'Other' was chosen please specify.

As this is a company specific question, we cannot give an answer for the German insurance industry as a whole.

Q12. How do sustainability risks affect the valuation of financial assets in investment portfolios over the short, medium and long term?

As this is a company specific question, we cannot give an answer for the German insurance industry as a whole.

Q13. How do transition and physical risks affect the valuation of financial assets in investment portfolios, over the short, medium, and long term?

As this is a company specific question, we cannot give an answer for the German insurance industry as a whole.

Q14. Which are, in your view, the types of assets whose valuation is most subject to transition risks? Do you consider unrated bonds and loans, unlisted equity and real estate to be affected? What about other assets?

As this is a company specific question, we cannot give an answer for the German insurance industry as a whole.

Q15. Can sustainable investments be viewed as good investment opportunities? In particular, should sustainable investments be subject to similar targets and measures of expected return as other investments? If not, please provide examples of investment targets and measures of expected return for sustainable investments.

Sustainable investments can be good investment opportunities, depending on the meaning of "good". Sustainable investments can be good investment both in terms of their return to investors and in terms of their impact on the environment or society. In general, the attractiveness of any investment depends on a series of factors in the investment decision process, including risk-return profile, matching of assets and liabilities, overall investment strategy and capital requirements. ESG factors and risks are not enough on their own to consider a sustainable investment as a good investment opportunity.

With respect to the expected return, sustainable investments should be subject to the same targets and measures of expected return as other investments. It is to be noted that some assets are considered as sustainable with respect to the environment but the activity underlying the asset could be not profitable without subsidies.

Q16. Can you provide evidence on how the carbon footprint is taken into account in the pricing of an asset? Would other methods also be relevant for the pricing of an asset? Please elaborate and distinguish asset classes where possible.

As this is a company specific question, we cannot give an answer for the German insurance industry as a whole.

Q17. Can you provide evidence that green assets or brown assets have a significantly different risk profile than other assets? Please elaborate.

No.

There is no clear evidence of differences between green assets or brown assets at aggregate level. If green or brown assets are exposed to different risks than other assets of the same asset class, these risks should be taken in account. In general, all financially material risks should be recognized in the investment process. Therefore, if risks are similar, green or brown assets should not be treated differently.

Q18. Do you have evidence that green assets, or assets with a lower exposure to physical and transition risks, have a different market risk profile than other assets? If yes, please elaborate on the evidence and on how market risk structures differ. Please identify the relevant assets/asset classes.

No.

There is no clear evidence of differences at aggregate level. Green assets are not necessarily less exposed to physical and transition risks than other assets (eg development of solar energy equities in the past 10 years).

Q19. Do you have evidence that brown assets, or assets with a higher exposure to physical and transition risks, have a different market risk profile than other assets? If yes, please elaborate on the evidence and on how market risk structures differ. Please identify the relevant assets/asset classes.

No.

There is no clear evidence that brown assets contain higher market risk than other assets.

Q20. Do you have evidence demonstrating that either assets that are considered green or have a lower exposure to physical and transition risks, or assets that are considered brown or that have a higher exposure to physical and transition risks, are correlated in a significantly different manner than those correlations provided in the standard formula in Solvency II? If yes, please elaborate on the evidence and on how correlations differ. Please distinguish between asset classes.

No.

There is no clear evidence of differences in correlation between green assets or brown assets. There is not enough data and thus no statistical evidence on correlations between green and brown assets on the one hand and standard formula asset classes on the other hand. If asset classes in the standard formula framework should be refined with respect to green and brown assets, a precondition should be to build up a pan-European data base or at least to initiate a research project assigned to an independent institution such as a European Supervisory Authority to validate correlation and risk parameters of green and brown investments.

Furthermore we propose to review the combination of green assets with low physical and transition risks. In certain cases green assets may also be exposed to physical risks to a great extent (e.g. offshore wind power).

### 2.3 Practices for asset allocation

Q21. Please rank the following investment criteria according to importance on a scale from 1 (highest importance) to 7 (lowest importance):

Table

	Please rank from 1 - 7
Profit expectation in short term	
Profit expectation in medium term	
Profit expectation in long term	
Matching assets and liabilities	
Level of market risk associated with assets (including climate risks)	
Risk-return profile	
ESG factors (risks and opportunities)	

Other, please specify:

As this is a company specific question, we cannot give an answer for the German insurance industry as a whole.

Q22. When deciding on asset allocation, which information do you mostly take into account (modelling of expected returns, of expected cash-flows, ratings of the assets...). Is the approach different for sustainable investments? if yes, please elaborate.

The question is not relevant because insurers' approach to investing is not different for sustainable investments compared to any other investments. Insurers have a duty of diligence and care for their policyholders, and this duty applied to all types of assets they invest in.

The investment assessment is multifactorial. The matching of assets and liabilities, the risk-return profile and the level of market risk are among the key factors that are taken into account when deciding on the asset allocation. Sustainability is also increasingly becoming relevant in the execution of asset allocation policies of insurers.

Q23. Which strategy do you pursue in reducing sustainability risks in your investments? Do you consider the strategy of exclusion/ investment decrease in any economic sector/ geographical area appropriate to reduce the potential sustainability risks? Please elaborate.

