Consultation comments received on draft Application Paper on public disclosure and supervisory reporting of climate risk

15-07-24 to 28-10-24

Organisation	Jurisdiction	Comment
General comments draft Application Paper on public disclosure and supervisory reporting of climate risk		
Toronto Centre	Toronto	Toronto Centre would like to congratulate the IAIS on delivering such a comprehensive paper on insurers' disclosure requirements for climate-related risk. Climate-related risk can no longer be considered an emerging risk. Although it is not fully understood, this risk actively affects global financial stability. There are significant implications for insurers' safety and soundness. Therefore, it is prudent that insurance supervisors take a proactive role and lead the charge to gain further understanding that will aid in mitigating this risk. Supervisors should: 1. Take an active role in policy setting at both micro and macro-economic levels; 2. Utilize actuaries, especially in reinsurance for parametric insurance, as this type of insurance helps facilitate financial inclusion; and 3. Train the industry. In addition, the resulting effects of climate-related risk on conglomerates of non-financial and non-regulated entities must not be overlooked. There may be undue pressure on the parent company to fulfill a commitment to social responsibility, including redistributing capital to the detriment of some regulated entities.
Insurance Europe	Europe	Many of the IAIS's suggestions are already being implemented by European supervisory authorities. However, a clear distinction is needed between prudential regulatory and non-financial public ESG reports. Without this distinction, there is a risk of requiring similar data with differing specifications and underlying definitions. In addition to recognising the challenges, it would be valuable if the paper could also offer tools and solutions on how these burdens can be mitigated.
World Federation of	global	WFII appreciates the opportunity offered by the IAIS to comment on the draft Application Paper on public disclosure and supervisory reporting of climate risk.

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Insurance Intermediaries WFII		WFII took note of the IAIS' view that climate change is a driver of risk for insurers, being underwriters and investors, and that these risks should be disclosed to the policyholders and market participants. This enables them to form well rounded views of the insurers' financial condition and performance, business activities and of the material climate-related risks related to those activities. We also noted that market participants are defined (by ICP 20.0.1) to include existing and potential investors, lenders and other creditors but does not refer to insurance intermediaries. In many insurance markets around the world policyholders - private consumers and businesses- when looking for coverage of their risks, are advised by insurance intermediaries in their choice of insurer and product, so we believe they should be mentioned in this draft Application Paper as receivers of information on climate-related risks. We also believe that the interest of Insurers (and their investors) in terms of climate change is of fundamental importance and interest to a wider body of stakeholders than just the insurance sector participants. By way of example, in Kwa-Zulu Natal in South Africa, there are insurers who are now withdrawing their overall risk capacity in the province due to the floods, unrest, tornadoes etc. This affects business interests in the province directly as they may relocate to other provinces or neighboring countries where the risks are more acceptable. This in turn has other ramifications for local and provincial government in terms of revenue and of course the concomitant risks arising from unemployment in the affected province. These decisions by insurers and their investors have obvious impacts on insureds and their intermediaries as well. Further we believe that the Paper should recommend that the disclosed information on climate-related risks should be easily available/accessible for policyholders, their intermediaries and other market participants. This could be done per insurer but one could also think of a single access point, per market or per region (or even world wide) similar to the European Single Access Point (ESAP). The European Commission wrote in its Report on the monitoring of climate-related risk to financial stability (June 2024): 6.1.4 Easier access to publicly-disclosed information: the European Single Access Point (ESAP) The revised disclosure regime will improve the scope and quality of the disclosed information on climate-related risks. Relatedly, setting up the ESAP will facilitate access to this information by providing one single access point for public financial and sustainability-related information about companies operating in the EU and their investment products. Since the ESAP data will be provided in a digital format and in all EU languages, this platform will also

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		facilitate the analysis, monitoring and supervision of climate-related risks. 9e2c0695-9da6-4b09-ae43-78729fc7609e_en (europa.eu)
International Actuarial Association (IAA)	International	• The paper is mostly focused on climate; but could be taken broader to cover the full scope of sustainability. • Some parts of the paper feel a bit high level, for example on para 43: “Supervisors should ensure that climate-related risks are adequately captured in the information they receive from insurers, where material.” It is not clear what is meant by “adequately” or “material”
American Property Casualty Insurance Association (APCIA)	USA	Supervisory reporting of climate risk to the extent material to the company helps assure that companies have recognized and managed all material risks for solvency purposes. Additional public disclosures should only be required to the extent they are consistent with the mandate of the insurance supervisor, are material to the company and to consumers and do not create additional liability exposures.
The Life Insurance Association of Japan	Japan	The IAIS provides consideration to proportionality and burden on insurers throughout the Application Paper (e.g. paragraphs 8, 19, 32 and 76). Climate-related risks disclosure and reporting to supervisors are still under development, and the level of disclosure varies by jurisdictions or insurers. As it is important to have a long-term view to gradually enhance disclosure of climate-related risks, the LIAJ supports the IAIS' consideration on proportionality and burden on insurers in the Application Paper.
Finance Watch	EU	Finance Watch welcomes the draft Application Paper and the ongoing work of the IAIS to progress on capturing climate risk. There is a risk of inconsistencies when assessing materiality of climate risk in disclosures, which might result in disclosures being not comparable. The IAIS should consider whether further materiality assessment guidance is needed here. The link between climate disclosures and financial statements is welcome, but the time horizon of financial statements is usually much shorter, meaning they have a limited ability to reflect climate risk considerations. However, the draft Application Paper should explicitly highlight that transition plans are an important source of data and information on climate-related risks for the insurance sector. The draft Application Paper should refer to their role in relation to ICPs 9 and 20. In particular it should also look further into transition risk as ‘deviation risk’- the

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		risk that deviating from a Paris-aligned trajectory creates a higher level of financial risk. Caution should be taken over the use and presentation of results of scenario analyses (CSA), as these remain subject to significant model limitations. Alternative approaches to scenario analyses can be used to make information from climate scenario analysis realistic and decision-useful. As a key starting point the assessments of the economic consequences of climate change in the scenarios needs to be realistic. The most notable improvements, which are needed, include: - Ensure realistic scenarios are used - Ensure that economic models account for the specificities of climate change, including its magnitude and irreversibility - Ensure that the conclusions of economic models are compatible with the conclusions of climate science, including by rejecting the use of quadratic-only damage functions in loss assessments - Conduct unbiased and rigorous analyses of the results - Conduct sanity checks between the results of CSA and climate science We refer to the Finance Watch report “Finance in the Hot House world” (https://www.finance-watch.org/policy-portal/sustainable-finance/report-finance-in-a-hot-house-world/) and our response to the IAIS consultation on climate scenario analysis (https://www.finance-watch.org/policy-portal/sustainable-finance/iais-work-on-climate-scenario-analysis-needs-a-reality-check-consultation-response/) for more detail.
FWD Group	Hong Kong	We are in support of stronger collaboration between regulatory authorities and the insurance industry to establish best practices and baseline reporting requirements.
EHDEC Infra & Private Assets	Singapore	While the draft of Application Paper and supporting material have been drafted in line with the concept of single materiality (i.e., focusing on risk), we would like to remind supervisors the feedback loops between the climate, economy, and society systems. When we emphasis one aspect too much, it could lead to the outcomes we want to avoid initially. For instance, if supervisors emphasize the risks associated with stranded assets too heavily, insurers may intend to rapidly reduce their exposure to these assets within a short timeframe. Such actions could have significant shocks in the financial markets, potentially increasing risks across all asset classes. Moreover, it could lead to sharp rises in utility prices, adversely affecting public interests in the short term and thereby hindering

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		progress towards net-zero targets. We suggest supervisors use more holistic views instead of standing on the financial risk views only when handling the challenges of climate related risks.
Public Citizen	United States	Public Citizen supports the integration of climate risk into public disclosure and supervisory reporting for insurers. To improve this application paper, we support the following: 1. Guidance to support insurance company disclosure of the climate risk they contribute to the financial system as well as transition plans to align activities and investments with science-based emissions reduction targets. 2. Guidance to support supervisory reporting on insurer plans to reduce their exposure to physical risk by either increasing policyholders' premiums or by dropping policyholders. 3. Additional criteria to inform insurer assessment of materiality as it relates to climate risk and guidance on the disclosure of climate risks set to materialize over longer time horizons. 4. Removing consideration of disclosure costs in application of the proportionality principle. 5. Guidance on use of the precautionary principle to encourage supervisors and insurers to mitigate risk, even when quantitative financial risk data on those risks is unavailable or imperfect.
Norges Bank Investment Management	NA	We support the Application Paper on public disclosure of climate risk. As a long-term investor, we consider our returns over time to be dependent on sustainable economic, environmental and social development, as well as on well-functioning, legitimate and efficient markets. We are active investors in over 65 countries and require reliable, consistent and comparable climate-related financial information across global capital markets. Please refer to the link below for a full overview of the actions and disclosures we expect from companies in relation to climate change. https://www.nbim.no/en/responsible-investment/our-expectations/climate-and-environment/climate-change/ We strongly support the IFRS Sustainability Disclosure Standards (ISSB standards) as the global baseline of investor-focused standards for climate-related financial disclosures. The ISSB standards share the same conceptual foundations as the International Accounting Standards Board (IASB) financial reporting standards, enabling investors to receive climate-related financial information that is concurrent, connected and complementary to financial statements. This is critical for us to formulate a holistic view of a company's performance and prospects over time, and inform our investment decisions, risk management processes and ownership activities.

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Ceres	United States	It is a pleasure to submit comments on behalf of Ceres and the Ceres Accelerator for Sustainable Capital Markets. Ceres is a nonprofit advocacy organization with over 30 years of experience working to accelerate the transition to a cleaner, more just, and sustainable world. Our Investor Network currently includes over 220 institutional investors that collectively manage over $44 trillion in assets. Ceres is a founding partner of the Net Zero Asset Managers Initiative and the Paris Aligned Investor Initiative, which supports investors in aligning their investments and portfolios with the goal of a net zero emissions economy by 2050 or sooner. Our Company Network includes 50 major corporations representing industries and sectors across the economy with whom we work on an in-depth basis on climate strategy and disclosure, among other issues. Our Policy Network includes some of the most well-known brands in the U.S. with whom we work on a range of state and federal policy issues. The Accelerator aims to transform the practices and policies that govern capital markets by engaging federal and state regulators, financial institutions, investors, and corporate boards to act on climate change as a systemic financial risk. The comments provided herein represent only the opinions of Ceres, and do not necessarily infer endorsement by each member of our Investor, Company, or Policy networks. Ceres has advocated for improved climate risk disclosure and management by insurers for over 15 years, including encouraging work by U.S. state insurance commissioners to improve companies' climate disclosures. We have published 10 reports focusing on insurance, with the latest one published in July 2024 on "Navigating Climate Risks: Progress and Challenges in U.S. Insurance Sector Disclosures", the second annual analysis Ceres has conducted of major U.S. insurers' climate risk strategies by examining the disclosures companies are making. Additionally, our Director of Insurance, Jaclyn de Medicci Bruneau, is an official Consumer Presentative of the US NAIC. Ceres commends the IAIS for developing this comprehensive guidance on climate-related risk disclosures and supervisory reporting for insurers. The application paper represents a significant step towards integrating climate considerations into global insurance supervision, and we particularly appreciate its alignment with international standards such as the ISSB framework. The emphasis on materiality, decision-usefulness, and forward-looking information- including scenario analysis- aligns well with Ceres' view that climate disclosures should drive meaningful action and inform stakeholder decision-making. We also strongly support the paper's approach to integrating climate risks into existing risk management frameworks and its focus on governance disclosures, which are critical for accountability and driving improved practices. While acknowledging the draft application paper's strengths, Ceres encourages the IAIS to push for continued

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		improvement in climate risk data quality and availability. We also urge caution in applying proportionality to ensure material climate risks are not overlooked, particularly for smaller insurers. Additionally, we believe there could be more emphasis on the importance of insurers developing credible transition plans aligned with global climate goals. Given the urgency of addressing climate risks, Ceres encourages the IAIS to promote swift implementation of these guidelines by supervisors, while also emphasizing the need for supervisors to build their own capacity and expertise in climate risk assessment. Ceres looks forward to the finalization and implementation of this important guidance, which will help drive improved climate risk management and disclosure across the global insurance sector and thereby strengthen a more sustainable future.
CRO Forum Association & CFO Forum Association	Europe	The IAIS's view to enhance transparency and consistency in climate risk disclosure globally by supporting jurisdictional adoption of the International Sustainability Standards Board (ISSB)'s standards is a positive and aligned with developments already underway toward addressing the growing challenges posed by climate change. In addition, the IAIS and the supervisors needs to recognize the existing ISSB-aligned frameworks in different regions. It is important that any duplication with these frameworks is avoided. For example, in the EU the CSRD establishes an already highly prescriptive set of requirements for corporate sustainability reporting. It mandates that companies report not only on climate-related risks but on a broad spectrum of environmental, social, and governance (ESG) factors. The CSRD's requirements extend beyond climate alone, covering areas such as biodiversity, human rights, social impacts, and governance structures. This broad scope ensures that European companies provide a holistic view of their sustainability efforts. The CSRD is further strengthened by the European Sustainability Reporting Standards (ESRS), which provide detailed guidelines on what and how companies should report. The ESRS covers a wide array of sustainability issues, ensuring that companies disclose relevant, comparable, and reliable information. These standards are designed to be rigorous and comprehensive. Moreover, to further enhance transparency and accessibility, the European Union is establishing the European Single Access Point (ESAP), a centralized platform where all sustainability-related information will be available. This initiative will allow stakeholders, including investors, regulators, and the public, to access a wealth of data on corporate sustainability performance, thus promoting greater accountability and informed decision-making.

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		Considering the comprehensive nature of existing ISSB-aligned frameworks, the CRO Forum is at the opinion that there is no need to impose additional climate-specific disclosure requirements in Europe. The existing frameworks established in Europe already provide a robust structure that largely covers the key points raised by the IAIS (materiality, scenario analysis, governance, transparency and comparability), and ensures that climate risks are integrated into broader sustainability reporting, providing a holistic view of how these risks impact companies. Furthermore, the IAIS and jurisdictional supervisors should abide by the "report once principle" and refrain from duplicating, in the prudential regulation, disclosure requirements which may already exist (substance over form) in the financial statements regulation. Related to the "report once principle", it is paramount that the IAIS and supervisors allow affiliate entities and branches of global groups to rely on their parent's consolidated sustainability reports. As an example, this is the route taken by the EU with the CSRD. Group level disclosures are therefore a much more relevant and accurate reflection of the sustainability performance of global groups for stakeholders. In conclusion, the CRO Forum encourages the IAIS to support globally convergent disclosure standards aligned with the groundwork of the ISSB and to enshrine the "report once" principle.
Global Federation of Insurance Associations (GFIA)	Global	GFIA appreciates the IAIS's focus on limiting public disclosure to what is material and relevant to policyholders and market participants (see 1.1, 2.1, 2.4, 3.1) and on avoiding unnecessary disclosure (2.3.1, 6.3.1) and taking cost/benefit into consideration (2.3.3, 3.3). The paper focuses on climate change as a source of financial risk that can negatively affect the safety and soundness of insurers and is relevant to the users of the entity's financial reports, rather than a wider stakeholder audience (2.3.1). However, GFIA is concerned that the paper does not clearly state that materiality should be determined by insurers, similar to other materiality assessments made for other disclosure topics. The IAIS suggests supervisors to increase data collection and framework standardisation, but that would likely require insurers submitting sets of data that may not actually be material to all insurers. Material risks deemed immaterial due to adaptation should not be part of mandatory disclosures and GFIA invites the IAIS to clarify this point. In addition to recognising the challenges, it would be valuable if the paper could also offer tools and solutions on how these burdens can be mitigated. Furthermore, several of the IAIS's suggestions are already being implemented by certain supervisory authorities. GFIA notes as potentially problematic that a clear distinction is needed between prudential regulatory and non-

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		financial public ESG reports, as otherwise there is a risk that similar data will be required, but the data specifications and underlying definitions will differ.
The Geneva Association	International	Given the existing complexity of the global regulatory environment, where numerous standard-setters like the ISSB are already advancing harmonised public disclosure standards, we believe it would be beneficial for the IAIS to evaluate whether its disclosure guidance adds value or risk creating redundancy and adding unnecessary complexity. If any, we encourage the IAIS to focus on providing actionable guidance, promoting consistency, and avoiding duplication with efforts already underway by other bodies. Accordingly, we are concerned that the draft paper on disclosure appears to overlap with existing efforts by global standard setters like the ISSB. We recommend that the IAIS carefully consider whether its contribution will enhance these efforts or merely add another layer of complexity. Should the IAIS choose to proceed, we suggest focussing on supervisory reporting and limit its involvement in public disclosure to promoting alignment with existing global standards to minimise the burden on insurers operating across multiple jurisdictions as well as bringing insurance-specific perspectives into the work of respective standard setters. We support the IAIS in advocating for globally consistent reporting which would help reduce the burden on insurers operating in multiple markets. To simplify and align global disclosure requirements for insurers, the IAIS should encourage regulators in different jurisdictions to accept consolidated group reports, as long as they are prepared according to a comparable standard. Local legal entity reporting should be minimised and only required if the local exposures of the firm are significant. We are concerned that the draft application paper might create confusion about the intended audience with regard to public disclosures. While the IAIS seems to advocate for disclosures with policyholders in mind, existing standards target a different audience. This adds unnecessary complexity for insurance firms. It is therefore important to clarify that these disclosures are primarily intended for investors, public authorities, and other stakeholders, rather than for consumers or policyholders. The IAIS should also be mindful about the public disclosure of certain climate-related information, particularly concerning metrics that are not well tested or cannot be interpreted consistently or established reliably due to inherent data challenges. If the focus of the application paper is to guide supervisors in requesting specific analysis from companies for their own consumption, and to aggregate and interpret this information for public reports as necessary on a high-level, non-quantitative basis only, this approach appears reasonable. However, suggesting that IAIS members request public disclosures of evolving metrics may have unintended consequences, particularly

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		for publicly traded companies. The premature prescription of such metrics, without thorough testing and understanding, may result in confusion and misinterpretation by various stakeholders.
Institute of International Finance (IIF)	United States	The IAIS can best add value in the area of sustainability-related public disclosures by sharing insurance perspectives with the International Sustainability Standards Board. The International Sustainability Standards Board (ISSB), has a specific mandate for and, thus, has the primary role in the development of a global baseline for sustainability disclosures. The ISSB standards are intended to be cost-effective, decision-useful and market informed standards that are designed to avoid double reporting. There is no need for sectoral standard setters to add a layer of guidance or recommendations on the work of the ISSB. The IAIS can play an important supporting and collaborative role by providing the ISSB with insurance-specific perspectives, including by identifying any aspects of the ISSB standards that do not properly reflect insurance market specificities. We appreciate the IAIS's July 2022 response to the ISSB on its exposure draft on climate disclosure (IAIS Response to the ISSB) and we encourage the IAIS to continue this important dialogue, for example, with a view to the insurance Annex of the IFRS S2. The IAIS should encourage the ISSB to adopt a flexible approach to its standards, recognizing that sectoral differences can impact, not just the usefulness, but practicability, availability, and value of particular information or metrics for the specific (re)insurer. Further, the IAIS could help the ISSB identify the most appropriate and useful metrics for the sector and help reflect in the ISSB Insurance Annex the differences in (re)insurance business models. The IAIS could articulate the important differences between the insurance and banking sectors in terms of balance sheet structure, activities and business models in order to reduce the tendency to 'read-across' to the insurance sector standards developed for other sectors. For instance, we appreciate the IAIS's request to the ISSB that it (i) consider and better reflect in the standard the specific characteristics of the insurance industry as investors and underwriters of other industries and (ii) call for better disclosure by companies in which insurers invest and underwrite. The IAIS can assist its members as they develop and refine their jurisdictional supervisory reporting frameworks by setting forth important high-level principles or concepts that should be reflected in those frameworks. Jurisdictional authorities have the responsibility for developing supervisory reporting requirements and frameworks that reflect

