



ASSOCIATION ACTUARIELLE INTERNATIONALE INTERNATIONAL ACTUARIAL ASSOCIATION

18 November 2015

Attention: President of the Conference of the Parties (COP21)
United Nations Framework Convention on Climate Change

E-mail: secretariat@unfccc.int

Dear Sir,

Re: 21st Conference of Parties in Paris – IAA Statement

On behalf of the actuarial profession, the International Actuarial Association (IAA) is pleased to issue the attached statement in support of the objectives of the 2015 United Nations Climate Change Conference, COP 21. Actuaries focus broadly on risks and risk mitigation in order to help assure the resilience of financial systems and institutions worldwide. Our support for the COP 21 initiatives is consistent with our commitment to the sustainability of financial systems and institutions across the globe.

The attached statement has been prepared by the Scientific Committee of the IAA. If you identify any areas in the statement that you wish to discuss or obtain further insight in to, please do not hesitate to contact Thomas Béhar, Chairperson of the IAA Scientific Committee, care of the [IAA Secretariat](#).

Yours sincerely,

Fred Rowley
President

Attachment: [IAA Statement](#)

Actuaries Support Commitments in Paris to Address Climate Change

The International Actuarial Association (IAA), through its Resource and Environment Working Group, supports the need to mitigate, manage and increase awareness of climate-related risks to human life and property and their potential impact on the world economy.

It therefore supports the inclusion of long-term emissions reduction commitments by all countries in a climate agreement. We believe a framework for international agreement and cooperation is essential for promoting a worldwide policy on environment that facilitates economic and investment opportunities, energy innovations, and risk mitigation practices.

The risks associated with climate change are wide-ranging. They affect individuals, businesses, communities and governments virtually everywhere. For example, risks associated with rising sea levels include property loss, business interruption, agricultural dislocation, and population displacement. These climate-related risks are threats to the sustainability of the global economy and its institutions and should be addressed in a comprehensive manner at all levels of government and industry. Other aspects of climate change could have a severe impact on long-term investment returns, which would have significant implications for many businesses.

Delays in addressing climate change risk through a broad-based climate change policy framework may increase the likelihood of extreme climate scenarios and result in more limited and costlier options to deal with adverse consequences.

Actuaries focus broadly on risks and risk mitigation in order to help assure the resilience of societies, financial systems and institutions worldwide. Our support for the efforts of the United Nations in coalescing support for emissions reduction commitments and for broad international policy cooperation is consistent with our commitment to the sustainability of financial systems and institutions across the globe.

The transition to a low-carbon economy and initiatives to reduce emissions may entail significant changes for the worldwide economy, including the financial sector in which many actuaries practice. Improved emissions disclosure is therefore necessary to enable investors and society to manage the long-term risks of climate change, and to provide markets with more transparency and stakeholders with more confidence to act.

For its part, the IAA recognizes

- the risk of climate change having detrimental effects on the health, safety, financial security and well-being of people throughout the world;
- that there are considerable uncertainties regarding the timing and severity of these effects;
- the need for risk mitigation efforts to protect society and the environment;
- the need for consistent measures of the impact of changes in the environment on human well-being and the world economy, to enable entities to account for the effects of their activities; and
- the advantages of a clear, pro-active agreement that encourages government policies and private-sector actions on a worldwide basis in pursuit of a sustainable environment.

The IAA further recognizes that, even if warming is successfully limited to the global 2°C consensus goal, this level of climate change will probably entail significant societal and economic risks and costs. It is imperative that movement toward this limit be continually monitored and attention given to the possible need for recalibration and even greater commitment from national governments and business.

The actuarial profession therefore advocates an effective and on-going public-sector and private-sector commitment to objective climate research, modeling and raising of public awareness, which should necessarily extend to the related economic and financial consequences of such direct physical impacts. Such a commitment is an essential component in the development of appropriate industry-based and public policy initiatives related to climate change.

Our successful contribution to the global climate change challenge is thus highly dependent on a broad commitment to science-based research, modeling and raising public awareness with regard to the financial and economic implications of climate change.

The most adverse potential scenarios associated with extreme climate change are extremely disturbing. We join many others in urging governments and businesses to commit themselves to policy measures aimed at protecting the well-being of our planet's inhabitants.

About the International Actuarial Association

The IAA is the worldwide association of professional actuarial associations. It exists to encourage the development of a global profession, acknowledged as technically competent and professionally reliable, which will ensure that the public interest is served. This is indicated by its vision that "The actuarial profession is recognized worldwide as a major player in the decision-making process within the financial services industry, in the area of social protection and in the management of risk, contributing to the well-being of society as a whole."

