



International Actuarial Association
Association Actuarielle Internationale

NEWS RELEASE

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IAA Releases Paper on the Application of Climate-Related Risk Scenarios to Asset Portfolios

The International Actuarial Association (IAA) is pleased to announce the publication of the paper *Application of Climate-Related Risk Scenarios to Asset Portfolios* developed by the IAA's Climate Risk Task Force.

The IAA identified a strategic need to respond in a timely and proactive manner to promote the role of actuarial approaches and contributions to addressing climate-related risks and, the IAA Executive Committee established the Climate Risk Task Force in 2020 to deliver on several IAA activities relating to climate-related risks over a five-year time horizon. The objective is to contribute to the valuable global efforts to further identify, measure, manage, and report on climate-related risks, thereby serving the public interest.

This paper is the fourth of a series of papers aimed at creating awareness and promoting actuarial approaches in climate-related risk management and reporting. The first paper [Importance of Climate-Related Risks for Actuaries](#), the second paper [Introduction to Climate-Related Scenarios](#) and the third paper [Climate-Related Scenarios Applied to Insurers and Other Financial Institutions](#) were released in September 2020, February 2021 and August 2021 respectively.

The focus of this paper is the assessment and projection of asset cash flows and market values, taking into account climate-related risks to be incorporated in the analyses and reports provided by actuaries.

Some typical portfolios and related case studies are included in the paper to illustrate how climate-related risk scenario analysis is applied to asset portfolios in the context of life insurers, pension funds, general insurers, and lending banks. The underlying intention is to assist actuaries and others to understand how institutional asset portfolios may be affected by exposure of investments to climate-related risks (a bottom-up approach) and appreciate how climate-related risk scenarios could impact macro-economic variables and parameters (a top-down approach). The paper discusses commonly used portfolio-level risk measures and metrics and shows how different asset classes are impacted by climate-related risks.

The paper is available on the IAA website under [Publications / Papers / Climate Issues](#).

The Climate Risk Task Force will host a webinar on **April 26, 2022 at 8:00 AM (EDT)** to present this paper. To register for the webinar, please [click here](#).

This activity advances the IAA's mission and strategic objectives to provide key supranational institutions with actuarial expertise on issues of relevance in global forums and to promote the advancement of scientific knowledge and skills of the actuarial profession.

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

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 27 Associate Member Associations.

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