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		their particular insurance markets and supervisory mandates. The Draft Application Paper contains detailed and prescriptive supervisory reporting recommendations, many of which are not reflective of the wide range of insurance markets and supervisory mandates across jurisdictions, as well as different jurisdictional accounting standards. Any final Application Paper should focus on important high-level principles and concepts rather than detailed and prescriptive recommendations. The first principle could reflect the different purposes of, and audiences for, confidential supervisory reporting and public disclosure by stating that supervised firms should not be required or expected to publicly disclose confidential or proprietary information or information that is not yet fully reliable and conclusive, consistent with ICPs 20.1.12 and 20.2.4. The disclosure of such information could give rise to significant harm to companies, including the potential for litigation risk. A second principle could be to engage in efforts to protect insurers from potential liability risks. The IAIS should continue to highlight the potential impact of litigation risks on the insurance industry, as it has in Section 6.3.3 of the Draft Application Paper. Another principle could reflect that supervisors should, as a first step in their risk analysis work, leverage publicly disclosed information that is relevant for supervisory purposes and avoid asking for the same or substantially similar information in supervisory reports. In developing supervisory reporting rules and templates, supervisors should consider what is typically contained in public disclosures made by insurers in their jurisdiction and avoid requesting the same information in reporting frameworks. Importantly, firms should not be required to make public disclosures in order to facilitate supervisory reporting, as this could require firms to disclose information that, while helpful to supervisors, is not suitable for an investor audience. In any final Application Paper, the IAIS should differentiate between guidance or recommendations related to public disclosure and guidance or recommendations related to supervisory reporting. The ISSB and IAIS serve distinct but complementary functions in climate-related reporting. Whereas the ISSB has a mandate for developing a global baseline for sustainability disclosure standards for the investment community, the IAIS's primary focus should remain on supervisory reporting in line with its mandate. A clear delineation would avoid confusion and conflation of two very different frameworks which have different objectives and would reflect the respective audiences for and uses of public disclosure and supervisory reporting. The IAIS should consult further on any final package of guidance or recommendations on climate-related risks. In

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		addition to the current consultation and the IAIS consultation on the Draft supporting material on macroprudential and group supervisory issues and climate risk, the IAIS has sought input since March 2023 on: (i) changes to the ICP Introduction and the supporting materials under ICPs 7 and 8 (March 2023); (ii) supporting materials addressing market conduct and scenario analysis (November 2023); and changes to ICP and supporting material related to corporate governance, risk management and internal controls, valuation for solvency purposes, investment activities and enterprise risk management frameworks (March 2024). As noted in our introduction, IIF members believe there is a need for stakeholder input on any final product that is designed to integrate these different and extensive elements into a final product that is intended to position climate risk within the global framework for insurance supervision. Notwithstanding the foregoing, to the extent the IAIS believes guidance or recommendations regarding climate-related public disclosures are necessary, they should reflect the audience for those disclosures. To date, climate-related financial disclosures, such as disclosures based on ISSB guidance, are directed at and used primarily by the investment community as opposed to the much broader policyholder community. References to the ISSB in the context of disclosures for policyholders can add unnecessary confusion and complexity for insurance firms. By comparison, the type of information that is relevant to policyholders is very different from the granular information that is needed by the investment community to evaluate risk-return tradeoffs and make investment decisions and allocations. Extensive climate-related financial disclosures such as those described in Section 2.3 would not be relevant to nor well understood by the broader policyholder community. Moreover, it is unclear how such disclosures would be aligned with the broad range of policyholder protection rules across jurisdictions. Assuming Section 2.3 is meant to also discuss disclosures intended for policyholders, we believe that the IAIS should reevaluate whether the granularity of disclosures set forth in Section 2.3 should be revisited to better reflect the characteristics of that audience. We encourage the IAIS to support the public disclosure of information related to climate-related financial risks at group level. Additional (and often duplicative) disclosure requirements at legal entity level can be confusing to the users of public disclosure. Any IAIS guidance or recommendations on supervisory reporting should be clearly focused on prudential concerns. Moreover, the IAIS should emphasize that supervisory reporting often involves the provision to supervisors of confidential and proprietary information that is not suitable for public disclosure. For example, supervisory reporting may include data and metrics related to climate-related financial risks that rely on estimates

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		and proxy variables that are subject to considerable uncertainty and differing interpretations. Public disclosure of this information could expose insurers to considerable legal and reputational risks.
E3G	United States	E3G supports the integration of climate risk into public disclosure and supervisory reporting for insurers. This guidance is extremely important and timely. Disclosure is critical to the ability to manage climate changes' risk and opportunities. Any guidance should also be subject to regular review and updating, as the impacts of climate change may intensify or shift, and as there are technological improvements in data collection and data reliability. As recognized in a Ceres report this summer, analysis of the state of climate disclosures in the U.S. revealed "…a frustratingly mixed picture of progress and persistent challenges in addressing climate-related risks. While some insurance groups have made strides in integrating climate-related risks and opportunities into their governance, strategy and risk management processes, significant gaps and disparities remain across the sector." (This paper also provides useful analysis of where there were notable improvements, e.g., risk management discussion, as well as gaps (e.g., metrics and targets). IAIS guidance to improve insurance company disclosure of climate risk management, especially with respect to transition plans. We support guidance that would promote consistency with International Sustainability Standards Board initiatives announced this summer with respect to work done by the United Kingdom's Transition Plan Network. We highlight recent pronouncements by the G20 Sustainable Finance Working Group, as well as the G7 Finance Ministers and Central Bank Governors from the most recent World Bank/International Monetary Fund Annual meetings with respect to transition plans. We also promote use of the precautionary principle for climate related financial risks. Insurance supervisors (especially with respect to macro prudential risks), and insurers, should take this approach into account to mitigate risk. This is especially important given climate changes' impact on both sides of insurers' balance sheets. See consideration of this approach at the state level, e.g., New York Assembly Bill introduced April 26, 2024.
Natural Resources	United States	We commend the IAIS for providing detailed application guidance on the proposed public disclosure and supervisory reporting of climate risk. Providing advice and examples on how supervisors can adapt these disclosure principles to their respective jurisdictions can help make insurers' risk disclosures more meaningful and

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Defense Council		useful for policyholders and market participants. Emphasizing the importance of proportionality and focusing on the materiality of the information disclosed can help supervisors to appropriately tailor the reporting burden for smaller insurers and ensure that disclosures are meaningful for users. For supervised entities, collecting climate-related risk data will help clarify where protection gaps exist that otherwise may lead to increased risk of financial loss, reputational damage, regulatory scrutiny, and missed opportunities for growth. Insurers should undertake internal climate-related risk analysis to fully understand their complete risk exposures.
General comments on section 1 Introduction		
Toronto Centre	Toronto	The IAIS in this application paper has correctly alluded to the multifaceted nature of climate-related risk and its impact on the insurer's financial stability. Toronto Centre would like to add other dimensions that are not immediately obvious. Climate-related risk affects financial inclusion, food security, and gender equity, all of which are priorities for the Toronto Centre. The effects are not as direct as the physical losses caused by climate-related risk but can still be measured with the right tools.
EHDEC Infra & Private Assets	Singapore	No comments.
Norges Bank Investment Management	NA	No comment
Ceres	United States	Ceres welcomes the IAIS's recognition of climate change as a key driver of risk for insurers and the need to integrate climate-related risks into traditional risk categories. We strongly support the IAIS's efforts to provide guidance on climate risk disclosure and supervisory reporting, as this aligns with our goal of improving transparency and risk management in the financial sector. The draft's emphasis on making climate-related risk disclosures meaningful and useful for decision-making by policyholders and other stakeholders is particularly commendable, as this focus on decision-useful information is crucial for driving real action on climate risks. Ceres also appreciates the IAIS's commitment to promoting a globally consistent approach, which is essential for comparability and effectiveness of climate disclosures across jurisdictions.

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		While we understand the need for proportionality, we urge caution in its application. Climate risk is material for insurers of all sizes, and it is crucial that smaller insurers are not exempted from important disclosure requirements. Ceres recommends the IAIS provides more specific guidance on how proportionality should be applied in the context of climate risk disclosures to ensure the material risks are not overlooked.
Institute of International Finance (IIF)	United States	While we do not believe that the IAIS needs to, or should, add a layer of guidance or recommendations on the work of the disclosure standard setters, we offer the following specific comments on the Draft Application Paper in order to assist the IAIS's efforts in producing for stakeholder input a further consultative package.
Comments on section 1.1 Context and objective		
National Association of Insurance Commissioners (NAIC)	USA, NAIC	Suggest the following clarifications and editorial changes to Para. 2: The IAIS acknowledges climate change is and will continue to be a driver of risk for insurers and therefore it is important that consideration of its impacts be integrated into the traditional risk categories (eg underwriting, reserving, credit, market, liquidity risk etc). It is therefore important that climate-related risk disclosures be meaningful and useful for policyholders and market participants so that they can make well-informed decisions on insuring risks with and providing resources to the insurer.
EHDEC Infra & Private Assets	Singapore	No comments.
Norges Bank Investment Management	NA	Climate risks and opportunities are financially material and can already be observed across major asset classes, including equity, and corporate debt. The fund is exposed to climate risk and investment opportunities through the companies and assets it invests in. We expect companies, including the insurers in which we invest, to analyse and disclose the way in which climate risk may impact their operations, value chains and demand for their products. At a minimum, disclosures should be aligned with IFRS S2 or equivalent standards. As a global investor, we require reliable, consistent and comparable climate-related financial information across global capital markets and support the objective of this AP.

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Ceres	United States	Ceres strongly supports the IAIS's recognition of the increasing importance of climate-related risk disclosures and supervisory reporting as climate change-driven risks escalate. We commend the IAIS for acknowledging the multidimensional and challenging nature of climate risks, while still emphasizing the critical need for effective disclosure and integration into supervisory practices. The acknowledgement that climate change is and will continue to be a significant driver of risk for insurers aligns with Ceres' long-standing position. We appreciate the draft paper's emphasis on integrating climate risks into traditional risk categories rather than treating them as a separate issue, as this approach is relevant for ensuring that climate risks are fully incorporated into insurers' risk management practices and strategic decision-making. Ceres endorses the focus on making climate-related risk disclosures meaningful and useful for policyholders and market participants. This aligns with Ceres' view that effective climate disclosure should drive informed decision-making and capital allocation. However, we would recommend the IAIS to also highlight the importance of these disclosures for other stakeholders, such as other regulators, investors, and civil society organizations, all of whom play crucial roles in promoting climate resilience in the insurance sector.
Comments on section 1.2 Scope and paper structure		
General Insurance Association of Japan	Japan	Paragraph 6 (the 4th line): We suggest deleting "issued".
Finance Watch	EU	The draft Application Paper should also cover ICP 9.2 and ensure that supervisory plans make explicit provisions to take into account climate risk. This is particularly important given the reference in ICP 9.2.3 to the variety of inputs referred to that could be used to help develop supervisory plans. In particular reference to transition plans could be made here, along with climate scenario testing.
EHDEC Infra & Private Assets	Singapore	No comments.

Organisation	Jurisdiction	Comment
Norges Bank Investment Management	NA	We support the pathway laid out in the AP for supervisors to consider how to use developments in climate disclosure standards such as the ISSB standards to achieve a globally consistent approach to addressing these issues.
Ceres	United States	Ceres applauds the IAIS for developing a comprehensive pathway to address climate-related risk disclosures and supervisory reporting and supports the stated aim to promote a globally consistent approach. The holistic approach taken here, considering both public disclosure and supervisory reporting together, is of particular interest. This aligns with Ceres' view that effective climate risk management requires a comprehensive strategy that addresses both public transparency and regulatory oversight. We appreciate the included recognition that climate risk disclosure is a rapidly evolving field. The commitment to providing a platform for supervisors to share knowledge and best practices is valuable, as it will help accelerate the adoption of effective climate risk management practices globally. Ceres encourages the IAIS to also emphasize the need for urgent action, given the escalating and devastating nature of climate risks. The draft Application Paper's coverage of a wide range of ICP standards is comprehensive and demonstrates the far-reaching implications of climate risks across various aspects of insurance supervision. We especially appreciate the inclusion of standards related to corporate governance disclosure, investment risk, and capital adequacy, as these are critical areas of effective climate risk management. While we understand the needs for flexibility to address jurisdiction-specific circumstances, we urge the IAIS to provide more specific guidance on minimum expectations for climate risk disclosure and reporting to help ensure a baseline level of consistency across jurisdictions while still allowing for necessary tailoring.
Global Federation of Insurance Associations (GFIA)	Global	GFIA suggests deleting the word "issued" in Paragraph 6, 4th line.
Comments on section 1.3 Related work by the IAIS		
National Association of	USA, NAIC	Suggest combining the first two sentences in Para. 7:

Organisation	Jurisdiction	Comment
Insurance Commissioners (NAIC)		As climate change is a source of financial risk which has the potential to affect the resilience of individual insurers and financial stability, it is a key strategic theme for the IAIS.
EHDEC Infra & Private Assets	Singapore	No comments.
Norges Bank Investment Management	NA	We support the work on climate matters by the IAIS and recommend that further work be undertaken given the rapid developments in climate science, data quality and availability and global public policy.
Ceres	United States	Ceres commends the IAIS for recognizing climate change as a key strategic theme and source of financial risk affecting both individual insurers and overall economic financial stability. This aligns with our long-standing position on the systemic nature of climate risks and their potential to impact the entire financial ecosystem. We appreciate the IAIS's ongoing commitment to addressing climate-related risks, as evidenced by the 2021 Application Paper and subsequent monitoring of global developments in climate change mitigation efforts and climate science, and the gap analysis performed in 2022 to assess how climate-related risks are captured in existing supervisory material. Ceres welcomes this fourth consultation document focusing on driving transparency and accountability within the insurance sector's approach to climate risk. We would urge the IAIS to accelerate its efforts and set ambitious timelines for the implementation of enhanced climate risk management practices across the insurance industry due to the immediacy and urgency of climate impacts globally.
Institute of International Finance (IIF)	United States	In Section 1.3, Paragraph 7, and in Section 2.1, Paragraph 9, it should be clarified that climate change is a driver of financial risk, rather than a source of risk, consistent with the Introduction to the Draft Application Paper.
Comments on section 1.4 Proportionality		
Toronto Centre	Toronto	Toronto Centre advocates for a deeply embedded commitment to proportionality in risk-based supervision (RBS) as a critical supporting approach for financial inclusion. Excluded and disadvantaged populations already bear a disproportionate burden from the effects of climate-related risks, as such supervisory practices should not exacerbate this any further.

Organisation	Jurisdiction	Comment
American Property Casualty Insurance Association (APCIA)	USA	APCIA agrees that supervisors must keep proportionality in mind when developing climate risk disclosure standards. The National Association of Insurance Commissioners' (NAIC) Climate Risk Disclosure Survey is an example of a reasonable disclosure framework that embeds the important concepts of materiality, confidentiality and proportionality.
Finance Watch	EU	The proportionality principle should be strictly based on the risk profile and complexity of the undertaking. The cost of disclosure cannot be a reason to waive reporting a material risk.
EHDEC Infra & Private Assets	Singapore	No comments.
Norges Bank Investment Management	NA	We support a proportionate approach, and the inclusion of ISSB as a reference standard in the AP given its approach to proportionality which can accomodate differences in reporting capabilities and data quality/availability within and across jurisdictions. ISSB S2 standard includes one year transition reliefs on scope 3 emissions reporting, use of the GHG protocol, timing of reporting, and comparative disclosures. There are also permanent proportionality mechanisms built into the standard for example, reporting entities are only required to use reasonable and supportable information that is available at the reporting date without undue cost or effort and mechanism; and reporting entities can use qualitative approaches for disclosures on climate scenario analysis and anticipated financial effects if they lack the skills, capabilities and resources for quantitative approaches.
Ceres	United States	Ceres recognizes the importance of proportionality in regulatory frameworks but urges caution in its application to climate-related risk disclosures and reporting. While flexibility can be beneficial, it is imperative that proportionality does not lead to underestimation or under-reporting of material climate risks. We do appreciate the provision of practical examples of proportionality application but encourage more specific guidance in the context of climate risks. All insurers, regardless of size or business model, should be required to assess and disclose their climate-related risks, though the level of detail may vary based on the insurer's size and risk profile. Ceres does emphasize that proportionality should not be used to delay implementing robust climate risk management practices. Instead, it should ensure all carriers can implement effective strategies appropriate to their circumstances. We suggest the IAIS provide guidance on how supervisors can support smaller insurers in

Organisation	Jurisdiction	Comment
		developing their climate risk assessment and disclosure capabilities, ensuring proportionality does not become a barrier to comprehensive climate risk management across the sector.
Global Federation of Insurance Associations (GFIA)	Global	GFIA agrees that supervisors must keep proportionality in mind when developing climate risk disclosure standards.
General comments on section 2 Developing a disclosure regime		
Toronto Centre	Toronto	Developing a disclosure regime will take time. Initially, the supervisor may have to request as much information as possible to ensure that the real effects of climate-related risk on the insurer's financial position are being captured. The SEC disclosure requirements are comprehensive and go beyond the standard accounting requirements. Supervisors should adopt similar requirements, as they align with the principles of risk-based supervision by going beyond the numbers.
EHDEC Infra & Private Assets	Singapore	No comments.
Public Citizen	United States	Public Citizen supports the integration of climate-related financial risks into existing risk management practices, including disclosure.
Norges Bank Investment Management	NA	No comment
Ceres	United States	Ceres commends the IAIS's emphasis on developing robust climate-related risk disclosure regimes for insurers and the recognition of climate change as a significant financial risk, along with the need to integrate this into existing risk management practices and disclosures. The focus on materiality, relevance, and connectivity between climate disclosures and financial reporting is paramount. We would encourage more specific guidance on determining materiality for climate risks, given their long-term and systemic nature. While we understand the need for proportionality, we again caution against its overapplication, which could lead to overlooking significant climate

Organisation	Jurisdiction	Comment
		risks, especially for smaller insurers. We continue to recommend more specific guidance on balancing proportionality with comprehensive disclosure. Lastly, while we appreciate the references to international standards and jurisdictional approaches, we encourage the IAIS to advocate for greater standardization and comparability in climate risk disclosures globally to facilitate more effective risk assessment and management.
The Geneva Association	International	we are concerned that the draft paper on disclosure appears to overlap with existing efforts by global standard setters like the ISSB. We recommend that the IAIS carefully consider whether its contribution will enhance these efforts or merely add another layer of complexity. Should the IAIS choose to proceed, we suggest focussing on supervisory reporting and limit its involvement in public disclosure to promoting alignment with existing global standards to minimise the burden on insurers operating across multiple jurisdictions as well as bringing insurance-specific perspectives into the work of respective standard setters. We support the IAIS in advocating for globally consistent reporting which would help reduce the burden on insurers operating in multiple markets. To simplify and align global disclosure requirements for insurers, the IAIS should encourage regulators in different jurisdictions to accept consolidated group reports, as long as they are prepared according to a comparable standard. Local legal entity reporting should be minimised and only required if the local exposures of the firm are significant. We are concerned that the draft application paper might create confusion about the intended audience with regard to public disclosures. While the IAIS seems to advocate for disclosures with policyholders in mind, existing standards target a different audience. This adds unnecessary complexity for insurance firms. It is therefore important to clarify that these disclosures are primarily intended for investors, public authorities, and other stakeholders, rather than for consumers or policyholders.
E3G	United States	E3G supports the integration of climate-related financial risks into existing risk management practices, including disclosure.
Comments on section 2.1 Climate-related risk financial disclosures: materiality and relevance		
General Insurance	Japan	Paragraph 12: We suggest adding the following bullet point to describe insurers' roles as a providers of insurance products: Preparers of climate-related disclosures as entities influenced by climate change, which are required to disclose

Organisation	Jurisdiction	Comment
Association of Japan		climate-related risks and the way they manage such risks, since they are affected by increased property insurance claim payments, etc. due to the intensification of disasters caused by global warming.
American Property Casualty Insurance Association (APCIA)	USA	APCIA believes that any supervisory reporting requirement should be consistent with a supervisor's mandate and should be limited by the boundaries of that mandate. If supervisors are directed to achieve other societal aims, however well-intentioned, they risk losing focus on their primary responsibility.
Finance Watch	EU	Please refer to our comment in the response to question 1. Due to uncertainties and lack of commonly recognised or harmonised methodologies for assessing climate-related risks, application of the materiality principle to disclosures might impact reliability and comparability of disclosures. The IAIS should therefore consider additional guidance on materiality assessment. The draft AP rightly recognises climate change as a source of financial risk and the increasing likelihood of a delayed and divergent transition. There should, however, be an explicit mention of the fact that insurers' underwriting and investments have an impact on climate change itself. These investments should be disclosed, for example through disclosure regimes linked to transition planning.
FWD Group	Hong Kong	In respect of paragraph 12, supervisory reporting on climate risk should be consistent with stock exchange listing rules and / or jurisdictional disclosure regulations as much as possible. The supervisory reporting on climate risk should be aligned as closely with the International Sustainability Standard (IFRS 2) and insurance supervisors should work with other regulators such as monetary authorities, investment & securities regulators to converge on disclosure requirements.
EHDEC Infra & Private Assets	Singapore	No comments.
Norges Bank Investment Management	NA	We expect companies to disclose all material and relevant information about climate matters that may reasonably be expected to affect a company's prospects. This preserves the decision-usefulness of information and avoids excessive reporting burden on companies. The ISSB standards share the same conceptual foundations as the International Accounting Standards Board (IASB) financial reporting standards, with common qualitative

Organisation	Jurisdiction	Comment
		characteristics of useful financial information such as materiality, relevance, verifiability, and comparability. As such, we support the inclusion of the ISSB S2 in the AP and suggest that more industry specific guidance can be provided in relation to connectivity with financial statements.
Ceres	United States	Ceres strongly agrees with the IAIS's recognition of climate change as a significant source of financial risk that can negatively affect insurers' safety and soundness, and particularly appreciate the acknowledgement that limited progress on international climate agreements increases the likelihood of a delayed and divergent transition, potentially leading to more severe physical impacts of climate change, such as extreme weather events. We fully support the call for supervisors to strengthen their understanding of climate-related risks and exposures in the insurance industry. Ceres shares a long-standing position that financial regulators must develop expertise in climate-related financial risks to effectively oversee the entities they regulate. The integration of climate-related financial risks into existing risk management practices and disclosures, as outlined in ICP 20, is crucial. We commend the IAIS for emphasizing this need and showing how climate-related financial disclosures align with existing supervisory standards. We appreciate that insurers find some aspects of climate-related financial risk disclosure challenging; however, we urge the IAIS to provide more specific guidance and support to help insurers overcome these challenges, rather than potentially weakening disclosure requirements. The identification of insurers' multiple roles in climate-related disclosures is valuable. Ceres supports the recognition of insurers as both preparers and users of climate-related disclosures, as this dual role underscores the importance of high-quality, consistent disclosure practices across the financial sector.
Global Federation of Insurance Associations (GFIA)	Global	In Paragraph 12, GFIA suggests adding the following sentence to describe insurers' roles as providers of insurance products: "Preparers of climate-related disclosures as entities influenced by climate change, which are required to disclose climate-related risks and the way they manage such risks. For example, insurers face increased property insurance claim payments due to the intensification of disasters caused by global warming." Because of the importance of assessing risks' impacts, the concept of materiality to inform decision-making matters greatly. In this context, insurers' businesses vary, as it is well-known by regulators or financial exam staff. Therefore, materiality is company-specific and should be considered in the context of an insurers' assessment of its risk and solvency (such as through ORSA). Among concerns with materiality are concerns that some data (and time horizons) may not be ready/reliable to be used for the purposes of making determinations of materiality. For example, in some cases, data sets may not be robust (eg coming from a small subset of data points that does not deliver a complete picture or reflecting a short time period that may not provide a full view into a trend).