The IAA comprises 67 Full Member associations, listed in [Appendix A](#) to this statement, representing more than 95% of all actuaries practicing around the world. The IAA promotes high standards of actuarial professionalism across the globe and serves as the voice of the actuarial profession when dealing with other international bodies on matters falling within or likely to have an impact upon the areas of expertise of actuaries. Actuaries focus their efforts on the financial mechanisms that protect individuals, companies and society from the adverse financial consequences of uncertain events. Actuaries are experts at risk mitigation, management and monitoring. For example, we assess the sustainability of social security programs and healthcare delivery systems using long-term actuarial modeling, alongside our traditional analyses and forecasts in insurance and pensions.

The IAA is a Supporting Institution of the Principles for Sustainable Insurance of the UN Environment Programme's Finance Initiative.

This statement has been prepared by the Scientific Committee of the IAA, the members of which are listed in [Appendix B](#) to this statement. It has also been subject to the due process required for it to constitute a formal statement of the IAA, and will be posted to the IAA's official web site.

Appendix A

Full Member Associations of the IAA (67 members)

Caribbean Actuarial Association

Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires
(Argentina)

Actuaries Institute Australia (Australia)

Aktuarvereinigung Österreichs (AVÖ) (Austria)

Institut des Actuaires en Belgique (Belgique)

Aktuarsko Drustvo U Bosni I Hercegovini (Bosnia and Herzegovina)

Instituto Brasileiro de Atuária (IBA) (Brazil)

Bulgarian Actuarial Society (Bulgaria)

Canadian Institute of Actuaries/Institut Canadien des Actuaires (Canada)

China Association of Actuaries (China)

Actuarial Institute of Chinese Taipei (Chinese Taipei)

Asociación Colombiana de Actuarios (Colombia)

Institut des Actuaires de Côte d'Ivoire (Côte D'Ivoire)

Hrvatsko Aktuarsko Drustvo (Croatia)

Cyprus Association of Actuaries (Cyprus)

Ceská Společnost Aktuárů (Czech Republic)

Den Danske Aktuarforening (Denmark)

Egyptian Society of Actuaries (Egypt)

Eesti Aktuaaride Liit (Estonia)

Suomen Aktuaariyhdistys (Finland)

Institut des Actuaires (France)

Deutsche Aktuarvereinigung e. V. (DAV) (Germany)

Hellenic Actuarial Society (Greece)

Actuarial Society of Hong Kong (Hong Kong)

Magyar Aktuárius Társaság (Hungary)

Félag Íslenskra Tryggingastærðfræðinga (Iceland)

Institute of Actuaries of India (India)

Persatuan Aktuaris Indonesia (Indonesia)

Society of Actuaries in Ireland (Ireland)

Israel Association of Actuaries (Israel)

Istituto Italiano degli Attuari (Italy)

Institute of Actuaries of Japan (Japan)

Japanese Society of Certified Pension Actuaries (Japan)

The Actuarial Society of Kenya (Kenya)

Latvijas Aktuaru Asociacija (Latvia)

Lebanese Association of Actuaries (Lebanon)

Lietuvos Aktuaru Draugija (Lithuania)

Persatuan Aktuari Malaysia (Malaysia)

Full Member Associations of the IAA (67 members)

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Colegio Nacional de Actuarios A. C. (Mexico)
Association Marocaine des Actuaires (Morocco)
Het Koninklijk Actuarieel Genootschap (Netherlands)
New Zealand Society of Actuaries (New Zealand)
Den Norske Aktuarforening (Norway)
Pakistan Society of Actuaries (Pakistan)
Actuarial Society of the Philippines (Philippines)
Polskie Stowarzyszenie Aktuariuszy (Poland)
Instituto dos Actuários Portugueses (Portugal)
Asociatia Romana de Actuarat (Romania)
Russian Guild of Actuaries (Russia)
Udruzenje Aktuara Srbije (Serbia)
Singapore Actuarial Society (Singapore)
Slovenska Spoločnosť Aktuárov (Slovakia)
Slovensko Aktuarsko Drustvo (Slovenia)
Actuarial Society of South Africa (South Africa)
Institute of Actuaries of Korea (South Korea)
Col.legi d'Actuaris de Catalunya (Spain)
Instituto de Actuarios Españoles (Spain)
Svenska Aktuarieföreningen (Sweden)
Association Suisse des Actuaires (Switzerland)
Society of Actuaries of Thailand (Thailand)
Association of Consulting Actuaries (United Kingdom)
Institute and Faculty of Actuaries (United Kingdom)
American Academy of Actuaries (United States)
American Society of Pension Professionals & Actuaries (United States)
Casualty Actuarial Society (United States)
Conference of Consulting Actuaries (United States)
Society of Actuaries (United States)

Appendix B

Members of the Scientific Committee

(18 November 2015)

Chairperson

Thomas Béhar

Vice-Chairperson

Tonya B. Manning

Members

Christopher D. Daykin

Peter R. Doyle

Martin A. Stevenson

Ex- officio

Assia Billig

[Chairperson, Population Issues Working Group]

Howard J. Bolnick

[Chairperson, Microinsurance Working Group]

Kenneth B. Donaldson

[Chairperson, Resource and Environment Working Group]

Paul Lewis

[Chairperson, Mortality Working Group]