

NATURE – INSURANCE NEXUS

RESULTS OF SIF SURVEY ON NATURE-RELATED RISKS

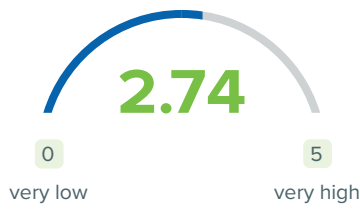
PARTICIPATION

27

All respondents are SIF members comprising of insurance regulators and supervisors



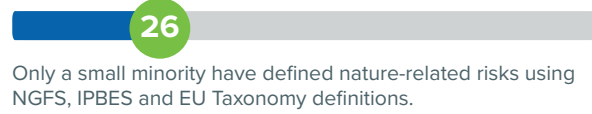
SELF-ASSESSED UNDERSTANDING OF NATURE-RELATED RISKS



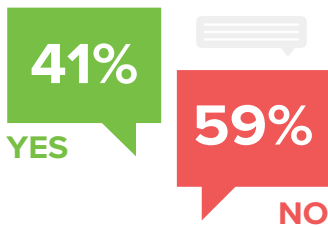
INCORPORATION OF NATURE-RELATED RISKS INTO INTERNAL WORK PROGRAMMES



DEFINITION OF NATURE-RELATED RISKS



WORK UNDERTAKEN TO ASSESS IF NATURE POSES A FINANCIAL RISK



59% of participants have not yet undertaken any work to assess whether nature-related risks pose a relevant financial risk, nor do they have plans to do so in the future.

The primary reasons cited for this include:

- prioritizing climate-related issues over nature risks
- adopting a “wait and see” approach while relying on other networks
- a lack of sufficient data or a clear connection to financial risk
- limited resources to address these concerns

67%



HAVE UNDERTAKEN ACTIVITIES TO BUILD CAPACITY

This is done through collaboration with entities such as TNFD or WWF. Others build capacity by engaging through working groups via NAIC, EIOPA or the NGFS.

METRICS FOR TRACKING NATURE-RELATED RISKS

15%



Only 15% of participants have metrics to monitor nature-related risks, using tools like Mean Species Abundance, ENCORE, and the Global Biodiversity Score.

CLIMATE-NATURE FINANCIAL RISK NEXUS

33%



33% of participants have examined the interaction between climate-related and nature-related financial risks.

ISSUANCE OF NATURE-RELATED RISK GUIDANCE

26%



26% of respondents have issued or are planning to issue guidance on identifying, assessing, managing, or disclosing nature-related risks.

STRESS TESTING/ SCENARIO ANALYSIS ON NATURE IMPACT

19%



19% of participants have conducted or are planning to conduct stress testing or scenario analysis on nature-related impacts.

KEY CHALLENGES IN ADVANCING NATURE-RELATED WORK

Lack of available nature-related data and information

Lack of understanding on nature-related tools and methods to use to inform work

Lack of awareness and understanding of nature-related risks

Lack of internal technical capacity and skills on nature

Nature-related risks are given lower priority compared to climate risks or other emerging risks

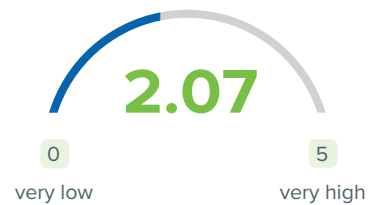
Lack of external examples of regulatory/supervisory guidance or requirements on nature-related risks

Challenges in balancing the management of nature-related risks with other priorities

Lack of mandate/buy-in from Senior Management

Other

PERCEIVED UNDERSTANDING OF NATURE-RELATED RISKS OF INSURANCE FIRMS UNDER SUPERVISORS' JURISDICTION



NGFS

PERCEIVED FAMILIARITY WITH NGFS CONCEPTUAL FRAMEWORK FOR NATURE-RELATED FINANCIAL RISKS



TNFD

PERCEIVED UNDERSTANDING OF TNFD LEAP APPROACH



Key Recommendations for Enhancing TNFD Engagement and Adoption

- Strengthen collaborations with BCBS, IAIS, and NGFS
- Provide industry-specific guidance with practical examples
- Offer training sessions and adapt recommendations for local contexts
- Use clear communication tools like infographics and case studies
- Collaborate with regulators to align with existing frameworks

REGULATORS/ SUPERVISORS WITH DEDICATED STAFF



Insurance supervisors are taking varying approaches to strengthening internal capacity. Some have appointed dedicated staff solely responsible for nature-related work, allowing for focused attention on emerging risks linked to biodiversity loss and ecosystem degradation. In other cases, nature-related responsibilities are integrated into existing roles, alongside other sustainability priorities such as climate risk or broader environmental issues.