Organisation	Jurisdiction	Comment
		The questions must be materiality directed and take into account the size and scope of an insurer's business as well as relevant risks to that insurer.
Institute of International Finance (IIF)	United States	Paragraphs 11 and 12 of the Draft Application Paper should acknowledge the significant challenges of reporting on Scope 3 emissions with respect to insurers' underwriting and investment activities. Existing data and methodological limitations complicate insurers' ability to produce these metrics on a reliable, comparable and decision-useful basis. Moreover, GHG emissions metrics provide a backwards-looking view, which limits the benefits of this information in assessing risks from climate change. Portfolio-level financed and facilitated emissions are not direct measures of transition-driven financial risk. Disclosing financed emissions as a proxy for transition risk could be misleading to investors and could disincentive underwriting and investments in the very sectors that need it the most in order to transition to net zero. The issues and challenges associated with Scope 3 emissions are similar across the financial services sector. The second bullet in Paragraph 71 of the Draft Application Paper and the IAIS Response to the ISSB notes the challenges insurers face in producing Scope 3 emissions data and advocates for insurers providing estimates on a best-efforts basis and subject to safe harbor rules. We would include the following language in Paragraphs 11 and 68 of the Draft Application Paper: Supervisors should expect insurers to proceed on a best-efforts basis in estimating the exposure and financial impacts from climate-related risks, particularly as they relate to Scope 3 emissions. Recognizing the uncertainties and data and methodological uncertainties, a safe harbor for the disclosure of Scope 3 emissions may be appropriate.
Natural Resources Defense Council	United States	Regarding the materiality of climate-related risk information, there is a danger of inconsistencies in insurers' assessment of materiality, dependent on how individual insurers may interpret climate risk. More detailed guidance on how to make materiality determinations would add clarity and allow for better comparability of disclosures between insurers.

Comments on section 2.2 Link to international standards		
Toronto Centre	Toronto	The IAIS should also recognize the contribution of the International Organization of Pension Supervisors.
Finance Watch	EU	When considering the work of international standards, it is important for the IAIS to consider what is most relevant for insurers to disclose to ensure that there is a view on their risk profile. Cross-sector standards may not cover information that is relevant for insurers to disclose or may not provide sufficiently granular detail on how to disclose if the rules are principle-based in line with the considerations in Box 1. It is therefore important to require the disclosure of insurance-specific information and for supervisors to consider common guidance around the use of transition plans for example.
EHDEC Infra & Private Assets	Singapore	The IAIS recognises the data comparability issues since international standards for climate disclosures are still under development. During the current stage, the transparency of data and its methodologies become a key element to ensure the comparability across insurers. We strongly support the IAIS's efforts to increase the transparency of data and methodologies in the industry. For example, we describe our methodology to estimate the climate related risk metrics in Computing Extreme Climate Value for Infrastructure Investments (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4779788) where we show how to integrate the forward-looking climate scenarios into the Discounted Cash Flow methodology to quantify the transition risk and physical risk of infrastructure assets. To assist the industry in managing transition and physical risks, we also publish a comprehensive analysis of strategies to decarbonize and resilience (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4881353). It specifies actionable strategies at the asset level and provides insurers a starting point on how to quantify the resilience investment and its risks. This enhances comparability and helps insurers use consistent benchmarks when disclosing climate-related risks
Norges Bank Investment Management	NA	High-quality reporting standards implemented in a consistent and mandatory manner represent a significant stride towards harmonising climate-related financial disclosures, which will reduce informational asymmetry, enhance investor protection and, thus, foster well-functioning markets. This enables long-term investors like us to allocate capital to companies as they transition to a higher physical risk, lower carbon, and more sustainable global economy. We strongly support the International Sustainability Standards Board (ISSB) and its mission to deliver a global

		baseline of investor-focused disclosure standards, and recommend that reference to the ISSB S2 is included in the final AP.
Ceres	United States	Ceres supports the development and adoption of international frameworks as well as the collaborative efforts of global financial regulators in supporting such frameworks. We agree that international standards can provide a framework that meets ICP requirements while promoting greater convergence and comparability in climate risk disclosures. This is essential for enabling investors, regulators, and other stakeholders to effectively assess and compare climate risk across jurisdictions and insurers. We support the emphasis on disclosing methods and assumptions used in preparing these disclosures, as highlighted in ICP 20.0.7. Transparency in methodologies is critical given the data and modeling uncertainties inherent in some aspects of climate risk assessment. We also suggest the document to explicitly and directly refer to the ISSB or the IFRS S2 on climate disclosure, which has been or is in the process of being adopted by 16 countries and more.
E3G	United States	It is critically important that the IAIS take into account, and continue to, support the ISSB's work, including outreach efforts to emerging markets. ISSB standards, used in compliment with standards regarding assurance and auditing set forth by the International Audit and Assurance Standards Board IAASB), can promote the comparability and consistency of disclosures. In addition to supporting the use of effective risk management, these standards can contribute to reducing frictions in the deployment of capital to address climate change's risks and opportunities.
Comments on section 2.3 Fundamental principles of a climate-related risk disclosure framework		
General Insurance Association of Japan	Japan	While Paragraph 18 indicates that disclosures should be made over short-, medium- and long-term horizons, we understand that the IAIS does not intend to set concrete standards for specific time horizons. It is our understanding that existing international and jurisdictional standards (such as the ISSB standards explained in Box 2) and the IAIS standards (ICP standards) should be aligned, and at the same time, insurers are expected to follow jurisdictional reporting requirements. Paragraph 19 describes, "when preparing and disclosing information with a high degree of inherent estimation uncertainty, it is necessary to balance the interests of reliability against those of relevance or usefulness", which we strongly agree as it is particularly relevant for climate-related disclosures. The paragraph states that regarding concentration risk (for which supervisors will need to balance overriding principles of proportionality against several other considerations), "where small insurers have concentrated exposures to certain climate perils either due to geographical or economic sector concentrations, which would be

		considered material by users, they will need to be disclosed". However, this information is hard to corroborate, and it is still difficult to ensure reliability and usability. Therefore, it is inappropriate to include it as a specific example.
World Federation of Insurance Intermediaries WFII	global	Paragraph 16 We propose to add in this paragraph that insurance intermediaries should also be seen as users of disclosures of climate-related risks. We also wonder if “customers” would/could include those who have large self-insured / first party captive programmes.
International Actuarial Association (IAA)	International	P11 and P12: In Box 2 and 3 there are examples of existing climate disclosure standards. The respective standards CSRS/ESRS of the European Union is in force and legally binding already while the SEC US standard is still voluntary. It may also be helpful to include another example.
American Property Casualty Insurance Association (APCIA)	USA	We agree with section 2.3.1’s caution against excessive disclosure requirements “which may obscure useful information”. For example, for hurricane exposures in the East and Gulf Coasts in the United States, while climate modelers estimate that climate-related losses may increase by 1% or so per year, other factors such as materials costs, real-estate value increases, and movement of populations toward catastrophe-prone areas are far greater contributors to the increase in hurricane-related losses. Further, with reference to the materiality discussion in this section, the paper should state that insurers are primarily responsible for assessing materiality. In section 2.3.3, paragraph 19, we strongly agree with much of the discussion about proportionality, the need to avoid a one-size-fits-all approach, and the caution about inappropriate use of disclosure items with higher levels of measurement or outcome uncertainty and more complex and less familiar disclosure concepts. We object, however, to the inclusion in Box 3 of the US SEC rules on climate-related disclosures. While we generally believe the SEC’s definition of materiality was appropriate, we note that the breadth of the SEC’s rule may be seriously jeopardized by recent US Supreme Court decisions and application of the rule has been stayed by the SEC pending developments in the current lawsuits contesting the rule’s legality. A far more appropriate US reference here would be to the National Association of Insurance Supervisors’ (NAIC) Climate Risk Disclosure Survey, which has been conducted for a decade, incorporates TCFD guidance, and applies to over 80% of the US insurance industry.
Finance Watch	EU	This section rightly looks at how medium and long term horizons can be captured. Whilst forward looking disclosure is extremely important, caution is needed around forward-looking methodologies. These methodologies

		are an important way to assess climate risks, but over-reliance on historical data and calibrations, unadapted economic models of climate change damages to make forecasts should be stressed. A focus can rather be put on transition planning and expanding time horizons for scenarios to go up until 2050 and linking to the objectives of the Paris Agreement. The key here will also be to revisit and review methodologies regularly. The draft AP has a concerning view on the application of the proportionality principle. It seems to suggest that the disclosure cost could overrule the key foundation of the proportionality principle that proportionality is applied where the risks are proportionately lower- due to the size, scale and complexity of insurers. The draft AP suggests that this principle could now be overridden even where disclosure is effective, because costs are perceived to be too high. Costs in this case could also be measured against net profits and dividend payments to give context. The starting point should not be to assume that climate-related disclosures will be less effective due to the cost of compliance, it should be to ensure that they are effective in providing material risk information.
National Association of Insurance Commissioners (NAIC)	USA, NAIC	Suggest the following editorial change to Para.19: Concentration risk: Consistent with ICP 20.6.6, where small insurers have concentrated exposures to certain climate perils due either to geographical or economic sector concentrations which would be considered material by users, they will need to be disclosed. Suggest rephrasing the sentence as follows: Different disclosure costs: Existing climate disclosure regimes acknowledge the fact that the costs and burden associated with providing disclosures on different climate-relevant topics may vary. Box 3: Since the SEC rules on climate related disclosures are indefinitely stayed in response to several court filings, propose eliminating excerpt on SEC rules on climate related disclosures and replacing it with an excerpt of the NAIC Climate Risk Disclosure Survey: In the US insurance sector, back in 2022, the NAIC approved a revised Climate Risk Disclosure Survey aligning it to the TCFD framework. In 2024, for the 2023 reporting year, 29 states/territories participated, representing approximately 85% of direct written premium annually in the US. States participating in the Survey require insurers licensed to do business within the state and annually writing at least $100 million direct written premium to complete the Survey.

FWD Group	Hong Kong	In respect of paragraph 18 on the connectivity to financial reporting standards and extending reporting to a longer term horizon, we see limited value from a cost-benefit perspective of assessing impact on balance sheet beyond the business planning period based on a trial stress testing. We would propose allowing more qualitative impact assessment beyond the business planning period. Alternatively, it could be helpful to bring certain climate-related shocks forward in order to understand whether there is significant balance sheet impact. In respect of paragraph 19 on the application of the proportionality principle, we agree with the need to “balance the interests of reliability against those of relevance or usefulness”, for example in preparing and disclosing information with a high degree of inherent estimation uncertainty.
EHDEC Infra & Private Assets	Singapore	Comments on section 2.3.1 The draft Application Paper mentions the importance of the “materiality” for the purposes of effective information disclosure. We notice that the “materiality” in this section heavily depends on the identification of the relevant factors in the climate risk assessment to avoid obscuring the irrelevant risk insights. Thus we suggest that as the first step of assessing “materiality”, supervisors and insurers consider using structured taxonomies related to climate risks to classify and prioritize material risks effectively. As different asset class has its own features, it would be ideal if these taxonomies are developed for the corresponding asset classes. As an example, we have developed the ESG taxonomy for infrastructure investments (https://publishing.edhecinfra.com/papers/2021_blanc-brude_manocha.pdf), which uses a structured approach to classifying ESG impacts and risks. This taxonomy helps identify the most relevant ESG factors by categorizing risks into transition risks and physical risks, which ensures that only material risks are highlighted. This ESG taxonomy is an important reference to assess the materiality of the climate related risks of infrastructure assets. Comments on section 2.3.2 The draft Application Paper emphasizes the importance of forward-looking disclosures over short, medium, and long horizons, as well as the systematic identification of climate-related risks that are "reasonably foreseeable". We agree these requirements when disclosing the climate-related risks given the climate change is a long lasting phenomenon. As demonstrated in the published papers (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4779788 and https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4784951), our methodology to estimate the transition and physical risks use multiple climate scenarios (e.g., orderly, disorderly, and no transition) from Integrated Assessment Models (IAMs) to assess the potential impact of climate risks on infrastructure investments. This approach allows for the estimation of climate related financial risks over short, medium, and long-term horizons, aligning with the IAIS's requirements on forward-looking risk assessment. It provides a robust basis for projecting

		the financial risks of climate change on the asset level and portfolio level. As a direct application, N. Amenc et.al. (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4779790) uses this methodology to recognise the significant potential loss of the infrastructure sectors by 2050. Our methodology helps insurers understand the potential effect of these risks on financial performance and resilience in forward-looking perspectives. Additionally, we have introduced a comprehensive ESG taxonomy (https://publishing.edhecinfra.com/papers/2021_blanc-brude_manocha.pdf), classifying them into the climate related categories (i.e. environmental, social, and governance categories), which are further divided into specific classes and subclasses. This provides a full picture of all reasonably foreseeable risks are identified for the infrastructure investment. Comments on section 2.3.3 The example in Box 3 in the draft Application Paper introduces the US SEC rules on the climate related disclosure, where the Scope 3 emissions has not been the concern in the information disclosure of climate risk. However, we argue that the Scope 3 emission plays significant roles in the climate related financial risks. Despite the Scope 3 dose not contribute the carbon tax directly in many jurisdictions, the companies with large Scope 3 emissions are facing the direct operating cost incremental from their upstream supply chain. Meanwhile, their sales and cashflows are largely challenged by the downstream demand during the progress of the transition to the emission neutral economy, e.g. through technology upgrade, consumer habit evolvement and etc. Besides, the Scope 3 emissions will be the important component of reputation risk from the social acceptance of the public and thus incur big policy risk which is finally materialised as carbon tax policy. Therefore we strongly recommend the IAIS should clearly bring the Scope 3 emission disclosure into the example. This could also encourage the industry stakeholders to accelerate the Scope 3 data methodology development which is one of the basis to understand the transmission pipeline of the climate risk.
Public Citizen	United States	We support the integration of “meaningful, useful, relevant and comprehensive” climate-risk disclosure into the existing disclosure regime. However, this paper provides limited guidance on how insurers should assess the materiality of climate-related financial risks. IAIS should provide additional criteria to guide this assessment. Given the unique nature of climate risk, including the severity, permanence, and uncertain timeline along which these risks will materialize, existing frameworks for assessing materiality may be insufficient. We support forward-looking climate-related financial disclosures in firm financial statements. But climate-related disclosures in financial statements will likely be insufficient given the misalignment between the shorter time horizon relevant for financial statements and the longer time horizon over which climate risks will materialize.

		Climate-related risks expected to materialize over longer time horizons must also be disclosed given the irreversibility and significance of these risks. While these risks might not materialize in the near term, their relative irreversibility once they do materialize means the timeframe to address them is shorter term. A failure to address these risks now, means likely irreversible catastrophic impacts later. We do not support the consideration of disclosure costs in application of the proportionality principle. Given the novelty of climate risk and emerging methods for measuring and disclosing risks, higher costs are possible in the short-term. A key reason disclosure costs could be higher for climate risk in the short term—its radical uncertainty— is the same reason cost is not an appropriate reason to forgo its disclosure. This radical uncertainty, combined with the potential for highly significant impact if left unaddressed, requires a precautionary approach to management of this risk. A precautionary approach requires an assumption that action is needed, even in the absence of desired data. The guidance also notes that disclosure requirements that are "(i) likely to have higher levels of measurement or outcome uncertainty due to the longer-term horizon, non-linear effects and feedback loops of climate change; and (ii) more complex and less familiar at this juncture, for example scenario analysis …" may be particularly burdensome for insurers. However, these are the risk assessments that IAIS has recommended insurers pursue in the Climate Risk Supervisory Guidance and that are necessary to understand climate risk both for individual firms and in the financial sector. Insurance supervisors should work with insurers to produce these complex assessments of climate risk, particularly for smaller, less-resourced institutions rather than exempt these insurers from producing these risk assessments altogether.
Norges Bank Investment Management	NA	A company's assessment of what constitutes material information will largely depend on its industry and the geographical location of its activities across its wider value chain. As regulations, consumer preferences and stakeholder expectations may change over time, these impacts may become material to a company's prospects over time. As such, we support the development of a specific climate-related risk disclosure regime for insurers to ensure that insurers disclose material industry-specific information that can inform our investment decisions, risk management processes and ownership activities.
Ceres	United States	Ceres supports the IAIS's alignment with ICP 20 and we appreciate the focus on user-centric materiality, but caution against a narrow, short-term interpretation. Given climate risk's long-term nature, we urge guidance on considering longer-term materiality. The emphasis on connectivity between climate disclosures and financial reporting is also important, especially regarding forward-looking disclosures across multiple time horizons, as it is essential for understanding the full scope of climate-related risks and opportunities. Ceres recommends the IAIS

		provide more detailed guidance on best practices for scenario analysis and assessment of financial impacts of climate risk as these are critical, but continually challenging, aspects of climate risk disclosures.
Global Federation of Insurance Associations (GFIA)	Global	GFIA agrees with section 2.3.1's caution against excessive disclosure requirements that "may obscure useful information." GFIA underlines that for insurers, in the context of hurricane exposures, for instance in the East and Gulf Coasts of the United States, factors such as rising materials costs, increasing real estate values, and demographic shifts towards catastrophe-prone areas are also responsible of the increase of hurricane-related losses. They add on to the climate-related factors, estimated by climate modelers which suggest a 1% annual increase in climate-related losses. While Paragraph 18 indicates that disclosures should be made over short-, medium- and long-term horizons, GFIA understands that the IAIS does not intend to set concrete standards. It is understood that existing international and jurisdictional standards (such as the ISSB standards explained in Box 2) and the IAIS standards (ICP standards) should be aligned, and that at the same time, insurers are expected to follow jurisdictional reporting requirements. As Paragraph 19 describes, when preparing and disclosing information with a high degree of inherent estimation uncertainty, it is necessary to balance the interests of reliability against those of relevance or usefulness. GFIA strongly agrees that this is particularly relevant for climate-related disclosures. The paragraph explains that regarding concentration risk (for which supervisors will need to balance overriding principles of proportionality against several other considerations), "where small insurers have concentrated exposures to certain climate perils either due to geographical or economic sector concentrations, which would be considered material by users, they will need to be disclosed". However, this information is hard to corroborate, and it is still difficult to ensure reliability and usability. Therefore, it is inappropriate to include it as a specific example. In section 2.3.3, Paragraph 19, GFIA strongly agrees with much of the discussion about proportionality, the need to avoid a one-size-fits-all approach, and the caution about inappropriate use of disclosure items with higher levels of measurement or outcome uncertainty and more complex and less familiar disclosure concepts. GFIA objects, however, to the inclusion in Box 3 of the US SEC rules on climate-related disclosures. While the SEC's definition of materiality was appropriate, GFIA notes that the breadth of the SEC's rule may be seriously jeopardised by recent US Supreme Court decisions and application of the rule has been stayed by the SEC pending developments in the current lawsuits contesting the rule's legality. A far more appropriate US reference here would be to the National

		Association of Insurance Supervisors' (NAIC) Climate Risk Disclosure Survey, which has been conducted for a decade, incorporates TCFD guidance, and applies to over 80% of the US insurance industry.
Institute of International Finance (IIF)	United States	Some insurance supervisors do not have a mandate to impose public disclosure requirements on the industry. Accordingly, the first sentence of the second paragraph of Box 1 should be amended as follows: Where consistent with their mandates, supervisors should explicitly consider whether they need to supplement existing disclosure requirements with sector-specific measures. Paragraph 20 should be amended to read: Consistent with ICP 20 and where consistent with a supervisor's mandate, supervisors should require that climate-related risks are effectively captured in public disclosure requirements where material.
E3G	United States	We support forward-looking climate-related financial disclosures in firm financial statements.
Natural Resources Defense Council	United States	With respect to section 2.3.3 (proportionality): Proportionality seeks to avoid a one-size-fits-all approach by allowing disclosure requirements to be appropriately tailored to the nature, scale and complexity of each firm. At the same time, supervisors should be cautioned that the cost of disclosure alone cannot justify failure to report a material risk. In applying the proportionality principle, supervisors must bear in mind that insurers of differing sizes will have an array of risk profiles, and smaller insurers may have greater concentration risk, including industry and geographic concentrations. For example, a large percentage of an underwriting portfolio might consist of policies issued to farmers with outsize drought risk, to coastal property owners with worsening hurricane and flooding exposure, or to fossil fuel businesses jeopardized by transition risk. Supervisors must consider whether these concentration risks are material and thus require disclosure regardless of the size of an institution.
Comments on section 2.4 Recommendations		
Toronto Centre	Toronto	Supervisors must proactively request information from the insurer to help their risk assessments instead of relying on the insurer's discretion. This data may not necessarily be contained in the financial statements. Sharing information should be encouraged in emerging markets where data is localized. Cooperation between regional regulators will assist in developing effective policies for the region.

