



International Actuarial Association
Association Actuarielle Internationale

NEWS RELEASE

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Climate Change Adaptation – Urgent Need for Coordinated Measures

The International Actuarial Association (IAA) has been co-ordinating global work on how the actuarial profession is contributing to the assessment and mitigation of climate-related risk. Adaptation will be a key focus of this year's COP 27. It is important that we collectively reflect on ways to adapt to emerging impacts of climate change by realigning our priorities to ensure reasonable life conditions for future generations.

The IAA recognizes that actuaries can play an important role in inter-disciplinary assessment and discussion of adaptation measures and their impact on insurance and social security systems, protection gaps, vulnerabilities, affordability, insurability, and resilience.

Actuaries are trained in the rigorous analysis of risks and developing ways to manage them, taking into account the complexities of multiple stakeholder interests and recognizing a professional responsibility to protect the public interest. Increasingly, traditional protection through financial products and processes is accompanied by advice on behaviour changes to mitigate risks as they arise. This is highly relevant in the context of climate change where the actuarial contribution includes assessment of financial risks as well as scenarios that demonstrate the benefit from encouraging behaviour change.

President Roseanne Harris stated "Actuaries can play an essential role in assessing risk and in developing mitigation and adaptation strategies in the global effort to reduce climate-related damage from extreme climate events that have become more common. For example, a climate issue that was once classified as a once in 100-year event may, in certain circumstances, become a one in 10-year event. Assessing the effect of such changes and considering mechanisms to reduce risks is a natural extension of what actuaries are trained for."

In line with this year's COP27 objectives, adaptation will be the theme for the sixth IAA paper in the Climate Risk Series: [The Climate Change Adaptation Gap – An Actuarial Perspective](#) which has been released as an exposure draft for consultation. The paper emphasizes that "coordinated adaptation measures are urgently needed as a defence against future climate-related risks and damages and to build resilience to them. More extensive risk data and information, enlightened policies, and insurance products that can motivate and enhance preventive and recovery actions will help to reduce losses and damages."

To date, five IAA papers in the Climate Risk Series^a, and a joint paper with the IPCC^b, have been produced. The IAA is expected to release two additional papers in 2023 as it continues to explore areas such as the sustainable transition to a net zero global economy, the use of scenarios in various practice areas, and how actuaries can add value to these important discussions.

The IAA wishes to encourage all parties concerned with the challenges of climate risks to actively involve actuaries in their discussions and deliberations. Actuaries are not only risk management experts in the traditional financial services sectors; they are also a readily accessible and knowledgeable resource of expertise for emerging issues such as climate risks. Actuaries are part of a global profession working to ensure the public interest is served.

To learn more about the work of the IAA on this topic, contact the [Director of Technical Activities](#) at the IAA Secretariat.

a. IAA Climate Risk Series Papers:

1. [Importance of Climate-Related Risks for Actuaries](#)
2. [Introduction to Climate-Related Scenarios](#)
3. [Climate-Related Scenarios Applied to Insurers and Other Financial Institutions](#)
4. [Application of Climate-Related Risk Scenarios to Asset Portfolios](#)
5. [Climate-Related Disclosures and Risk Management: Standards and Leading Practices](#)

b. Joint IAA/IPCC WGI Paper: [Climate Science: A Summary for Actuaries - What the IPCC Climate Change Report 2021 Means for the Actuarial Profession](#)

Ce communiqué de nouvelles est aussi disponible [en français](#).

The IAA is the worldwide association of professional actuarial associations, representing approximately 70,000 actuaries in more than 115 countries, with seven special interest Sections for individual actuaries. The IAA was founded in 1895 and exists to encourage the development of a global actuarial profession, acknowledged as technically competent and professionally reliable, which will ensure that the public interest is served. The IAA has 74 Full Member Associations and 26 Associate Member Associations.

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