



NEWS BRIEF

November 29, 2024

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Representation at Actuarial Conferences

Audience: All

The IAA Officers recently attended several actuarial conferences in the United States and Japan. Bozenna Hinton attended the Casualty Actuarial Society's Annual Meeting in Arizona and Charles Cowling was in Tokyo to celebrate the 125th anniversary of the Institute of Actuaries of Japan. Congratulations to the IAJ on this remarkable achievement!



President-elect, Bozena Hinton with Frank Chang (outgoing President) and Barry Franklin (incoming President)

Photo credit: Casualty Actuarial Society/Conference Photos



Charles Cowling with IAJ President, Yasushi Ueda

Photo credit: Charles Cowling

UN Climate Change Conference in Baku (COP 29)

Audience: All

Executive Summary Report from Rade Musulin



The recent COP29 conference highlighted the escalating challenges of global climate action. Despite international commitments, greenhouse gas emissions continue to rise, with experts now projecting global temperature increases between 2.3°C and 2.5°C, significantly overshooting the original 1.5°C target. The World Meteorological Organization warns that 2024 is on track to be the hottest year on record, with extreme weather events becoming the new global reality.

Financial challenges remain significant. Trillions of dollars are needed for climate mitigation and adaptation, but contributions from developed countries fall far short of requirements. As a result, there's an increasing focus on private finance and carbon markets as potential solutions to bridge funding gaps. The conference saw a notable shift towards adaptation financing, recognizing the urgent need to address immediate climate impacts.

Technological developments offer some hope. Renewable energy costs continue to decrease, and there's growing support for nuclear power and carbon capture technologies.

Small Modular Reactors and advanced carbon sequestration methods are gaining traction as potential strategies for reducing emissions and managing energy needs. Carbon markets emerged as a particularly interesting area, potentially becoming a key funding source for climate projects in developing countries. However, significant challenges remain, including the need for better regulation, standardization, and metrics.

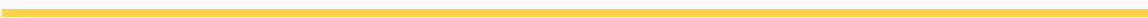
The international community continues to debate the role of carbon offsets, with tensions between environmental purists and pragmatic climate finance experts.

While there are concerns about potential policy reversals, many conference participants believe the momentum for decarbonization has become largely irreversible, driven by technological advances and existing policy frameworks.

Looking forward, the conference identified critical upcoming milestones. Nationally Determined Contributions are due in early 2025, with countries expected to update their emissions reduction commitments. Trade issues have also emerged, with some countries challenging international carbon border mechanisms.

The conference underscored the multifaceted nature of global climate action. While challenges are substantial, there's growing recognition that innovative, collaborative approaches involving governments, private sector, and international organizations are essential to addressing climate change effectively.

For the professional community, particularly actuaries and risk analysts, the conference highlighted significant opportunities for contribution in climate risk assessment, adaptation strategies, and financial modeling.



Upcoming IAA Webinars

Audience: All

Member association representatives are kindly requested to share the information below with their members.

IAA Webinars:

- **Reserving for Climate Change: The Emerging Risk Frontier – 10 December**
[INFO and REGISTRATION LINK](#)

We are also pleased to share the recording of the webinar on Implications of COVID-19 Protection Gaps. The paper, presentation and Presentation and Recording are available on the [IAA Website](#).



Notice of Public Submission - IAIS Public consultation on draft Application Paper on the Supervision of Artificial Intelligence

Audience: All Full Member Associations (Council Delegates and Correspondents)

The International Association of Insurance Supervisors (IAIS) has published for a draft Application Paper on the supervision of artificial intelligence. For more details, please [click here](#). Comments are invited by Monday, 17 February 2025 24:00 CET

The IAA intends to submit a formal response to this consultation. The [Insurance Regulation Committee](#) (IRC) with the help of the IAA's AI Task Force will be responsible for formulating the response to this IAIS in consultation). The response will be developed in accordance with the requirements of the IAA Due Process for Making a Public Statements.

All members and observers of the IRC, and the AI Task Force will be requested to provide input to the response. The developing drafts and the final response will be shared with the IRC and the AI Task Force. Please ensure that your association's input is provided via your representatives in the IRC or the AI Task Force.

If your association does not have a member or an observer in the IRC or the AI Task Force, you may nominate an observer to the drafting group to review the developing response.

We request you to contact [Amali Seneviratne \(Director Technical Activities\)](#) at the IAA Secretariat as soon as possible, but **no later than 13 December 2024** if your association wishes to nominate an observer. Please note that this will be your only opportunity to influence the development of the response, as it will not be circulated outside the IRC and the AI Task Force.

The final response will be submitted to the IAIS on or before 17 February 2025, subject to approval by IRC members.

IAA Response to the IASB Exposure Draft on Climate-related and Other Uncertainties in the Financial Statements

Audience: All Full Member Associations (Council Delegates and Correspondents)

In July 2024, the International Accounting Standards Board (IASB) published the Exposure Draft *Climate-related and Other Uncertainties in the Financial Statements*. The Exposure Draft proposes eight examples illustrating how an entity applies the requirements in IFRS Accounting Standards to report the effects of climate-related and other uncertainties in its financial statements.

The IAA submitted a [response to the IASB](#) on 28 November 2024. This response was prepared by the Insurance Accounting Committee in accordance with the requirements of the IAA Due Process for Making a Public Statement and are posted on the IAA website under [PUBLICATIONS/ PUBLIC STATEMENTS](#).

Special thanks go to the Insurance Accounting Committee, particularly the subgroup comprising Tara Wolf (Chair), Maaz Mushir, H  l  ne Baril, Kurt Lambrechts, Tamsin Abbey, and Alexander Dollhopf, for their efforts in drafting this response on behalf of the IAA.



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