		The supervisors' primary role is developing the institutions' risk profiles. Therefore, the alignment with the needs of other parties' interests is secondary. Adoption by jurisdictions of the ISSB standards is an essential step in supporting climate-related risk disclosures.
General Insurance Association of Japan	Japan	Paragraph 20: In line with the intent of the application paper (described in Paragraph 11), we suggest revising Paragraph 20 as follows: Consistent with ICP 20, internationally agreed climate disclosure frameworks, and frameworks developed by jurisdictional standard setters, supervisors should require that climate-related risks are effectively captured in public disclosure requirements where material.
American Property Casualty Insurance Association (APCIA)	USA	In paragraph 21, integrating climate-related financial disclosures and financial statements may not be possible in some jurisdictions, where insurance supervisors have no jurisdiction over general purpose financial statements.
Finance Watch	EU	Please refer to our comment on section 2.1 on the application of materiality principle to disclosures. The recommendations would benefit from the explicit mention of transition plans and their key role as part of a climate-related risk disclosure framework.
National Association of Insurance Commissioners (NAIC)	USA, NAIC	Suggest rephrasing the sentence as follows for clarification to Para.22: Consistent with existing disclosure standards, climate disclosures should include appropriate indicators (metrics) that are relevant and meaningful for market participants and policyholders.
FWD Group	Hong Kong	In respect of paragraph 22, we agree with the recommendations that climate disclosures should be focused on ensuring indicators are relevant and meaningful for market participants and policyholders and that materiality assessments should be applied to determine whether climate-related information is considered material to users'

		decision-making processes. Climate change risk modelling and scenario analysis methodologies should take a holistic approach.
EHDEC Infra & Private Assets	Singapore	No comments.
Norges Bank Investment Management	NA	Regulatory adoption of climate-related financial disclosure standards can encourage a level playing field by mandating consistent disclosures across jurisdictions. Adopting international standards, such as the ISSB standards, into the regulatory and supervisory framework is the most effective way to deliver globally comparable information for investors and reduce the reporting burden for companies, particularly those with operations and value chain spanning different jurisdictions. Global standardisation of investor-focussed disclosures will enable investors to accurately assess and benchmark existing and potential portfolio companies. This enhances market efficiency and supports cross border capital flows. For these reasons, we fully support the recommendations outlined in 2.4 relating to regulatory adoption, materiality and connectivity.
Ceres	United States	Ceres supports these recommendations and agrees that supervisors should require effective capture of material climate risks in public disclosures, aligning with our advocacy for comprehensive climate risk reporting. We particularly applaud the emphasis on connectivity between financial statements and climate disclosures. The recommendation to integrate these elements over time is critical for providing a holistic view of climate-related financial risks and opportunities, an approach that aligns with Ceres' advocacy for mainstreaming climate considerations in financial reporting. The focus on relevant and meaningful indicators for market participants and policyholders is essential. We would urge the IAIS to provide more specific guidance on best practices for climate-related indicators and metrics to ensure consistency and comparability across the industry. While we support the use of materiality assessments, we again urge caution against an overly narrow interpretation of materiality for climate risks. Given the long-term and systemic nature of climate change, we recommend the IAIS provide guidance on considering longer-term impacts in materiality assessments. Ceres also suggests the IAIS more explicitly recommend the use of forward-looking scenario analyses in climate risk disclosures, as this is critical for assessing the potential future impacts of climate change on insurers' business models and financial stability.

General comments on section 3 Public disclosure of decision useful climate information		
Finance Watch	EU	This section would again benefit from a reference to transition plans as a key way to fulfil climate-related disclosure requirements under ICP 20.
EHDEC Infra & Private Assets	Singapore	No comments.
Financial Sector Conduct Authority (FSCA)	South Africa	In South African legislation provides for the issuance of a Micro Insurance license. This license is aimed at allowing access into the market to participants who would not have access to the capital needed to obtain a traditional insurance license. The legislative requirements applicable to these Micro Insurers are also slightly less onerous. The framework for the establishment of these insurers only came into being in the last 6 years and the number of these Micro License Insurers are relatively low compared to the number of traditional insurers in operation. Some of the concerns applicable to this space are: - Micro insurers may not be able to provide adequate disclosures due to inability to access credible, accurate and consistent data. - They may not have adequate expertise to properly provide guidance on the correct disclosures that need to be made for the market in which they operate. It is acknowledged that: - Climate change is however an important element to incorporate into their reporting processes as climate conditions affect an insurers (non-life) ability to correctly price their product, re-insurance, payment of claims and underwriting. - There is a need for Micro insurers to disclose how the impact of climate changes affects their claims management processes in terms of TAT, ratio of claims received and also assess how climate conditions impact the health of persons in affected areas. - The governance structures may also need to indicate their organisational culture in respect of the climate related risk and their proposed risk management approach to such challenges. Products provided to lower income markets: In these types of markets, it is not clear to what degree customers would value or even understand disclosures around climate change. Would this then add value to the customer? In this case it is suggested that the insurer should still be able to show how this risk was considered in the underwriting process. Costs:

		It is not clear what the costs are, linked to implementing considerations of climate change risk into an organization, specifically related to underwriting practices and obtaining data that can be trusted. Smaller insurers may struggle to afford the skills needed to consider such matters which also affects premium, depending on the risk. The comment of "nature, scale and complexity of insurers" is well taken and understood, but the practical implementation of the concept may be a challenge. Here there should still be expectations in terms of the insurer's responsibility in terms of providing sustainable products and doing business with responsible partners, but the question is to what degree these disclosures would affect the low-income customer's decision
Norges Bank Investment Management	NA	No comment
Ceres	United States	Ceres strongly supports this comprehensive approach to integrating climate risk into insurers' public disclosures and the emphasis on providing decision-useful climate information that aligns with existing ICP 20 requirements. The recognition that climate risks should be incorporated across various disclosure areas- from corporate governance to financial performance- is crucial and acknowledges that climate risks are pervasive and impact all aspects of an insurers' business. We appreciate the focus on both qualitative and quantitative disclosures, recognizing the challenges in estimating climate impacts. The emphasis on disclosing assumptions for quantitative estimates is vital for transparency and the detailed guidance on risk indicators, including examples of physical and transition risk metrics, is valuable. We encourage the IAIS to advocate for more standardization in these indicators to enhance comparability across the industry. The section on scenario analysis is also critical, and Ceres supports the recommendation to disclose scenario analysis results and how they inform decision-making. We urge the IAIS to make this a requirement rather than just a consideration. We commend the inclusion of climate adaptation considerations in disclosures, as it bolsters the emphasis on both climate mitigation and adaptation strategies. The recommendations for supervisors are sound, particularly regarding the integration of climate considerations into disclosure regimes and encouraging forward-looking indicators. We would recommend stronger language on standardization and comparability of disclosures across jurisdictions.

The Geneva Association	International	The IAIS should also be mindful about the public disclosure of certain climate-related information, particularly concerning metrics that are not well tested or cannot be interpreted consistently or established reliably due to inherent data challenges. If the focus of the application paper is to guide supervisors in requesting specific analysis from companies for their own consumption, and to aggregate and interpret this information for public reports as necessary on a high-level, non-quantitative basis only, this approach appears reasonable. However, suggesting that IAIS members request public disclosures of evolving metrics may have unintended consequences, particularly for publicly traded companies. The premature prescription of such metrics, without thorough testing and understanding, may result in confusion and misinterpretation by various stakeholders.
Natural Resources Defense Council	United States	Supervisors must require insurers to disclose material, climate-related risk information in order to understand the risk exposure individual insurers face, and the combined risk exposure to the financial system. Insurers can disclose their strategies for addressing their potential increase in liability due to more frequent and more intense extreme weather events arising from climate change. This will help supervisors evaluate the adequacy of customer coverage, both overall and by subparts of the market, as well as the financial stability of individual insurers and macroprudential threats to the larger economy. Risk models based on past events are no longer reasonable predictors of future losses, thus current risk exposures may be much higher than reported in climate-burdened areas such as Florida, as many opportunistic, small insurers have emerged to serve communities where insurance is often unavailable. These insurers may seek to profit off communities where the awareness of insurance is low by charging excessive premiums and providing limited coverage, while fully exploiting regulatory gaps and potential disaster funding. Data from these insurers will help supervisors better understand the risk exposures of these smaller insurers and whether mitigating actions need to be taken. Ultimately, this data will give supervisors a more complete picture of the financial landscape to assess whether the safety and soundness of the insurers and the financial system are being compromised. Supervisors in many jurisdictions recognize this issue and have begun requesting relevant insurance policy data from insurers. In the United States, the National Association of Insurance Commissioners issued a data call to 400 property insurers operating locally and across the country to give state insurance regulators a clear sense of what is happening in their individual property markets and the nation overall. (https://content.naic.org/article/states-issue-property-casualty-market-intelligence-data-call-covering-over-80-us-market)

Comments on section 3.1 Climate information		
General Insurance Association of Japan	Japan	Paragraph 24: Regarding "Including climate data and indicators in disclosures", we suggest further clarifying that it is expected only climate data and indicators which are material to the insurer in question should be disclosed. Similarly, while Paragraph 26 describes that "supervisors should expect climate-related risks to become increasingly reported and accounted for by insurers", we would suggest further clarifying that this expectation only applies to climate-related risks that are material to the insurer concerned. Paragraph 25: We suggest adding "to the extent necessary" to the end of the second sentence. Table 2: While Paragraph 26 explains "Table 2 sets out examples of how climate risk can be integrated into the disclosures", Table 2 includes excessively prescriptive statements, which should be revised. While Box 4 explains that "Climate-related risk indicators enable insurers to demonstrate their ability to mitigate climate-related financial risks and maintain the resilience of their business models", climate-related risk indicators can be used to understand current conditions, assess progress in risk mitigation efforts, and estimate future impacts, but do not necessarily demonstrate the ability to mitigate risks or maintain resilience. Therefore, we suggest revising the sentence, for example, as follows: Climate-related risk indicators "may" enable insurers... While the examples of transition risk in Box 4 indicators include "CO2e emissions footprints or intensity of investments" as asset risks, discussions are needed to determine which Scope(s) should be subject to supervision and disclosure. In particular, Scope 3 requires careful consideration because, as described in Paragraph 71, there may be cases where the reliability of investee companies' GHG emissions measurement results cannot be ensured. Box 4 (Asset Risks): It is difficult for insurers to accurately estimate Scope 3 GHG emissions derived from their managed assets, which are heavily influenced by share prices in the market and the availability of emissions data for each issuer. Therefore, we suggest adding the following phrase to the end of the first bullet point of "Asset risks": " ,on the premise that the fluctuations in relevant parameters (e.g., financial market fluctuations or issuer GHG data availability) affect the emissions attributable to the portfolio"

Insurance Europe	Europe	Note that some of the key indicators listed as examples of transition risk indicators cannot be quantified. Legal and regulatory risks, for example, can only be considered qualitatively.
World Federation of Insurance Intermediaries WFII	global	Box 4 We propose to add insurance intermediaries: Climate-related risk indicators enable insurers to demonstrate their ability to mitigate climate-related financial risks and maintain the resilience of their business models, including in their product development, customer distribution and information sharing with customers, insurance intermediaries and reinsurers.
International Actuarial Association (IAA)	International	P15 Table 2 20.10 "...the impact of climate-related risks on capital adequacy if insurers expect their solvency to be materially affected." It may well be that insurers don't "expect" their solvency to be materially affected but that it is reasonably possible that it could be affected so could change the wording here. P17/18 - The examples on p17/18 (also applicable to appendix of other paper, which is the same example) are not presented very holistically and too high-level. We can understand it is not the intention of the report to provide a lot of worked out examples, but then we believe it would be good to also make a reference to other papers such as from EIOPA that provide a more coherent list of approaches to assess potential impact of climate related risks including full examples.
American Property Casualty Insurance Association (APCIA)	USA	Supervisors should not encourage or require the public disclosure of metrics such as probable maximum loss (PML) and annual average loss (AAL). Given the uncertainty that is inherent in modeled outcomes, these metrics are subject to public misunderstanding and could lead to significant harm, especially to publicly-traded companies. This information is helpful to supervisors but, if collected, should be held in a confidential manner.
Finance Watch	EU	An important point to recognise in this section is that it will not be sufficient to integrate climate-related risks into disclosures for existing categories. In many cases, for the reasons outlined in paragraph 25 specific disclosures will be needed to capture these risks and ensure that the information is decision-useful. This section should also cover guidance on climate-related risk to ICP 20.9. Ensuring that a transition risk perspective is brought into considerations under 20.9.1 and 20.9.4 relating to both climate-related risk materialising on both the asset and liabilities sides would be important.

		Box 4 outlines key indicators, but must take into account key differences with the impact of climate change for physical risks in particular, such as accelerations when climate tipping points are breached and that the expectations for AAL and PML are likely to fall short in these cases. Box 4 does, however, capture the key indicators for transition risks for assets and underwriting. In particular the portfolio alignment to the Paris Agreement, exposure to high-carbon industries and the analysis on different transition scenarios are essential. However, given the lack of commonly recognised or harmonised methodologies for measuring portfolio alignment (transition risk), disclosures would benefit from additional guidance on and transparency over the underlying methodologies and approaches for the disclosed metrics. We refer to our response to the BCBS consultation on climate-related risk disclosures https://www.finance-watch.org/policy-portal/sustainable-finance/banks-should-also-disclose-the-results-of-capital-adequacy-assessment-bcbs-consultation-on-climate-risk-disclosure/
FWD Group	Hong Kong	In respect of paragraph 26 and Box 4, supervisors should distinguish climate risk indicators for life and non-life insurance companies given the impact of climate change can vary significantly for life versus non-life insurers.
EHDEC Infra & Private Assets	Singapore	Comment on 20.4 and 20.8 in Table 2: ICP 20 disclosure standard Based on the requirements of ICP 20.4 and 20.8 in the draft Application Paper, it is essential to integrate reasonably foreseeable climate scenarios into forward-looking risk assessments and disclosures. As an example, the Network for Greening the Financial System (NGFS) provides the climate scenarios that offer a common ground for comparability across the financial industry. These widely recognized scenarios are designed based on the pre-defined climate narratives and help disclosure requirements with a standardized basis for assessing climate risks. However, these scenarios present notable shortcomings that limit their practical use, particularly in Enterprise Risk Management (ERM) and risk estimation frameworks. First, due to the complexities and uncertainties of climate risks, industry practitioners, including insurers, struggle to link the NGFS scenarios with foreseeable probabilities. This limitation undermines their usability within ERM frameworks. Second, the predefined NGFS scenarios cannot adequately serve as stressed scenarios due to the non-linearity of climate risks and the complexity of risk transmission channels. It is likely that the scenarios outside of the pre-defined narratives could make more serious risks and impacts on insurer's portfolio. As a result, the scenarios with predefined narratives only offer relative risk estimates, rather than the robust stress-testing needed for comprehensive risk management. To address this shortcoming, we strongly advocates for the use of stochastic climate scenarios, which incorporate more detailed considerations of uncertainties related to climate change. These stochastic models should offer a

		broader spectrum of possible outcomes and better capture how climate-related uncertainties might escalate risks across assets and portfolios. This is crucial for both ERM frameworks and scenario analysis, as it allows insurers to better anticipate and manage climate risks in a more dynamic and uncertain environment. Comments on Examples of physical risk indicators In this example, the draft Application Paper illustrate a robust approach to quantifying physical risk, which aligns well with our methodologies assessing climate-related physical risks (https://scientificinfra.com/paper/physical-risks-the-cost-of-capital-of-infrastructure-investments-flood-damage-factor-estimation-and-bond-yields-in-u-s-airports/). Our latest methodologies go beyond merely measuring losses from a single event, such as a 1-in-100-year occurrence. Instead, we calculate the annual expected loss by accounting for the full spectrum of hazards and their respective return periods to have a more comprehensive risk assessment. Furthermore, we recognize that the damage caused by the same hazard event can vary significantly depending on the type of physical asset involved. For this reason, each asset type must have the appropriate damage function that corresponds to the specific hazard type to ensure the accuracy and reflective of real-world impacts. This factor has not been highlighted in the example despite of its importance in the risk assessments. To in line with the requirement of “reasonably foreseeable” and forward-looking risk analysis, we incorporate hazard frequency and intensity projections that evolve with rising global or regional temperatures. This feature is critical, as climate change is leading to more frequent and severe hazard events. Therefore, we strongly recommend that the evolution of hazard damages should be considered as a necessary risk driver in climate risk assessments, particularly when evaluating risks over medium- and long-term horizons under the principle of “reasonably foreseeable.” Comments on Examples of transition risk indicators While this example in the draft Application Paper illustrates some of important indicators of transition risks, we disagree with the example of "Stranded Asset Risk" as described here, particularly its reference to the risk of “unforeseen loss of asset value". This contradicts the principle of reasonably foreseeable and forward-looking risk assessment. We believe that risks arising from abrupt changes in market dynamics or technological advancements can be anticipated and analysed within the framework of climate scenario analysis, especially when the scenarios (e.g. as in IAMs) include more comprehensive factors such as technologies, market competitions and etc. Secondly, the goal of stress testing is to use appropriate scenarios to assess the impact of such kind of potential disruptions, in order to estimate such “unforeseen loss” in the portfolios. Thirdly, the “unforeseen loss” in Stranded Asset Risk only implies the assessment of the “materiality” factors is not robust enough. Otherwise, how could it be identified as a “risk”? In such case, we suggest using the systematic approach in the “materiality” exercise as

		mentioned in our comments on section 2.3.1. Besides, "Investments in climate resilience" and "capital expenditure on adaptation measures" are not "unforeseen" components. As mentioned in our comment on section 2.2, we also publish a comprehensive analysis of strategies to decarbonize and resilience2 to assist the industry to manage both climate adaption investments. It specifies actionable strategies at the asset level, ensuring stakeholders have clear guidance on how to implement climate-related measures.
Public Citizen	United States	In addition to the required disclosures set out in this section, insurers should be required to disclose the following: 1. Climate risk they contribute to the financial system by disclosing the greenhouse gas emissions of their underwriting and investment activities. ICP disclosure standard 20.7 should be amended to require the disclosure of emissions contributions from an insurers' financial instruments and investments. Without a requirement, too few insurers will provide sufficient disclosures. In the United States, the National Association of Insurance Commissioners' Climate Risk Disclosure Survey allows insurers to decide whether to disclose these emissions. In the most recent analysis, only 12% of respondents disclosed this information. [1] 2. Transition plans to align activities and investments with science-based emissions reduction targets needed to avoid the worst effects of climate change. [1] https://www.ceres.org/resources/reports/climate-risk-management-us-insurance-sector
Norges Bank Investment Management	NA	We support the examples in Table 2 on how climate risk can be integrated into the disclosures that are already required under the standards ICP 20.2–20.12.
Ceres	United States	Ceres applauds the detailed guidance on climate-related risk indicators, including examples of physical and transition risk metrics. The inclusion of specific formulas for metrics like Annual Average Loss (AAL) and Probable Maximum Loss (PML) is valuable for standardization, and we encourage the IAIS to push for even greater standardization of these indicators to enhance comparability across the industry. The recognition of both physical and transition risks, and their impacts on assets and liabilities, is also critical. We especially appreciate the inclusion of indicators related to exposure of high-carbon industries and portfolio alignment with the Paris Agreement, promoting further the transition to a low-carbon economy. While the range of suggested indicators is comprehensive, we would urge the IAIS to place more emphasis on forward-looking metrics that capture long-term climate risks. We also recommend including more specific indicators related to