Exclusion can be an appropriate strategy to mitigate some risks. However, it is to be noted that exclusions are often related to ethics consideration rather than financial risks. Certain sectors, such as controversial weapons are excluded under most investment policies. Similarly, companies are often excluded from insurers' investments because they do not follow in international norms. Exclusion should not be too wide otherwise negative effects on diversification and on return could be observed.

In addition, we would like to note that engagement practices can be a suitable approach for risk mitigation and support transition. Engagement allows for a good knowledge of investees and a better risk management. However, Engagement is very costly, especially for small and medium sized insurers due to the need to outsource the necessary engagement activities. Engagement is generally more effective and manageable in equity portfolios than in bond portfolios. However, german insurers are mainly bond investors. Engagement should not go beyond the Directive (EU) 2017/828 (shareholder rights Directive). Furthermore we believe that the overall effectiveness of engagement policies conducted by small and medium sized companies is questionable.

Q24. Please choose the key sustainability (ESG) factor(s) which you pursue in investing in sustainable assets (multiple choices allowed).

- Environment (including climate change) factors
- Social factors
- Governance factors

### 3. Liabilities and sustainability risks: risk identification and impacts

EIOPA identified the following Lines of Business as subject to climate risks, in accordance with Annex I of the Solvency II Delegated Regulation:

#### Insurance:

- LoB 4. Motor vehicle liability insurance
- LoB 5. Other Motor insurance
- LoB 6. Marine, aviation and transport insurance
- LoB 7. Fire and other damage to property insurance
- LoB 8. General liability insurance
- LoB 12. Miscellaneous financial loss insurance (bad weather)

#### Reinsurance:

##### Proportional non-life reinsurance to the LoB mentioned above:

- LoB 16. Proportional reinsurance Motor vehicle liability
- LoB 17. Proportional reinsurance Other Motor
- LoB 18. Proportional reinsurance Marine, aviation and transport insurance
- LoB 19. Proportional reinsurance Fire and other damage to property insurance
- LoB 20. Proportional reinsurance General liability insurance
- LoB 24. Proportional reinsurance Miscellaneous financial loss insurance (bad weather)

##### Non-proportional non-life reinsurance:

- LoB 27. Non-proportional Marine, aviation and transport reinsurance
- LoB 28. Non-proportional property reinsurance
- Non-proportional reinsurance for LoBs 5-7, 9-12

Q25. Do you consider that other lines of business than those outlined above are materially exposed to physical and transition risks? If so, please list them and outline the particular climate-change related exposures of those LoBs.

Insurance is directly affected by climate change, made apparent by the expected increase in claims expenditure, as a result of the industry's pivotal role in the compensation of the financial losses incurred by insured households, farmers, energy providers etc.

Physical and transition risks, and climate change more generally will have a direct impact on claims across a significant number of the industry's business lines. The LoBs that are affected by these risks consider them in their business models. Additionally, these contracts are on a short-term basis and premiums can therefore be adapted accordingly.

LoBs covering damages from natural hazards are the most exposed to climate change.

Q26. Which key physical risk factors do you consider to impact most on underwriting in the geographical areas where you operate? Are there geographical differences between the markets in which you operate?

- Trends / temperature rise
- Trends / changing/extreme weather patterns
- Trends / sea level rise
- Trends / higher CO2 concentrations
- Trends / higher global emissions (other than CO2)
- Trends / trends on biodiversity/animal migration
- Trends / displacement / climate migration
- Trends / Other
- Events / windstorms
- Events / flood
- Events / hail
- Events / heat waves
- Events / drought
- Events / subsidence, landslides
- Events / freeze, snowfalls, avalanches
- Events / Other

If 'Other' was chosen please specify.

Specify also the potential geographical differences.

Generally, the above listed trends are a bit confusing because the listing mixes up changes in the climate system and their consequences (biodiversity..., displacement...). All these items are not associated with insurance covers, but materialize developments which among other effects can change conditions such as risk-based capital demand for insurances, e.g. weather-related property covers.

Q27. How do physical risks – including an increasing frequency and severity of extreme weather events – affect your organisation's underwriting business performance, in terms of market demand, claims burden, or other factors? Please explain how, over what timeframes and across which business lines. If you do not consider that physical risks affect your underwriting business performance, please explain why.

As this is a company specific question, we cannot give an answer for the German insurance industry as a whole.

### *Transition risks*

Q28. What are the key transition risk factors that you anticipate to potentially impact most on underwriting markets in the geographical areas where you operate?

As this is a company specific question, we cannot give an answer for the German insurance industry as a whole.

Q29. How do transition risks – including economic, social, technological, regulatory or policy factors stemming from climate change – affect your organisation’s underwriting business performance, in terms of market demand, claims burden, or other factors? Please explain how, over what timeframe and across which business lines. If you do not consider that transition risks affect your underwriting business performance, please explain why.

As this is a company specific question, we cannot give an answer for the German insurance industry as a whole.

### *Liability risks*

Q30. Does your organisation consider that it may be exposed to liability risks stemming from climate change, either now or in the future? For example, unintended exposure to climate risks through professional and corporate indemnity policies. If yes, what steps might your firm take to monitor, reduce, or mitigate these risks? If no, please explain.

As this is a company specific question, we cannot give an answer for the German insurance industry as a whole.

### *Sustainability risks*

Q31. How do sustainability risks, other than induced by climate change (incl. other environmental, social and governance risks) affect your undertaking's underwriting business performance?

As this is a company specific question, we cannot give an answer for the German insurance industry as a whole.

## **Contact**

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