		insurers' own emission reduction targets and progress towards them. The inclusion of climate resilience investments is also commendable; however, we suggest expanding this to include more detailed metrics on how insurers are supporting their clients' climate adaptation and mitigation efforts.
Global Federation of Insurance Associations (GFIA)	Global	GFIA would like to note that some of the key indicators listed as examples of transition risk indicators are not possible amenable to quantification. Legal and regulatory risks can only be considered qualitatively. Regarding "Including climate data and indicators in disclosures" (Paragraph 24), GA would appreciate clarification whether or not it is assumed that only climate data and indicators material to the insurer in question should be disclosed. Similarly, while Paragraph 26 describes that "supervisors should expect climate-related risks to become increasingly reported and accounted for by insurers", GFIA would appreciate clarification that this expectation applies to climate-related risks that are material to the insurer concerned. GFIA suggests adding "to the extent necessary" to the end of the second sentence of the Paragraph 25. While Paragraph 26 explains "Table 2 sets out examples of how climate risk can be integrated into the disclosures", GFIA is concerned that Table 2 includes overly prescriptive statements and suggest revising them. Box 4: - Regarding the examples in the Asset and underwriting risks section of Box 4, there are concerns about the public disclosure of indicators that aim to "evaluate the potential impact of physical climate-related events", particularly concerning metrics that are not well defined or cannot be interpreted consistently. This is especially the case for PML and AAL data. This information should not be disclosed publicly. Modelled outcomes can have significant variation around the mean, are often based on many assumptions, and reality is certain not to directly reflect these outcomes. Consequently, the potential for drawing incorrect conclusions from this data is high and it is not responsible to knowingly publish data that is likely to mislead. Publishing public disclosures of subjective metrics will likely result in unintended consequences, particularly for publicly traded companies. The premature prescription of such metrics, without thorough testing and understanding, may result in confusion and misinterpretation by various stakeholders. A more prudent approach would involve regulators collecting and interpreting this information, and potentially presenting aggregated findings if deemed beneficial to the public. - While Box 4 explains that "Climate-related risk indicators enable insurers to demonstrate their ability to mitigate climate-related financial risks and maintain the resilience of their business models", climate-related risk indicators can be used to understand current conditions, assess progress in risk mitigation efforts, and estimate future impacts, but do not necessarily demonstrate the ability to mitigate risks or maintain resilience. Therefore, GFIA

		suggests revising the sentence, for example, as follows: “Climate-related risk indicators may enable insurers...”. - While the examples of transition risk in Box 4 indicators include "CO2e emissions footprints or intensity of investments" as asset risks, discussions are needed to determine which Scope(s) should be subject to supervision and disclosure. In particular, Scope 3 requires careful consideration because, as described in Paragraph 71, there may be cases where the reliability of investee companies’ GHG emissions measurement results cannot be ensured. - Additionally, it is difficult for insurers to accurately estimate Scope 3 GHG emissions derived from their managed assets, which are heavily influenced by share prices in the market and the availability of emissions data for each issuer. Therefore, GFIA suggests adding the following phrase to the end of the first bullet point of ‘Asset risks’: " ,on the premise that the fluctuations in relevant parameters (e.g., financial market fluctuations or issuer GHG data availability) affect the emissions attributable to the portfolio".
Institute of International Finance (IIF)	United States	We would add the following language to Paragraph 24: However, supervisors should recognize that some data, indicators and metrics may not be suitable for public disclosure, e.g., if they cannot be produced on a reliable, comparable or decision-useful basis. In any case, safe harbor rules should be introduced in public disclosure frameworks for any type of information that cannot be reliably established or is business sensitive. The IAIS and its member supervisors have a role to advocate for this to safeguard the insurance industry from inappropriate risks. The discussion of ICPs 20.7 and 20.8 in Table 2 should avoid the implication that transition risks necessarily give rise to financial losses. Based on the academic literature, and as further discussed and referenced in the IIF Staff Paper on Quantifying the financial risks association with the net-zero transition, lower carbon activities do not necessarily have a better risk/return profile than higher carbon activities. In analyzing the impacts of physical risks, risk management and mitigation efforts should be taken into account, and it should be recognized that exposure to physical risks and impacts are not linearly related. For the assessment of transition risks, the IAIS Global Insurance Market Report (GIMAR) has been, and will continue to be, an effective tool for detecting the potential build-up of systemic risks, helping produce a more nuanced understanding of insurers' exposure to climate-related transition risk and through which channels they might manifest.
MSCI ESG Research LLC	United States of America	MSCI sees value in the introduction of a common set of quantitative indicators to ensure greater comparability of climate-related risks among insurers. By having access to a core list of quantitative data, stakeholders will be able to build a more accurate and detailed assessment of an insurer’s climate-related risk exposure profile. Supervisors may consider aligning their data collection requirements with existing climate disclosure requirements for insurers such as ISSB, SASB, EU ESRS and US SEC’s rules among others.

		The Probable Maximum Loss (PML) is commonly used to estimate the worst loss at different return periods (i.e. 1 in 100 years) from catastrophic events like floods or storms. Comparability is key here as different insurers may face different material climate hazards. Supervisors may consider requiring insurers to disclose PML of all material hazards and normalize it by dividing PML with insurers' shareholder equity value. In addition, for physical risk indicators, supervisors may consider requiring insurers to report both historical loss data and forward-looking loss estimates due to natural catastrophes.
Natural Resources Defense Council	United States	Public disclosure of granular, decision-useful climate information can provide scientists, academics, policy advocates, governmental agencies, and consumers a better understanding of climate-related risks faced by all interested parties. Data transparency in disclosures from the insurance industry can foster reputational trust, promote fair practices, and empower stakeholders to make informed decisions. When insurance companies are transparent about their data practices, it can improve market competition, and importantly, enhance supervisory oversight by allowing regulators to monitor the industry and identify potential issues, such as protection gaps in the face of climate disasters. Granular data—property-level data if possible— can help supervisors understand where gaps in insurance coverage exist due to affordability and/or availability issues. Supervisors should request data on policies that insurers have chosen not to renew or with respect to which they have increased premiums or reduced coverage, which could indicate geographic areas where unavailability or unaffordability issues may be developing. For example, in California, the 2017–2018 wildfires caused significant turbulence in the state's insurance market, with non-renewals of residential insurance policies jumping by 31 percent to 235,250 in 2019 alone. The data should distinguish policies not renewed at the policy holders' discretion from termination of coverage by the insurer. This can help supervisors to investigate regional insurance gaps. Other types of data that might be disclosed include pricing incentives for hardening measures and projections of extreme weather events like storms, wildfires, and heat waves (although there may be legitimate proprietary concerns about disclosing the latter, which could perhaps be addressed by anonymizing and cumulating this data). Many insurers are already aligned with such practices. Large, multinational insurers like AXA and Zurich have embraced the idea of data transparency for risk management and decision-making purposes. Leaders and decision-makers need a broad range of information to more accurately assess risk to envision strategies that can lead to positive business outcomes.

Comments on section 3.2 Disclosure of scenario analysis results		
General Insurance Association of Japan	Japan	As Paragraph 29 explains, due to confidentiality concerns, quantitative outputs, method specifications, outcomes and decision-making derived from scenario analysis may not be appropriate for public disclosures, but rather be more appropriate for supervisory reporting. This perspective should be noted when establishing disclosure requirements for scenario analysis.
Insurance Europe	Europe	Information needed to determine the listed asset-related indicators (paragraph 28) is either unavailable or only approximately available. Disclosure should not be mandatory at this granular level. It should be considered carefully which indicators can be used for supervisory reporting and which for public disclosures. Some information is very sensitive, and disclosure of these indicators should be avoided due to competition law concerns. The importance of the following sentence of paragraph 29 is strongly supported: “Due to confidentiality concerns, supervisory reporting may be more appropriate for quantitative outputs, method specifications, outcomes and decision-making derived from scenario analysis, with only a high-level summary required for public disclosures.” In a first step, it should be carefully considered which information needs to be publicly disclosed. In a second step, an evaluation should be made to determine which information must be disclosed in a quantitative manner.
World Federation of Insurance Intermediaries WFII	Global	Paragraph 28 We propose the following changes: Asset-related indicators (impact of transitional only, physical only and both) Credit ratings by sector and region. Equity valuation by sector and region; Value of real estate that could be uninsurable or only at an unusually high premium level. Real estate valuation by region, and NatCat climate-adjusted investors’ appetite/level. Paragraph 29 For the last sentence of this paragraph, we propose the following addition: (...) Due to confidentiality concerns, supervisory reporting may be more appropriate for quantitative outputs,

		method specifications, outcomes and decision-making derived from scenario analysis, with only a high-level but still meaningful and useful summary required for public disclosures.
International Actuarial Association (IAA)	International	Para 28 - "Indications of the quality of the scenario analysis should also be provided." It would be helpful to expand on what is intended by "the quality of the scenario analysis"
American Property Casualty Insurance Association (APCIA)	USA	We do not think that insurers should be required to disclose the results of the scenario analyses they conduct. Such a requirement could discourage the use of scenario analysis in situations where it is needed. We agree with paragraph 29's statement that "due to confidentiality concerns, supervisory reporting may be more appropriate for quantitative outputs, method specifications, outcomes and decision-making derived from scenario analysis."
The Life Insurance Association of Japan	Japan	The LIAJ provided the following comment on the second public consultation on climate risk "Draft Application Paper on climate scenario analysis in the insurance sector": "to avoid imposing undue burden on insurers, supervisors should carefully consider when requiring insurers to conduct scenario analysis for supervisory purposes. They should at least determine whether they need to require additional scenario analysis for supervisory purposes after adequately evaluating if such scenario analysis could be substituted with existing scenario analysis conducted by insurers for disclosure purposes to meet the ISSB and other standards." The second bullet point of paragraph 19 implies that scenario analysis is an analytical method, which imposes reasonable burden on insurers, and the IAIS has taken into consideration the amount of actual operational workload for insurers. In this context, we presume that if supervisors require a separate scenario analysis, which would impose additional burden on insurers even in jurisdictions where it is already required to conduct scenario analysis due to climate-related disclosure standards such as the ISSB standards, the decision to have a new requirement implies that the information disclosed in the general-purpose financial statement does not suffice. Paragraph 28 states recommended indicators to be used when contents of scenario analysis based on existing disclosure standards do not meet the requirement of supervisory objectives. The IAIS should clarify that there is a difference between the scope of scenario analysis required by the supervisors for supervisory purposes and the scope of scenario analysis for the decision-making by key users of general-purpose financial reporting. Such difference stems from the discrepancy between the objectives of conducting scenario analysis. Specifically, paragraph 27 explains the objective of scenario analysis for supervisory purpose as "Rather, they are intended to

		be used by supervisors from both a micro- and/or macroprudential perspective and by insurers to understand the impacts of climate change on insurers' strategy and the medium- and longer-term risks an insurer faces". This should be modified by inserting the following statement after the first sentence: "Scenario analysis is an analytical method, which pose reasonable burden on insurers. Moreover, some jurisdictions already require scenario analysis to provide information to key users of general-purpose financial reporting in line with climate-related disclosure standards such as the ISSB standards. Notwithstanding these existing disclosures of scenario analysis, the reason why supervisory authorities would still require insurers to conduct additional scenario analysis is for the reason the objective of the additional scenario analysis for supervisory purposes differs from the one used for information disclosure. Supervisors may only require additional scenario analysis for insufficient data."
Finance Watch	EU	There is an apparent contradiction between the recognition in the paper that "Scenario analysis exercises are not intended to present a definitive assessment of the extent to which climate will be a driver for risks faced by insurers", and guidance on disclosure of the results of scenario analyses "where a scenario analysis is conducted and the conclusions from the exercise are material". Given that climate scenario analyses remain exploratory exercises subject to significant limitations, the materiality of their outcomes cannot be treated as an indicator of the materiality of climate risk to an insurance undertaking (including for the purposes of disclosure). Doing so will lead to the underestimation of risks and omissions of material information in disclosures. The indicators suggested climate scenario-conditional projects should take into account key shortcomings of using past data. Indicators such as credit ratings and historic NatCat losses are two key examples that are included in the draft AP. More clarity needed over how the other indicators could be rendered decision-useful. This clarity would help to ensure further harmonisation of the scenarios used and by extension comparability of results. Comply or explain clauses often receive complaints from the industry that they are de facto obligatory requirements. It would be better in this context and given the importance of these disclosures to provide more clarity that these are direct requirements. Where insurers use scenario analysis, the methodology, parameters and limitations should be very clear and publicly disclosed.
FWD Group	Hong Kong	In respect of paragraph 28, we agree with the following statement "Due to confidentiality concerns, supervisory reporting may be more appropriate for quantitative outputs, method specifications, outcomes and decision-making derived from scenario analysis, with only a high-level summary required for public disclosures."

EHDEC Infra & Private Assets	Singapore	We have the two comments on this section. First, we notice the requirement for insurers to convey the uncertainty inherent in scenario assumptions. However, this poses a significant challenge for scenarios based on predefined narratives, such as NGFS scenarios, due to the complex interactions between economic and environmental systems. Minor uncertainties in one system can lead to significant impacts on the other and result in the feedback loops that amplify such uncertainty. Therefore we suggest to use stochastic approach to replace predefined narratives, because stochastic scenarios can cover much more possibilities to address the uncertainty over a long horizon. Additionally, we recommend the IAIS to ensure that the uncertainties considered in scenario analysis should be directly linked to climate risks. This focus is crucial to avoid introducing irrelevant variability, which could add noise rather than meaningful insight into climate-related uncertainties. Second, we note the suggestion in this section that climate scenario-conditional projections should be "every five years until 2050." In practice, most financial instruments will not have such long maturity, except for certain insurer liabilities. Since many assets will be retired much earlier than 2050, extending risk analysis to such a long horizon could lead to misleading conclusions about climate risks. At a longer horizon, the risk metrics may primarily reflect the level of how well the insurer's current business strategy aligns with the climate scenario, which inherently carries high levels of uncertainty and assumptions, rather than accurately assessing risks associated with existing assets and liabilities. Thus we suggest the climate scenario-conditional projects should be “reasonably long” rather than a fixed horizon (e.g. 2050). On the other hand, if long-horizon risk analysis is required, supervisors must be clear about the intensions of the exercises. Specifically, such an exercise is less about analyzing the financial risks of the current portfolio and more about evaluating the insurer's strategic adaptability to climate-related scenarios.
Financial Sector Conduct Authority (FSCA)	South Africa	This will require expert knowledge. The fear is that the Micro Insurers in SA may not have access to such knowledge yet.
Public Citizen	United States	Insurance supervisors should be attuned to the incentives created by mandating the disclosure of only material results from climate scenario analysis exercises. Given the flexibility afforded to insurers in designing climate scenario analysis exercises, mandating the disclosure of material conclusions may discourage firms from pursuing robust exercises designed to identify the full scope of a firm’s risks. Instead, firms may seek to produce non-material results in order to maintain compliance with disclosure requirements. For the purpose of useful and legible disclosure, insurance supervisors should pursue a standardized framework for climate scenario analysis and mandate the conclusions of these exercises be disclosed for all firms.

Norges Bank Investment Management	NA	To analyse their resilience to a range of future outcomes, including those for 1.5°C and high physical damages, insurers should use climate scenarios, and disclose the results. Scenario analysis should show how changes in climate policy, including carbon pricing, could impact their operations, value chains and demand for their products. We suggest that the disclosure requirements on scenario analysis in ISSB S2 Paragraph 22 can be included to promote comparability of disclosures across jurisdictions.
Ceres	United States	Ceres supports the IAIS's emphasis on scenario analysis for assessing climate-related risks, and we commend the recommendation for disclosing scenario analysis results and their use in decision-making, which aligns with our call for transparency in climate risk management. The detailed guidance on disclosure content is valuable, particularly the emphasis on revealing assumptions and analytical choices. We appreciate the comprehensive list of climate scenario-conditional projections, especially indicators highlighting long-term insurability risks. While we understand confidentiality concerns, we caution against over-reliance on private supervisory reporting. To the extent possible, quantitative outputs and decision-making implications should be publicly disclosed to enable market discipline.
Global Federation of Insurance Associations (GFIA)	Global	Information needed to determine the listed asset-related indicators (Paragraph 28) is not available or only approximatively available. Therefore, disclosure should not be mandatory on this granular level. It should be considered carefully which of the indicators can be used for supervisory reporting and which for public disclosures. Some information is very sensitive, disclosure of these indicator should be avoided for reasons of competition law. GFIA does not think that insurers should be required to disclose the results of all of the scenario analyses they conduct. Such a requirement could discourage the use of scenario analysis in situations where it is needed. GFIA seconds the importance of the following sentence of Paragraph 29: "Due to confidentiality concerns, supervisory reporting may be more appropriate for quantitative outputs, method specifications, outcomes and decision-making derived from scenario analysis, with only a high-level summary required for public disclosures." In a first step, it should be considered very carefully which information needs to be publicly disclosed at all. In a second step, it should be evaluated which of the information really must be disclosed in a quantitative manner. These perspectives should be noted when establishing disclosure requirements for scenario analysis.

The Geneva Association	International	The IAIS should also be mindful about the public disclosure of certain climate-related information, particularly concerning metrics that are not well tested or cannot be interpreted consistently or established reliably due to inherent data challenges. If the focus of the application paper is to guide supervisors in requesting specific analysis from companies for their own consumption, and to aggregate and interpret this information for public reports as necessary on a high-level, non-quantitative basis only, this approach appears reasonable. However, suggesting that IAIS members request public disclosures of evolving metrics may have unintended consequences, particularly for publicly traded companies. The premature prescription of such metrics, without thorough testing and understanding, may result in confusion and misinterpretation by various stakeholders.
MSCI ESG Research LLC	United States of America	Rather than being overly prescriptive on exact scenario assumptions and models, we encourage supervisors to provide guidance on what is considered best practice for scenario methodologies while ensuring that insurers provide transparency on their scenario exercise conducted. It is critical to ensure that the climate scenario exercise is robust, challenging, considers multiple plausible scenarios, and is in line with the latest climate science, especially regarding physical risks. In certain aspects, this could be enhanced with recommendations for a more granular approach. Supervisors may consider leaving room for local authorities and even insurers themselves to develop their own scenarios. Additionally, we recommend that supervisors consider potential nonlinear impacts, networked impacts and market pricing-in dynamics for transition and physical risks.
E3G	United States	Insurance supervisors should consider a standardized framework for climate scenario analysis. In doing so, the IAIS is urged to cooperate with the Basel Committee on Banking Supervision in recent scenario analysis, consultation; albeit, taking into account differences between business models in the financial sector.
Natural Resources Defense Council	United States	Scenario analysis can help insurance companies understand and manage risk, protecting their financial stability and enabling them to continue providing essential services to their customers. It can complement current modeling where usable data is scarce, and highlight areas where data is lacking. We agree that where scenario analysis requirements are driven by materiality determinations, “comply or explain” approaches also provide supervisors with useful information. Explanations for non-materiality determinations provide insight into the perspective and assumptions of management and give supervisors the opportunity to consider the reasonableness thereof. Where materiality assessments are required, supervisors should require explanation as to why the metric or topic is considered immaterial and what methodology was used in reaching this conclusion.

Comments on section 3.3 Key criteria to improve the decision usefulness of indicators [IAIS Secretariat]		
General Insurance Association of Japan	Japan	In Paragraph 32, regarding transparency, the scope of the data illustrated is too broad, and the statement “Disclosures should extend to the key components of data” is too prescriptive. Firstly, it should be noted that, as stated in Section 3.2, information related to scenario analysis is not suitable for public disclosure from the perspectives of confidentiality and competition, and that supervisory reporting would be appropriate.
World Federation of Insurance Intermediaries WFII	global	Paragraph 32 We suggest to add here the criterium accessibility: • Accessibility: information should be easily accessible (per insurer or via a single access point) Attention could be paid on how the “self-insured” entity would access the information.
International Actuarial Association (IAA)	International	Para 32 - it is not easy to assess the reliability of climate-risk indicators given the long=term nature of the risk and the difficulty of isolating climate change impacts in short term data.
Finance Watch	EU	The key criteria outlined in the draft AP are consistent with ICP 14 and important to ensure the decision-usefulness of indicators. Caution is, however, to be taken on the forward looking perspective. It is important and right to include this perspective, but the results of the methodologies used must be checked for consistency against climate science and to include the impact of passing climate tipping points for example. These methodologies will also need to be regularly revisited and reviewed. Please also refer to our response to question 10 on the application of the principle of proportionality and the cost-benefit analysis. A starting point should not be to assume that climate-related disclosures will be less effective due to the cost of compliance, it should be to ensure that they are effective in providing material risk information.
FWD Group	Hong Kong	In respect of paragraph 32, we agree with the criteria for selecting indicators to give flexibility to the insurers and balance between efforts/resources required in reporting on the indicators versus the benefits/usefulness of the indicators for relevant audience’s decision making.

EHDEC Infra & Private Assets	Singapore	No comments.
Norges Bank Investment Management	NA	We suggest that reference to the ISSB S1 Appendix D Qualitative characteristics of useful sustainability-related financial information be included to promote a consistent level of decision usefulness and quality of information across jurisdictions and industries.
Ceres	United States	Ceres supports the focus on decision-useful climate risk indicators and emphasis on relevance, reliability, and forward-looking perspectives. These criteria are crucial for ensuring that climate risk disclosures drive meaningful action and inform long-term strategic planning. The inclusion of transparency as a key criterion is vital; Ceres has long advocated for full disclosure of data sources, limitations, and methodologies to enable stakeholders to properly assess and compare climate risk management across insurers. We appreciate the recognition of timeliness and fair presentation. Given the rapidly evolving nature of climate risk, up-to-date and unobscured information is essential for effective decision-making. While we understand the inclusion of cost-benefit considerations, we caution against using this criterion to limit necessary disclosures. The systemic nature of climate risk often justifies more comprehensive reporting, even if initially costly. Ceres recommends adding a criterion on comparability across insurers and over time, which is crucial for benchmarking and tracking progress in climate risk management.
Global Federation of Insurance Associations (GFIA)	Global	GFIA is concerned by the broadness of the scope of the data illustrated in Paragraph 32 regarding transparency and by the prescriptiveness of the statement "Disclosures should extend to the key components of data". It should be noted that, as stated in section 3.2, information related to scenario analysis is not suitable for public disclosure from the perspectives of confidentiality and competition, and that supervisory reporting may be appropriate. For example, the cost-benefit considerations bullet could be edited to say “Cost-benefit considerations: Decision usefulness should encompass an element of cost-benefit assessment consistent with the ICP principles on proportionality so as to account for the cost and accessibility of data, as well as if the data already is collected by the supervisor for a different purpose.”

Comments on section 3.4 Climate adaptation [IAIS Secretariat]		
Toronto Centre	Toronto	The Paper focuses solely on risks stemming from climate change and comprehensively addresses the issue. However, a case needs to be made for a more balanced approach to this Application Paper on Disclosure. In other words, climate change presents both risks and opportunities. Disclosure of opportunities could be captured under the Section on Adaptation. Climate change is a retrograde step in financial inclusion and gender equality. Many jurisdictions, particularly EMDEs, have market development as part of their regulatory remit. Financial inclusion is a critical outcome of market development. Supervisors and many stakeholders generally have a difficult time recognizing and accepting that there is a nexus between climate change, food security, and even biodiversity loss. In jurisdictions in the SSA region, Asia, South America, and the Caribbean, many smallholder farmers are women. In fact, it is accepted that they make a significant contribution to their countries' GDP. Increasingly, many of these EMDEs successfully make bold use of parametric /index insurance to battle the ravages of drought, floods, and extreme heat, to name a few, and secure their crops and food production. However, this effort needs greater involvement of regulators and policymakers to make parametric insurance a more widespread reality, as it has proven to be a success. In other words, more needs to be done. For example, supervisors have a role in engaging policymakers on this issue and utilizing blended and green finance to address climate-related risks further. In EMDEs, MFIs also have a critical role in using parametric insurance to aid farmers and, by extension, promote financial inclusion and gender equality. Finally, disclosures of adaptation measures reflected in the successful promotion of financial inclusion, gender equality, and food security should be considered. Again, the Paper needs more balance as this has the potential to influence users of financial statements to take appropriate enabling actions.
General Insurance Association of Japan	Japan	While Paragraph 33 describes that "Insurers can require that repairs carried out in response to a claim, for instance for flooding, be designed to reduce exposure from future perils", requirements for coverage beyond the ordinary scope (for example, “building back better”) would be difficult to establish in general, since most insurance products generally pay claims for flood damage based on the percentage of damage incurred. It would be beneficial to provide examples of insurance products where this approach is currently implemented. In addition,

		while the paragraph explains that "Insurers should clarify whether the information presented takes into account adaptation measures, especially where this results in a material difference to risk exposure", even if a product is developed based on climate adaptation, it would be extremely difficult to accurately predict the impact on risk exposure and thus to identify whether or not there would be a material difference.
Finance Watch	EU	Climate adaptation measures are important, but should also be put into the context of their actual impact on reducing a risk to be relevant for disclosures. If insurers simply disclose that they have taken an action this would not be decision–useful information, as it needs to be put in the context of the impact it has had.
EHDEC Infra & Private Assets	Singapore	We have published the paper Infrastructure Decarbonisation and Resilience Strategies2, which can serves as an essential guide for insurers seeking to incorporate effective climate adaptation measures mentioned in this section. By highlighting detailed strategies for building flood barriers, using water-resistant materials, enhancing energy efficiency, and employing renewable energy sources, the primer paper lists actionable strategies into how infrastructure can be designed or retrofitted to withstand the increasing impacts of climate change. This list of the strategies aligns with the emphasis of "building back better" to reduce the future risk exposure of insured assets and ensuring resilience against climate-related perils such as flooding, extreme heat, and wind. Additionally, since insurer should clarify whether the resilience and adaption measures are accounted in, our paper provides a solid foundation to evaluate the reliability of the clarification.
Financial Sector Conduct Authority (FSCA)	South Africa	- If insurers mandate that repairs related to claims, such as flood damage, be designed to mitigate future risks, it could indeed drive up the cost of insurance. For microinsurance products, this price increase might make the products less attractive, as affordability is often a key selling point. In such a scenario, consumers may opt for traditional insurance products that have established reputations and offer more comprehensive coverage. This shift could lead to a competitive disadvantage for microinsurance, as its value proposition relies heavily on affordability and accessibility for lower-income markets. - Balancing risk reduction with cost-effective solutions will be essential for the continued viability of microinsurance products in such instances.
Norges Bank Investment Management	NA	Additional guidance on disclosures related to climate adaptation would be helpful. In particular, insurers should disclose the processes by which they determine the extent to which adaptive measures must be undertaken as a condition of insurance coverage and affordability.

Ceres	United States	Ceres supports the inclusion of climate adaptation in the disclosure framework as mitigation and adaptation are crucial components of comprehensive climate risk management. We commend the recognition that adaptation measures can significantly reduce exposure to climate risk. The example of "building back better" in claims management is particularly relevant, demonstrating how insurers can play a proactive role in enhancing resilience. The recommendation for insurers to clarify whether their disclosures account for adaptation measures is critical, as this transparency allows stakeholders to better understand the true risk profile and the effectiveness of adaptation strategies. Ceres encourages the IAIS to go further in emphasizing the importance of adaptation. We recommend insurers be required to disclose: - Their overall strategy for promoting and incentivizing climate adaptation among policyholders - Specific adaptation measures they are implementing or requiring, categorized by risk type and region - Quantitative assessments of how adaptation measures are expected to reduce future claims and improve insurability in high-risk areas. We also suggest the IAIS highlight the potential for innovative insurance products that explicitly reward or require adaptive measures, as these can play a significant role in driving broader societal resilience.
Global Federation of Insurance Associations (GFIA)	Global	While Paragraph 33 describes that "Insurers can require that repairs carried out in response to a claim, for instance for flooding, be designed to reduce exposure from future perils", requirements for coverage beyond the ordinary scope (for example, "building back better") would be difficult to establish in general, since most insurance products generally pay claims for flood damage based on the percentage of damage incurred. It would be beneficial to provide examples of insurance products where this approach is currently implemented. In addition, while the paragraph explains that "Insurers should clarify whether the information presented takes into account adaptation measures, especially where this results in a material difference to risk exposure", even if a product is developed based on climate adaptation, it would be extremely difficult to accurately predict the impact on risk exposure and thus to identify whether or not there would be a material difference.
Natural Resources Defense Council	United States	Climate change can drive weather-related risks in certain regions to levels that are no longer insurable, eroding markets and shrinking profit pools. Resiliency measures are a critical means for climate-vulnerable communities to mitigate risks for insurability purposes. Investing in adaptation and resilience can both protect existing markets, and unlock new ones by improving the insurability of underserved communities, creating new business opportunities. Some estimates suggest that the insurance industry can close up to 30% of the existing protection gap by investing in climate adaptation and resilience, representing a $71 billion annual revenue opportunity for

		insurers while contributing to resilience for millions of consumers. This risk-reducing function means information on adaptation measures can be critical to assess insurer climate risk profiles. Accordingly, supervisors should require reporting from insurers on adaptation measures, in particular in instances where elevated climate risks or previous claims exist. Insurers can even take proactive measures to improve climate resilience and create business opportunities by collaborating with public entities to create public-private partnerships to finance adaptation projects. Not only can these initiatives mitigate climate risks faced by insurers, they can also help raise awareness of climate risks and opportunistically develop solutions to protect people around the world.
Comments on section 3.5 Recommendations		
Toronto Centre	Toronto	TC agrees with the recommendation that supervisors guide insurers. However, supervisors may have to provide more detailed guidance, including recommending the type of data and methods to be used.
General Insurance Association of Japan	Japan	Paragraph 34: In line with the intent of the application paper (described in Paragraph 11), we suggest adding the following phrase to the end of Paragraph 34: " ,taking into account internationally agreed climate disclosure frameworks and frameworks developed by jurisdictional standard setters as well" We basically agree with the statement in Paragraph 35 "supervisors should encourage the development and adoption of standardised indicators and disclosure formats for climate-related risk, which will need to recognize different business models". While standard indicators and disclosure formats improve comparability, they may also require a uniform response from all insurers. In considering standard indicators and disclosure formats, it is important to follow the proportionality principle (as explained in Paragraph 19). We suggest adding an explanation about the necessity of considering the proportionality principle in Paragraph 35. We also suggest adding that, if standard indicators and disclosure formats are developed and adopted, they should be fully coordinated with other jurisdictions from the perspective of global comparability.
Finance Watch	EU	The recommendations cover key points for insurance supervisors and insurers to improve climate-related disclosures. In particular, the recommendation for supervisors to “encourage development and adoption of standardised indicators and disclosure formats for climate-related risk” is welcome. However, this should not only

		happen at the jurisdictional level, but through a coordinating role of the IAIS that would promote credible and globally compatible/interoperable climate-risk disclosures. A key missing element remains a reference to transition plans, which are a legislative requirement in certain jurisdictions like the EU and should be a key part of effective climate-related disclosures under the ICPs.
EHDEC Infra & Private Assets	Singapore	No comments.
Norges Bank Investment Management	NA	We support the recommendation to integrate climate considerations into disclosure regimes through expectations or guidance and for supervisors to encourage the development and adoption of standardised indicators which allow for business model specificities. This is the most effective way to deliver globally comparable information for investors and reduce the reporting burden for companies. Global standardisation of investor-focussed climate disclosures will enable investors to accurately assess and benchmark existing and potential portfolio companies. As a company's assessment of what constitutes material information will largely depend on its industry and the geographical location of its activities across its wider value chain, expectations or guidance from insurance supervisors for insurance firms will enhance the relevance, decision usefulness and comparability of disclosures across jurisdictions. We also support the recommendations for transparency and consistency in data sources and calculation methodologies, and for the use of forward looking indicators, which are aligned with our expectations for companies on climate change and with the ISSB requirements.
Ceres	United States	Ceres strongly supports these recommendations for integrating climate risk considerations into disclosure regimes and applauds the emphasis on standardization, transparency, and forward-looking indicators. The call for regular updates and reviews of climate-related indicators is crucial given the evolving nature of climate risk. However, Ceres recommends the IAIS go further by: - Recommending mandatory, rather than voluntary, climate risk disclosure - Explicitly including scenario analysis disclosure, with at least one 1.5°C-aligned scenario. - Setting clear implementation timelines for these disclosure requirements - Calling for disclosure on insurers' strategies for managing both climate risks and opportunities, including transition plans While these recommendations provide a strong foundation, Ceres believes more ambitious and specific guidance is needed to drive rapid improvements in climate risk disclosures, given the urgency of the climate crisis.

Global Federation of Insurance Associations (GFIA)	Global	In line with the intent of the application paper (described in Paragraph 11), GFIA suggests revising Paragraph 34 as follows: "Integrating climate considerations into disclosure regimes: supervisors should consider revising expectations or providing guidance to clarify how material climate-related risk exposures should be disclosed to meet the ICP 20 requirements, as for any other material risk, taking into account internationally agreed climate disclosure frameworks as well as frameworks developed by jurisdictional standard setters." GFIA agrees with the statement in Paragraph 35 "supervisors should encourage the development and adoption of standardised indicators and disclosure formats for climate-related risk, which will need to recognise different business models". While standard indicators and disclosure formats improve comparability, they may also require a uniform response from all insurers. In considering standard indicators and disclosure formats, it is important to follow the proportionality principle (as explained in Paragraph 19). GFIA suggests adding an explanation about the necessity of considering the proportionality principle in Paragraph 35. Additionally, it could be added that if standard indicators and disclosure formats are developed and adopted, they should be fully coordinated with other jurisdictions from the perspective of global comparability.
General comments on section 4 Considerations for supervisory reporting of climate-related risks		
Finance Watch	EU	The draft AP should explicitly highlight that transition plans are an important source of data and information on climate-related risks for the insurance sector. The draft AP should also cover ICP 9.2 and ensure that supervisory plans make explicit provisions to take into account climate risk, as mentioned in the response to question 4.
EHDEC Infra & Private Assets	Singapore	No comments.
Public Citizen	United States	Public Citizen supports the integration of climate-related financial risks into supervisory reporting.
Norges Bank Investment Management	NA	No comment

Ceres	United States	Ceres supports this comprehensive approach to integrating climate risk into supervisory reporting frameworks and applauds the recognition that climate risk is a driver of risks within existing categories and should therefore be fully incorporated into supervisory oversight. The emphasis on both prudential and conduct risks is important, and we appreciate the focus on how climate risks can affect consumer outcomes, including changes in pricing, coverage availability, and market stability, as it acknowledges the broader societal impacts of climate change. We endorse the call for more granular and detailed reporting on climate risk including geolocation data and sector-specific information. This level of detail is essential for fully understanding and managing climate risk. The acknowledgement of data challenges, including the difficulty of translating climate data into financial risks, is important. We appreciate the IAIS's practical suggestions for addressing these issues, such as initial qualitative reporting on data gaps and uncertainties.
The Geneva Association	International	The IAIS focus on disclosure should be on supervisory reporting and not public disclosure. The IAIS should advocate for supervisors to leverage public information as much as possible and to define a clear need for further data requests in advance.
MSCI ESG Research LLC	United States of America	When addressing climate-related financial risks, it is important for insurers to take a forward-looking perspective. For example, taking into account and assessing the climate-related commitments of insurance clients would be critical. These could be assessed by considering specific KPIs such as low-carbon capital expenditures, the inclusion of material emission scopes, the validation of commitments by a third party, and whether short-, medium- and long-term commitments are in place that are underpinned by robust net-zero transition plans. Based on these forward-looking plans, MSCI also encourages the disclosure of an alignment metric to understand the distance of the insurance liabilities from a net-zero pathway.
E3G	United States	E3G supports the integration of climate-related financial risks into supervisory reporting.
Comments on section 4.1 Understanding different climate-related risks		
International Actuarial	International	Para 43: There are different concepts of materiality used in existing sustainability disclosure standards. It would be helpful to elaborate on how these relate to the understanding of materiality as has been used in ICP's.

Association (IAA)		
American Property Casualty Insurance Association (APCIA)	USA	The last three sentences of paragraph 43 could be read to imply that supervisors should have the power to keep insurers from withdrawing from markets. We would strongly oppose such a restriction. Keeping insurers in markets from which they need to withdraw in order to protect their other policyholders will jeopardize those companies' solvency, as well as discourage other companies from moving into those markets lest they be trapped if things go wrong.
Finance Watch	EU	The focus of this section on impact on policyholders and conduct risk is welcome, in particular on loss trends. This is crucial information to inform considerations on the NatCat protection gap in particular. Again there is a missing reference to transition plans in the prudential bullet point section, as already outlined in the response.
EHDEC Infra & Private Assets	Singapore	No comments.
Financial Sector Conduct Authority (FSCA)	South Africa	- The FSCA is developing a return for reporting on market conduct indicators. This return could also contain questions relating to climate matters from a product design, claims, complaints, policy persistency perspective.
Public Citizen	United States	Supervisors should require insurers to disclose the extent to which they expect to reduce their exposure to physical risk over time by either increasing policyholders' premiums or by dropping policyholders. Most policyholders are only so price-elastic and withdrawals from large areas can create substantial impacts on the broader economy. In addition to data on claims, granular data on premiums, policies, and non-renewals or cancellations should also be reported. This should be made publicly available in order to support independent analysis by researchers, academics, and consumer advocates. Supervisors should analyze this data along with physical climate risk data as well as data on demographics to evaluate affordability and accessibility of insurance, particularly for vulnerable policyholders.

Norges Bank Investment Management	NA	No comment
Ceres	United States	Ceres supports the IAIS's emphasis on capturing climate-related risks in supervisory reporting and commend the comprehensive approach that considers both prudential and conduct risks, as climate change has far-reaching implications for both the insurance sector and society as a whole. On prudential risks, we agree that supervisory reporting is crucial for assessing the robustness of insurers' risk management, compliance, and governance processes related to climate risk. We appreciate the focus on capital adequacy, as ensuring insurers have sufficient resources to cover climate-related risk is essential for long-term stability. Regarding conduct risks, we endorse the focus on potential negative impacts on policyholders and broader consumer outcomes. The emphasis on granular claims reporting and early warning signs for market withdrawals is also key, as climate risk has already exacerbated insurance availability and affordability issues, particularly for vulnerable communities. We appreciate the IAIS's recognition of the potential "collective action problem" where individual insurers' rational decisions could negatively impact the overall market. This highlights the need for a coordinated, industry-wide approach to managing climate risk. Ceres recommends strengthening this section in several ways: - Encourage supervisors to require reporting on insurers' efforts to promote climate resilience among policyholders, which can help mitigate both prudential and conduct risks - Recommend that supervisors assess and report on the systemic risks that climate change poses to insurance markets beyond risks to individual insurers - Suggest that supervisors require insurers to report on how they are incorporating climate justice considerations into their risk management and product development processes
MSCI ESG Research LLC	United States of America	In certain high-risk regions, climate risk may become uninsurable where policies are too expensive for households and businesses after insurers adequately price such risk. This could reduce insurance demand in these regions and adversely affect insurers' profitability. We believe it is important for insurers to better understand the impact of this trend at the location level and supervisors may consider requiring insurers to take into account their clients' locations if they are situated in regions that could potentially experience large premium hikes due to climate risks.
E3G	United States	Transition plan disclosures and reporting to supervisors should be in accordance with ISSB standards, and evolving ISSB work on transition plans, noted above. Areas that may warrant guidance include the extent to which insurers expect to reduce their exposure to physical

		risk over time, by either increasing policyholders' premiums or by dropping policyholders. This is because these developments could have macro-economic impacts. For example, most policyholders are only so price-elastic and withdrawals from large areas can create substantial impacts on the broader economy. Data on claims, granular data on premiums, policies, and non-renewals or cancellations should also be reported regularly and transparently and in an easily accessible manner. Prompt publication supports supervisors' ability to better assess the potential build of systemic risks, and thus whether such risks should be addressed by the use of micro or macro-prudential tools. Preliminary analysis is underway, e.g., BIS paper, but much more work remains. See recent work by the European Central Bank. Such data can also play a role, when combined with physical climate risk data, to evaluate affordability and accessibility of insurance, particularly for vulnerable policyholders.
Natural Resources Defense Council	United States	Supervisors should require that insurer reporting include material climate-related risk information. This will help supervisors understand where policyholders may be exposed to risk, especially in light of the rising unaffordability or lack of availability of insurance in some areas. The reporting must be sufficiently granular to provide supervisors with insight into loss and pricing trends that occur. Supervisors can use climate-related risk information to understand the potential cumulative effects of individual insurer coverage decisions and tailor their supervisory actions accordingly to mitigate negative outcomes. This is particularly important for lower-income and disadvantaged communities. In particular, as noted in the draft guidance, supervisors can seek to anticipate rational financial decisions by insurers to reduce climate-related exposures. Where those decisions may have broader negative effects on the insurance market, advance warning of such developments can give supervisors additional time to determine a response.
Comments on section 4.2 Supervisory reporting examples		
EHDEC Infra & Private Assets	Singapore	No comments.
Public Citizen	United States	In addition to requiring insurers to report on current risk exposures, supervisors should require insurers to report on future risk exposures. Given the nonlinear and uncertain ways climate risk will materialize, as well as current data gaps, qualitative projections may be most appropriate. Insurers should also report to supervisors on their plans to mitigate current and future climate risk exposures. In particular, insurers should be required to engage in and report on transition planning to align activities and investments with science-based emissions reduction targets.

		Disclosure of transition plans are essential not just for supervisors but also policyholders and other market participants in order to evaluate whether an insurer is making credible public commitments and whether the management has a credible plan to meet stated goals. Insurers can also use climate scenario analysis as a tool to evaluate how to meet specific emissions reduction and risk management goals. Climate scenario analysis can inform strategic planning for transitioning and adaptation to mitigate and prevent climate risk, instead of being used solely as a tool to measure exogenous risks. [2] [2] https://www.citizen.org/wp-content/uploads/BCBS-scenario-analysis-comment.pdf
Norges Bank Investment Management	NA	No comment
Ceres	United States	We support the IAIS's three-category approach to climate risk reporting: quantitative, qualitative, and governance, and its focus on quantitative exposure data, qualitative risk evolution narratives, and governance integration of climate risks. To strengthen this framework, Ceres recommends: - Expanding qualitative reporting to cover climate risk management strategies and transition plans - Enhancing governance reporting to include board-level climate oversight and relevant executive compensation structures
E3G	United States	Insurers can also use climate scenario analysis as a tool to evaluate how to meet specific emissions reduction and risk management goals. Climate scenario analysis can inform strategic planning for transitioning and adaptation to mitigate and prevent climate risk, instead of being used solely as a tool to measure exogenous risks.
Comments on section 4.3 Supervisor-level data issues		
General Insurance Association of Japan	Japan	While Table 3 explains that "Reported information on climate-related risks often lacks the required granularity..." and illustrates examples of solutions, if additional information is required to be reported by insurers, due consideration should be given to a balance between the usefulness of the information and whether it would be an undue burden on insurers. Table 3 (first item, left side column): As the draft could lead to the misunderstanding that many insurers'

		disclosures are not appropriate, we suggest revising the sentence as follows: Lack of granularity of exposures: In some cases, reported information on climate-related risks lacks the required granularity to translate the reported data into risks as set out in ICP 9.1.6 to understand the insurer's risk profile.
Finance Watch	EU	This section should look at the preventative role that supervisors have under ICP 9, not just the corrective role when it comes to data issues. The key example would be in relation to historical data being considerably less reliable, as outlined in table 3. Rather than only ensuring that uncertainties and gaps are communicated by insurers, supervisors should work on developing common approaches to assessing and measuring climate-related financial risks. Finance Watch's policy brief published on 17 October proposes a possible concept to assess climate-related transition risk as a "risk of deviation" from the Paris-compatible transition path (https://www.finance-watch.org/policy-portal/sustainable-finance/safe-transition-planning-for-banks-recommendations-on-eus-new-prudential-transition-plans/). This concept should be further developed and elaborated on to design common risk assessment methodologies. Supervisors should also look at taking a precautionary approach to high-stranding risk sectors for example. There are cases, as outlined in the latest work by EIOPA on the prudential treatment of sustainability risks (https://www.eiopa.europa.eu/document/download/540706b0-16a3-4990-8dbb-3280726fb1e8_en?filename=Consultation%20Paper%20on%20the%20Prudential%20Treatment%20of%20Sustainability%20Risks.pdf), where high carbon industry risks are currently underpriced.
FWD Group	Hong Kong	In respect of Table 3, we suggest including "lack of reliable forward-looking data that is needed to assess longer-term climate-related risks" as an issue to the list of disclosure challenges.
EHDEC Infra & Private Assets	Singapore	Table 3 in the draft Application Paper lists the data issues faced by supervisors and some potential solutions. In fact, we has noticed these issues and thus provides the data and methodologies in infrastructure investment to help the industry to conquer these issues. To address the issues of "Lack of granularity of exposures", we provide very granular level information and methodologies about infrastructure investment on the following aspects to help the insurance sector overcome the granularity issue: - Material climate risk factors. N. Manocha and F. Blanc-Brude (https://publishing.edhecinfra.com/papers/2021_blanc-brude_manocha.pdf)

		systematically explores the infrastructure investments' ESG impact and the risks faced by them. It proposes an ESG taxonomy that categorizes ESG risks and impacts into a structured framework to assess material climate related risks. - Detailed sector classification: TICCS® (The Infrastructure Company Classification Standard, https://scientificinfra.com/) uses four main pillars (i.e. business risk, industrial activity, geo-economic exposure, and corporate structure) to better classify infrastructure investments by associating the asset activities with the financial risk profiles. - Asset level geolocation data and physical risk We publish the methodology to estimate the asset-level physical risk based on the asset geolocation and hazard type, as shown by F. Blanc-Brude et.al.(https://scientificinfra.com/paper/physical-risks-the-cost-of-capital-of-infrastructure-investments-flood-damage-factor-estimation-and-bond-yields-in-u-s-airports/). By using these asset level data and methodologies, supervisors and insurers can have a comprehensive view on how the physical risk could be significant on portfolio level. For example, through this bottom-up approach, N. Amenc et.al.(https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4784951) estimates that investors could lose more than 50% of the value of their portfolios by 2050 due to physical climate risks, particularly in sectors like transport and energy. - Decarbonisation and resilience strategies We have published a primer2 for the transition and adaptation strategy investment as mentioned in Comments on section 3.4 To address the issue of "Inability to translate collected data into risks", we recommend the supervisors can reference more scientific approaches studied in the financial industry. For example, the paper by B. Jayles and J. Shen(https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4779788) bridges the gap between raw climate data and actionable financial risk metrics by integrating climate scenarios, asset-level characteristics, and financial models. The methodology uses the forward-looking climate scenarios to project their impact on infrastructure investments future cashflows and discount rates. And thus it estimates the climate related financial risks through Net Asset Value (NAV) of each asset. Further, the risk indicators like EBITDA-at-risk, potential shocks of asset values and carbon intensity per revenue can be quantified at various horizons under different climate scenarios. We emphasis this methodology can be extended into more asset classes other than infrastructure investment.
Public Citizen	United States	We support addressing the disclosure challenges outlined in this section. Significant data and methodological gaps currently impede high quality quantitative climate risk assessment. Supervisory resources should be dedicated to improving quantitative data and methods. But supervisor responses cannot wait for quantitative approaches to be perfected. In the interim, scientific climate risk projections should be used where financial risk data is unavailable.

		Supervisors should also work with insurers to make qualitative or mixed method approaches more robust, standardized, and decision-useful. Supervisors should also be mindful that climate change requires a forward-looking approach that recognizes the radical uncertainty and increasing severity of climate-related financial risks. Backward looking data will be of limited use in understanding the scope and scale of climate risk in the future. Insurers should not be overly reliant on backward-looking climate risk data to inform future assessments of climate risk.
Norges Bank Investment Management	NA	No comment
Ceres	United States	Ceres supports the recognition of data challenges in climate risk reporting and the proposed solutions, as robust data is crucial for effective climate risk management and supervision. Granular elements, such as weather-related losses, sector-specific investments, and geolocation data are essential for a comprehensive understanding of total climate risk. The acknowledgement of challenges in translating data into risk assessments is important, and we appreciate the suggestion for qualitative reporting on data gaps and difficulties, as this can drive improvements over time. The recognition of the unique aspects of climate risk assessment, including longer time horizons and evolving methodologies, is significant. We support the call for transparent communication of uncertainties in climate risk modeling. To further strengthen this approach, Ceres recommends: - Encouraging collaboration between insurers, regulators, and climate scientists to improve data quality and risk assessment methodologies - Promoting standardization of climate risk metrics and reporting formats to enhance comparability - Urging supervisors to require scenario analysis that includes both transition and physical risks under various climate trajectories - Emphasizing the need for forward-looking indicators that capture potential future risks, not just historical data
E3G	United States	We support addressing the disclosure challenges outlined in this section. Significant data and methodological gaps currently impede high quality quantitative climate risk assessment. Supervisory resources should be dedicated to improving quantitative data and methods. Supervisors should also work with insurers to make qualitative or mixed method approaches more robust, standardized, and decision-useful and that climate scientists inform this work. Supervisors should also be mindful that climate change requires a forward-looking approach that recognizes the radical uncertainty and increasing severity of climate-related financial risks. Backward looking data will be of limited use in understanding the scope and scale of climate risk in the

		future. Insurers should not be overly reliant on backward-looking climate risk data to inform future assessments of climate risk.
Comments on section 4.4 Group versus entity level reporting		
FWD Group	Hong Kong	In respect of paragraph 46, in exploring whether supervisory reporting would be required at the local entity level, allowance should be made to avoid duplication of work and undue cost and resources needed to provide both group and local supervisory reports.
EHDEC Infra & Private Assets	Singapore	No comments.
Norges Bank Investment Management	NA	No comment
Ceres	United States	Ceres advocates for maintaining supervisory reporting at the local entity level as the foundation of climate risk disclosure, as local reporting provides essential granular insights into jurisdiction-specific risks and ensures compliance with local regulatory requirements. This granularity is vital for accurately assessing and addressing climate risks in diverse markets. While we see the potential benefits in consolidated reporting, we caution against over-reliance on this approach. Consolidated reports should complement, not replace, local entity reporting, and should provide clear breakdowns by jurisdiction and adhere to the highest standards across all relevant regulatory frameworks. Regarding the use of group reporting from another jurisdiction as a substitute, we hold significant reservations. Climate risks and regulatory landscapes can vary dramatically between jurisdictions, and a one-size-fits-all approach may overlook critical local nuances. If group reporting is considered, we recommend implementing a rigorous equivalence assessment process and requiring supplementary local reporting on jurisdiction-specific risks and compliance issues. To address the IAIS's concern about ensuring local compliance and insights, we suggest developing a standardized yet adaptable climate risk reporting framework. This framework should maintain global comparability while allowing for local contextualization. We also recommend a tiered reporting system where detailed local reports feed into comprehensive group-level disclosures, ensuring both granularity and holistic oversight.

Comments on section 4.5 Supervisory actions in response to information received		
General Insurance Association of Japan	Japan	While Paragraph 48 includes an example of engaging with insurers that have material exposure to carbon-intensive industries, the expected content of such engagement should be clarified. In engaging with insurers, consideration should be given not only to the reduction of exposure to carbon-intensive industries, but also to the transition support provided by insurers.
EHDEC Infra & Private Assets	Singapore	No comments.
Norges Bank Investment Management	NA	No comment
Ceres	United States	Ceres supports the IAIS's emphasis on clear, two-way communication between supervisors and insurers. This approach is crucial for developing a comprehensive understanding of climate risk and fostering innovative solutions. We appreciate the recognition that climate risk management is rapidly evolving, necessitating ongoing dialogue and flexibility in supervisory approaches. The proposed combination of sector-wide and insurer-specific communication strategies is commendable, and we believe this dual approach will effectively raise awareness and promote transparency around supervisory expectations. Ceres encourages supervisors to go further by actively facilitating knowledge-sharing among insurers, perhaps through regular industry forums or working groups focused on climate risk management best practices. We strongly support the suggested applications of supervisory reporting data: - Tailored supervisory discussions based on reported data will enable more effective allocation of supervisory resources and allow for targeted engagement with insurers facing material climate risks - Benchmarking and sharing emerging best practices can significantly accelerate the sector's capabilities in managing climate risk. We recommend that supervisors not only identify best practices but also actively promote their adoption across the industry - Identifying data gaps is critical. We urge supervisors to take a proactive role in addressing these gaps, potentially by collaborating with insurers, climate scientists, and data providers to develop standardized metrics and data collection methodologies
Global Federation of Insurance	Global	While Paragraph 48 includes an example of engaging with insurers that have material exposure to carbon-intensive industries, the expected content of such engagement should be clarified. In engaging with insurers, consideration

Associations (GFIA)		should be given not only to the reduction of exposure to carbon-intensive industries, but also to the transition support provided by insurers.
Comments on section 4.6 Recommendations		
Toronto Centre	Toronto	Supervisors are actively engaged in efforts to incorporate climate risk into their frameworks. Both quantitative and qualitative data will be required. Supervisors should review the inclusion of climate risk in areas such as risk management, strategic plans, internal audit, and corporate governance.
Insurance Europe	Europe	Paragraph 53 is supported: "Supervisors should undertake a gap analysis of the information available to understand insurers' impact of physical and transition climate-related risk will vary by jurisdiction. Supervisors should consider whether existing disclosure, supervisory reporting or other mechanisms such as Own Risk and Solvency Assessments (ORSAs) or ad hoc scenario analysis exercises are providing them with the information they need to assess climate-related risks." In Europe, supervisors should take into account the upcoming sustainability statements in accordance with the Corporate Sustainability Reporting Directive (CSRD statement) and, if applicable, supplement them with the IFRS Sustainability Disclosure Standards (ISSB SDS). The CSRD requires all large companies and all listed companies (except listed micro-enterprises) to disclose information on what they see as the risks and opportunities arising from social and environmental issues (financial materiality), and on the impact of their activities on people and the environment (impact materiality). The CSRD also requires assurance on the sustainability information that companies report and will provide for the digital taxonomy of sustainability information. Such a CSRD statement may improve the availability of relevant information over time. And this could support supervisors in their assessment of climate-related risks.
Finance Watch	EU	As outlined in the responses to questions 21 and 19 the recommendations should cover the use of transition plans, the development of harmonised methodologies for climate risk assessments and a precautionary approach by supervisors faced with data issues in particular. Finance Watch supports explicit integration of climate-related risks into insurers' ORSAs.

		The recommendations to undertake gap analysis, ensure agile and adaptable frameworks and supervisory training are key to keep pace with climate-related risk developments.
National Association of Insurance Commissioners (NAIC)	USA, NAIC	Suggest the following editorial change to Para. 55: Consistent with ICP 9.0.2, supervisors should, when necessary, provide their staff with the tools and training to understand how to interpret and challenge assumptions presented in the reporting of climate-related risk.
FWD Group	Hong Kong	In respect of paragraph 54, we agree that (i) it might be difficult to collect longitudinal data; (ii) the costs of reporting regimes to assess this risk may be relatively high; and (iii) supervisors and insurers should look to develop a relatively agile and flexible/adaptable reporting framework.
EHDEC Infra & Private Assets	Singapore	Comments on section 4.6.1 We recognize the benefits of integrating climate-related risks into existing financial metrics, as well as the alignment with the ICPs' approach to integrating climate risk disclosures into the current reporting framework. However, we notice there are the technical challenges to clearly distinguish between climate-related risks and other financial risks raised from other sources, which could lead to the ambiguities in managing and reporting these risks. Additionally, if climate risk and other financial risks are reported separately, there also remains the concern of potential double-counting of certain risk factors. For instance, differentiating the risk stemming from rising probability of defaults (PDs) due to market conditions only versus those driven by climate change can be complex. We suggest that IAIS provide more detailed guidance on the integration process to ensure that the treatment of these risks remains clear, consistent, and avoids duplication.
Public Citizen	United States	We support the integration of climate risk data into quantitative disclosures and ultimately into financial statements, but more work is needed on methodologies for credibility and comparability of results. Supervisors should continue to use and improve both quantitative and qualitative approaches and rely on scientific climate risk projections when financial data is unavailable. We support the need for supervisors to train staff on the unique nature of climate risks as well as climate-risk data and methodologies. Staff should also be trained on how to engage critically with climate risk data and models provided by third party providers.

Norges Bank Investment Management	NA	No comment
Ceres	United States	Ceres commends the IAIS for its comprehensive recommendations on supervisory reporting for climate risk in the insurance sector. As an organization dedicated to advancing sustainable business practices and addressing climate-related financial risks, we offer the following perspectives on the key recommendations: Clear Communication of Supervisory Strategy: - We strongly support the IAIS's emphasis on integrating climate risk into supervisory reporting where material. The recommendation to clarify how these risks will be monitored and discussed aligns with our view that transparency and clear communication are crucial for effective climate risk management. We appreciate the call for a holistic approach to information disclosure, balancing public disclosure with confidential supervisory reporting. This approach addresses the need for detailed, quantitative information for supervisors while respecting insurers' concerns about commercial sensitivity. We encourage supervisors to provide clear guidance on the specific climate-related metric and data points they expect insurers to report. Gap Analysis: - The recommendation to undertake a gap analysis is also a crucial component. Ceres recommends supervisors to be thorough in this process, engaging with insurers, climate experts, and other stakeholders to identify information needs and potential data gaps. The suggestion to include specific questions or attestations about climate risk integration in supervisory reporting is a practical step that we fully endorse. Evolving Supervisory Reporting Frameworks: - We appreciate the draft paper's recognition that climate risk measurement methods are rapidly evolving. The call for agile and adaptable reporting frameworks is essential. We encourage supervisors to regularly review and update their reporting requirements to reflect advances in climate science and risk assessment methodologies. However, we also urge the development of some consistent, core metrics to enable trend analysis over time. Supervisory Training: - The emphasis on supervisory training is commendable. Ceres supports the recommendation for supervisors to provide their staff with tools and training to interpret and challenge assumptions in climate-related risk reporting. We suggest that this training should be ongoing and include collaboration with climate scientists and other relevant experts, such as financial or securities regulators, to ensure supervisors stay current with the latest developments.

		Addressing Time Lags: - Ceres applauds the IAIS for highlighting the potential time lag between emerging climate science and its integration into economic and financial models. We encourage supervisors to develop mechanisms for rapid incorporation of new climate data and to require insurers to regularly update their risk assessment models.
Global Federation of Insurance Associations (GFIA)	Global	GFIA supports Paragraph 53: "Supervisors should undertake a gap analysis of the information available to understand insurers' impact of physical and transition climate-related risk will vary by jurisdiction. Supervisors should consider whether existing disclosure, supervisory reporting or other mechanisms such as Own Risk and Solvency Assessments (ORSAs) or ad hoc scenario analysis exercises are providing them with the information they need to assess climate-related risks." Thus, in Europe, supervisors should take into account the upcoming sustainability statements in accordance with the Corporate Sustainability Reporting Directive (CSRD statement) and, if applicable, supplemented by the IFRS Sustainability Disclosure Standards (ISSB SDS). The CSRD requires all large companies and all listed companies (except listed micro-enterprises) to disclose information on what they see as the risks and opportunities arising from social and environmental issues (financial materiality), and on the impact of their activities on people and the environment (impact materiality). The CSRD also requires assurance on the sustainability information that companies report and will provide for the digital taxonomy of sustainability information. In GFIA's view, such a CSRD statement may improve the availability of relevant information over time, and could support the supervisors in their assessment of satisfying any additional information requirements it may have to assess climate-related risks. Furthermore, supervisors around the world should take into account that their countries might have already endorsed or might consider endorsing the IFRS Sustainability Disclosure Standards (ISSB SDS) for certain types of companies. Depending on the endorsement, the ISSB reports will be subject to assurance and a digital taxonomy, too. These ISSB reports are as well a valuable source for the gap analysis that is suggest in Paragraph 53 in the draft.
Institute of International Finance (IIF)	United States	Reports to supervisors and the discussion of those reports in supervisory colleges should be subject to confidentiality provisions. We appreciate the recognition of commercial sensitivity and client confidentiality and the recommendations around confidentiality in the first bullet under Paragraph 50 but we would change the wording of the third sentence of the first bullet to: Such information should only be provided on a confidential basis to supervisors in order to address insurers' concerns around commercial sensitivity and client confidentiality.

E3G	United States	More work is needed on methodologies for credibility and comparability of results. Supervisors should continue to use and improve both quantitative and qualitative approaches, and that can effectively incorporate scientific climate risk projections. We support the need for supervisors to train staff on the unique nature of climate risks, as well as climate-risk data and methodologies. Climate science expertise needs to be embedded 'onsite' both training purposes, as well as ongoing operational oversight and analysis. Staff should also be trained on how to engage critically with climate risk data and models provided by third party providers.
Natural Resources Defense Council	United States	Supervisors must integrate climate-related risk data into their mandatory reporting requirements. They should establish clear explanations on how the information will be used to assess and monitor both the solvency and financial stability of supervised entities and the coverage implications for the insured. This information is critical to make risk disclosures meaningful and useful for supervisors, policyholders and investors. Climate change has already impacted consumers as insurance policy premiums have increased and climate-vulnerable regions have been abandoned by the insurers. Supervisors need granular, property-level claims and policy data from insurers to properly analyze loss trends and the market impact of insurer decisions. Moreover, consistent with 4.6.1, supervisors should clearly communicate what information can be public, and what information may retain confidentiality. Assuming that non-confidential information can be accessed by the public, climate-vulnerable communities can begin the process of assessing vulnerabilities and begin exploring solutions.
General comments on section 5 Governance for climate-related risk disclosure		
International Actuarial Association (IAA)	International	Para 63: It is difficult currently to demonstrate the effectiveness of an insurer's corporate governance framework in relation to climate-related risks as the major impact of these is still expected in future time periods.
EHDEC Infra & Private Assets	Singapore	No comments.
Public Citizen	United States	Public Citizen supports the integration of climate risk into governance related disclosure and the disclosure of ERM processes used in identifying, measuring, monitoring and managing climate-related risks.

Ceres	United States	Ceres commends the IAIS for its guidance on governance for climate risk disclosure in the insurance sector. The emphasis on integrating climate risk considerations into existing corporate governance frameworks, aligning with ICPs 7, 8, and 20, is particularly noteworthy. This approach ensures that climate risks are treated as fundamental to insurers' overall risk management strategies rather than as separate concerns. We strongly support the recommendations for detailed disclosure of governance structures, including board and senior management responsibilities, and the integration of climate risks into enterprise risk management processes. The outlined roles for various control functions in climate risk disclosure demonstrate a comprehensive approach that should enhance the rigor and effectiveness of climate risk governance. Ceres has extensive information on the important role of the board through our Governance resources. Here is one example https://www.ceres.org/resources/reports/running-risk-how-corporate-boards-can-oversee-environmental-social-and-governance Ceres also offers, as a resource, an online course with the Ross School of Management at University of Michigan. https://michiganross.umich.edu/programs/executive-education/building-board-expertise-sustainability?event=9734 While the guidance is robust, Ceres encourages even greater emphasis on forward-looking governance practices and stakeholder engagement. Given the evolving nature of climate risk, insurers' governance structures must be adaptable and capable of incorporating new climate science and risk assessment methodologies. We also suggest that supervisors provide clear guidance on determining materiality in the context of climate risk, considering their unique long-term and systemic nature. Overall, this guidance represents a significant step forward in promoting effective climate risk governance and disclosure in the insurance sector, and we urge supervisors to implement these recommendations while remaining flexible to incorporate emerging best practices and scientific understanding.
E3G	United States	E3G supports the integration of climate risk into governance related disclosure and the disclosure of enterprise risk management processes used in identifying, measuring, monitoring and managing climate-related risks.
Comments on section 5.1 Setting regulatory governance expectations and exploring governance structures		
General Insurance Association of Japan	Japan	Table 4: As a role of "Legal and compliance", we suggest adding "responding to lawsuits associated with disclosures".

Finance Watch	EU	In this section and in the recommendations the draft AP should also refer to remuneration of the board and senior management. It should recommend that insurers disclose whether or not their remuneration is linked to ensure the integration of climate-related risks and the achievement of climate targets, commitment or policies set by the insurer.
FWD Group	Hong Kong	In respect of paragraph 65 and Table 4 (Role of control functions in developing climate-related risk disclosure), we respectfully disagree that the risk management function should be responsible for all climate-related risks. Respective risk owners should be responsible for managing the climate related risks. We respectfully disagree with the inclusion of Table 4 as it should be the management's discretion to decide the role and responsibilities (R&R) of disclosure governance. Including the table in this Application Paper creates an expectation that such R&R structure will need to be followed as per various jurisdiction regulatory culture, regardless of the intention that the table is for reference only.
EHDEC Infra & Private Assets	Singapore	No comments.
Norges Bank Investment Management	NA	We support the setting of regulatory governance expectations pertaining to climate risk. We recommend that the disclosure requirements on governance Paragraphs 5-7 of ISSB S2 be included to enhance comparability and completeness of disclosures. In addition, climate-related financial disclosures should be subject to similar governance procedures as financial disclosures, with a final sign-off from the board. For investors to confidently use climate-related financial information, it needs to be readily accessible and subject to similar quality controls as other information that companies provide to financial markets, where applicable.
Ceres	United States	Ceres supports the IAIS's comprehensive guidance on climate-specific governance disclosures for insurers and applaud the emphasis on integrating climate risk considerations into existing governance and risk management structures, aligning with ICPs 7 and 8. This approach rightly positions climate risks as fundamental components of insurers' overall risk landscape, rather than as a separate concern. The call for detailed disclosure of governance structures, including board and senior management responsibilities, is critical for stakeholder confidence and market efficiency. We appreciate the focus on embedding climate risk management across different business functions and the detailed breakdown of control function roles in producing climate-related disclosures, as this approach will foster more robust and effective climate risk governance over time. While the guidance is strong, Ceres recommends two enhancements. Firstly, more explicit direction on incorporating forward-looking climate scenarios into governance structures, given the long-term nature of climate risk. Secondly,

		more detailed guidance on determining materiality in the context of climate risk, considering their unique characteristics.
Comments on section 5.2 Recommendations		
Toronto Centre	Toronto	As understanding of climate-related risk develops, it will be beneficial to include as much data as possible now.
EHDEC Infra & Private Assets	Singapore	No comments.
Norges Bank Investment Management	NA	We support the setting of regulatory governance expectations pertaining to climate risk. We recommend that the disclosure requirements on governance Paragraphs 5-7 of ISSB S2 be included to enhance comparability and completeness of disclosures. In addition, climate-related financial disclosures should be subject to similar governance procedures as financial disclosures, with a final sign-off from the board. For investors to confidently use climate-related financial information, it needs to be readily accessible and subject to similar quality controls as other information that companies provide to financial markets, where applicable.
General comments on section 6 Data issues and limitations in climate-related risk disclosures		
Finance Watch	EU	Whilst this section outlines key data issues and limitations in climate-related risk disclosures, it focuses heavily on providing grounds for supervisors to accept limited disclosures from insurers without providing precautionary measures for supervisors to implement until data issues are resolved. It is crucial to make the link with precautionary action where minimum thresholds of potential risk are met and data uncertainty are present. Please also refer to the response to question 21.
EHDEC Infra & Private Assets	Singapore	No comments.

Public Citizen	United States	Addressing gaps in climate risk data is a necessity for both insurers and supervisors, but insurers and supervisors cannot wait for data challenges to be ameliorated before they address climate risk. Insurance supervisors should see themselves as part of the solution in improving climate risk data and modeling as lack of data is itself a risk to individual insurers and the sector as a whole. But the forward looking nature of climate risk presents enduring challenges for insurers and supervisors that cannot be fully rectified with data and modeling improvements. Disclosure requirements should account for this inherent uncertainty, with an emphasis on disclosing a range of possible risks informed by climate science and firm plans to mitigate those risks through tools such as transition planning, even if they cannot be fully quantified.
Norges Bank Investment Management	NA	No comment
Ceres	United States	Ceres commends the IAIS for its comprehensive analysis of data issues and limitations in climate-related risk disclosures for insurers. We strongly support the identification of both insurer-level and supervisor-level challenges and agree with the call for supervisors to play a proactive role in addressing these issues. The guidance's recognition of disclosure constraints, including concerns about commercially sensitive information and litigation risks, is noteworthy. We appreciate the balanced approach suggested for supervisors in navigating these challenges. While we support the discussion on assurance of climate-related risk disclosures, Ceres urges an even stronger emphasis on improving data quality and standardization. High-quality, comparable data is essential for effective climate risk management and market efficiency.
Global Federation of Insurance Associations (GFIA)	Global	In addition to the focus on materiality to policyholders and market participants, avoiding excessive disclosure and a cost/benefit analysis in setting disclosure requirements, the IAIS acknowledges the data issues and limitations with climate-related risk disclosures (section 6) and the litigation risks that these disclosures present (section 6.3.3). It also notes the use of safe harbour provisions by some disclosure regulators and states that Supervisors should consider whether those provisions exist in their jurisdiction to encourage climate-related disclosures (section 6.5). It also notes the benefit of interoperability or alignment between jurisdictional and international climate-related disclosure and IAIS standards to avoid an excessive reporting burden, especially for insurers operating across multiple jurisdictions (section 6.3.4), and leveraging existing regulation (section 6.5, Paragraph 86). Together, that would suggest that the IAIS should explicitly recommend that Supervisors leverage existing public disclosure requirements for climate-related risks (where they exist in their jurisdiction) before imposing additional or

		different ones. For example, the securities regulators in North America already impose requirements to disclose material information (including on climate-related risks) and public issuers in those jurisdictions actively do so. In addition, the Canadian Securities regulators are actively considering adding more climate-specific disclosures and (as the IAIS paper acknowledges) the SEC recently did so in the United States. Although not all insurers are subject to these requirements, given the alignment of the securities law rules with the objectives of the public disclosure reporting called for in the paper, and the issues pointed out by the IAIS with excessive disclosure, data quality and litigation risk, it would be sensible for the IAIS to address this. Specifically, the IAIS should recommend that Supervisors do not establish free-standing disclosure requirements that go beyond what is required of public issuers in their jurisdictions, where the securities law regulators have occupied the field and are actively engaged in regulating these types of disclosures.
Institute of International Finance (IIF)	United States	As noted above, we welcome the IAIS's appreciation of the significant risk of climate litigation. We welcome the inclusion of Section 6.5 in the Draft Application Paper, the specific acknowledgment of disclosure litigation risk in Section 6.3.3, and the IAIS's acknowledgement of the need for heightened supervisory awareness of commercially sensitive information in Section 6.3.2. The IAIS could play an important role in educating its members on these issues, which can be overlooked in the interests of expanding public disclosure. The IIF and its insurance members would welcome a further discussion with the IAIS on the critical topic of climate litigation risk.
MSCI ESG Research LLC	United States of America	In our engagement with financial institutions, we have identified a number of challenges related to the collection and disclosure of climate-related risk data: - Limited understanding of data quality, such as emissions data reported by insurance clients. - Insufficient transparency around underlying complexities, particularly assumptions in Scope 3 reporting, which may vary from client to client. - Lack of guidance on forecasting emissions and assessing the credibility of companies' emissions reduction targets. - Unclear guidance on selecting an appropriate time horizon that accurately reflects the alignment of counterparties. - Difficulty in accurately capturing climate solutions, including how to quantify avoided emissions. - Ambiguity around selecting a suitable framework for transition plans. As both a user and provider of climate-related data to insurers, MSCI supports enhanced standardization in disclosure requirements, aligned with IFRS S1 and S2. This standardization would help address some of the challenges listed above. Moreover, in June 2024, ISSB announced that it would assume responsibility for the

		disclosure-specific materials developed by the UKs Transition Plan Taskforce, integrating them into the ISSB standards. This should provide greater clarity on the formulation of transition plans.
E3G	United States	Addressing gaps in climate risk data is a necessity for both insurers and supervisors, but insurers and supervisors cannot wait for data challenges to be ameliorated before they address climate risk. Insurance supervisors should see themselves as part of the solution in improving climate risk data and modeling, as lack of data is itself a risk to individual insurers and could pose systemic risks to the financial sectoral as a whole, given the interconnections with the banking industry. The forward looking nature of climate risk presents enduring challenges for insurers and supervisors that cannot be fully rectified with data and modeling improvements. Disclosure requirements can help to account for this inherent uncertainty, with an emphasis on disclosing a range of possible risks informed by climate science and firm plans to mitigate those risks through tools such as transition planning, even if they cannot be fully quantified.
Comments on section 6.1 Data issues in climate-related risks		
International Actuarial Association (IAA)	International	Page 30+: there is a lot of guidance, quite rightly, on the need for supervisors to understand data issues and limitations. However, there is not much, if anything, on model risk, which is surprising given the uncertainty, particularly in the tail with complex potential interactions between different risks.
EHDEC Infra & Private Assets	Singapore	No comments.
Ceres	United States	Ceres supports the distinction between “insurer-level data issues” and “supervisor-level data issues” as both insightful and helpful for addressing these challenges comprehensively. We agree that the lack of granularity, confidence, and usability of underlying data poses significant obstacles to effective climate risk management and supervision. These insurer-level issues underscore the urgent need for improved data collection methodologies, standardization of climate metrics, and enhanced capacity building within insurance companies. The recognition of supervisor-level issues, such as differences in format, level, and comparability of disclosures across insurers, is equally important. Ceres urges supervisors to prioritize these data challenges as they implement climate risk disclosure requirements, recognizing that improved data quality and comparability are fundamental to building a resilient insurance sector.

Comments on section 6.2 Insurer-level data issues		
American Property Casualty Insurance Association (APCIA)	USA	We appreciate the recognition in Paragraph 71 that Scope 3 emissions data may be inaccurate or unreliable. Scope 3 and concepts such as financed emissions are also attempts to attribute emissions to an insurer, not to evaluate climate risk flowing to that insurer. Therefore they should not be included in supervisory reporting of climate risk.
Finance Watch	EU	Where data from counterparties and public sources is not available or has shortcomings, the guidance institutions should require insurers to assess these gaps and their potential impacts. The draft AP should require insurers to take and document remediating actions in these cases, including using estimates or proxies as an intermediate step, and seeking to reduce their use over time as data availability and quality improve.
EHDEC Infra & Private Assets	Singapore	No comments.
Ceres	United States	Ceres commends the IAIS for identifying insurer-level data issues and challenges, ranging from insufficient resources to uncertainties in forward-looking information, and the significant obstacles these pose to effective climate risk management and disclosure in the insurance sector. Ceres particularly emphasizes the following issues: - Resource constraints, especially for smaller insurers, highlight the need for industry-wide support and standardized, accessible data solutions - The expense of climate-related data underscores the importance of public-private partnerships to make essential information more affordable and widely available - Incomplete value chain information, particularly for Scope 3 emissions, necessitates improved reporting standards and collaboration across sectors and with members of value chains - The lack of reliable methods to quantify climate risk exposure points to the urgent need for developing and standardizing climate risk assessment methodologies - Inconsistencies between data providers emphasize the importance of establishing industry-wide data standards and quality assurance mechanisms To address these challenges, Ceres recommends and supports the following as described in section 6.4: - Developing collaborative platforms for sharing climate risk data and best practices across the industry

		- Encouraging partnerships between insurers, data providers, and public institutions to improve data accessibility and affordability - Investing in research and development of standardized climate risk assessment methodologies - Establishing clear guidelines for the disclosure of data limitations and uncertainties to enhance transparency
Comments on section 6.3 Disclosure constraints		
American Property Casualty Insurance Association (APCIA)	USA	We appreciate the recognition here of disclosure constraints. The volume of disclosures, the need to protect commercially sensitive information, and litigation risk must be considered by supervisors. Litigation risk can lead to the risk of insolvency, and therefore supervisors should be particularly careful not to increase it.
The Life Insurance Association of Japan	Japan	The IAIS implies in paragraph 77 that the ISSB standards could be a base for international disclosure standards for climate risks. However, due consideration needs to be given to use information disclosed in accordance with the ISSB standards for supervisory purposes. For example, as life insurers' assets and liabilities have a long-term nature, their climate-related risks need to be mitigated for the medium to long term, accordingly. However, while the disclosure requirement of financial emissions of IFRS S2 is one of the useful indicators to understand the relationship between investment exposure of the institutional investor and the GHG emissions of the investee, it does not adequately capture insurers' climate risks in the medium to long time horizon. Therefore, to understand and capture medium to long term climate risks to which insurers are exposed, it would be appropriate to evaluate both the current exposures and forward-looking information (e.g. transitional plans to mitigate GHG emissions) of the investee.
EHDEC Infra & Private Assets	Singapore	No comments.
Norges Bank Investment Management	NA	Where additional disclosures on climate matters are needed to meet jurisdiction-specific requirements or the information needs of broader stakeholders beyond investors, these should not obscure information required for market participants, i.e. information disclosed under the ISSB standards.

		We recommend that the AP includes reference to the ISSB S1 Appendix B application guidance paragraphs B34-37 for a consistent approach towards commercially sensitive information.
Ceres	United States	Ceres commends the IAIS for its comprehensive analysis of the constraints insurers face in preparing and using climate risk disclosures, as the challenge of determining the appropriate volume of disclosure is notable. While we agree with the IAIS that excessive disclosure can obscure key information, we caution against overly limiting the scope of reporting. Comprehensive disclosures on governance, risk management, scenario analysis, and greenhouse gas emissions are vital tools for effectively assessing and managing climate risks. We encourage supervisors to develop clear, climate-specific materiality guidelines to help insurers navigate this balance. The issue of commercially sensitive information presents another complex challenge. While we acknowledge the need to protect proprietary data, it is crucial to recognize that climate risks often represent material financial risks that should be disclosed to investors and regulators. We encourage supervisors to provide clear guidance on striking this balance, ensuring that critical climate risk information reaches those who need it most. Litigation risk is also a growing concern in the realm of climate disclosures, and we appreciate the IAIS's nuanced treatment of this issue. The dual risks of over-and under-disclosure highlight the need for clear regulatory guidance. We suggest considering safe harbor provisions for good-faith disclosures to encourage transparency without undue legal exposure. Finally, Ceres supports efforts to enhance interoperability and alignment of disclosure standards across jurisdictions. The ISSB standards offer a promising foundation for global consistency, and we encourage their adoption to reduce reporting burdens, especially for insurers operating across multiple jurisdictions. As the insurance industry grapples with these disclosure constraints, Ceres urges supervisors to maintain a steadfast commitment to comprehensive, comparable, and decision-useful climate risk disclosures. While addressing these challenges, it is crucial not to lose sight of the ultimate goal: building a resilient insurance sector that can effectively manage climate risks and support the transition to a low-carbon economy. To this end, we recommend supporting capacity-building initiatives, particularly for smaller insurers, to ensure they can meet evolving disclosure requirements. In navigating these complex issues, the insurance industry has an opportunity to lead by example, demonstrating how effective climate risk reporting can drive sustainable business practices and contribute to a more stable financial system.

Global Federation of Insurance Associations (GFIA)	Global	GFIA appreciates the recognition here of disclosure constraints. Volume of disclosures, the need to protect commercially sensitive information, and litigation risk must be considered by supervisors.
Comments on section 6.4 Possible actions from supervisors to address data issues [NAIC] **Comments on section 6.4 Possible actions from supervisors to address data issues**		
Finance Watch	EU	Finance Watch strongly supports the recommendation to standardise scenarios and timeframes of climate-related risk analysis, which will provide certainty for insurers when analysing these risks and also contribute to credibility and comparability of disclosures across jurisdictions.
EHDEC Infra & Private Assets	Singapore	No comments.
Public Citizen	United States	Given the flow of risk from insurers to other parts of the financial system, insurance supervisors should work collaboratively with other financial regulators to share and improve climate risk data. Supervisors should also work with other government agencies in the creation of public data options for climate risk to address many of the insurer-level data issues highlighted in this section (expense to purchase data, incomplete information from national governments, etc.).
Norges Bank Investment Management	NA	We support the suggestions made on actions from supervisors to address data issues, including the provision of open source information, standardised scenarios, building of capacity and provision of guidance. Where feasible, supervisors can work with other government agencies and entities to enhance the ease of collection and use of data sets.
Ceres	United States	Ceres strongly endorses the recommendations for supervisory actions to address climate risk data issues. Key points we particularly support: - The collaborative model exemplified by Japan's Financial Services Agency, facilitating dialogue between data owners and users - Efforts to make critical data more accessible and to standardize data sets, crucial for enhancing consistency and

		comparability in climate risk reporting - The focus on ensuring insurers adopt appropriate governance structures and reporting lines for data flows - Promotion of industry forums, public-private partnerships, and sharing of best practices to address data gaps and support smaller insurers Ceres encourages supervisors to fully embrace these recommendations and to remain flexible and innovative in their approach.
E3G	United States	Given the flow of risk from insurers to other parts of the financial system, insurance supervisors should work collaboratively with other financial regulators to share and improve climate risk data. Supervisors should also work with other government agencies in the creation of public data options for climate risk to address many of the insurer-level data issues highlighted in this section (expense to purchase data, incomplete information from national governments, etc.). See, e.g., academic analysis of issues related to climate modeling.
Comments on section 6.5 Possible actions from supervisors to address disclosure constraints		
FWD Group	Hong Kong	In respect of paragraph 84, we agree with safe harbour provisions for disclosing certain climate-related information and considerations should be given to disclosing what's required publicly.
EHDEC Infra & Private Assets	Singapore	No comments.
Financial Sector Conduct Authority (FSCA)	South Africa	Can some guidance be given on how to supervise whether an insurer made a disclosure based on good faith. Especially if for example assumptions were done a long time ago, and there were changes to the data, it is not always clear how an insurer reached a decision and that it was in good faith. Should there be requirements in terms of an insurer being able to proof what they disclosed, in some cases, a long time ago.
Norges Bank Investment Management	NA	No comment

Ceres	United States	Ceres supports these recommendations and particularly those regarding litigation risks. We support supervisors actively monitoring legal precedents and considering these when designing disclosure requirements. Key points of support: - Safe harbor provisions are valuable but should be implemented cautiously to avoid promoting inadequate disclosure - We strongly support protecting good faith disclosures, encouraging supervisors to work with securities regulators on this issue - While managing litigation risk is important, it should not compromise the provision of decision-useful information to stakeholders Ceres further recommends supervisors provide clear guidance on "verifiable and relevant" disclosures, promote the standardization of climate risk disclosures, encourage transparency in methodology and assumptions used, and support capacity-building for better climate risk assessment and disclosure practices. These measures are vital for creating a regulatory environment that encourages comprehensive climate risk disclosures while managing litigation risks, ultimately contributing to a more resilient and sustainable insurance industry.
Comments on section 6.6 Assurance of climate-related risk disclosures		
General Insurance Association of Japan	Japan	While we agree that assurance improves the reliability of disclosures, verification of reporting and disclosure content should be done in a manner that takes into account costs and benefits, and should not be premised on third-party assurance.
FWD Group	Hong Kong	In respect of paragraph 90, we agree on limited assurance rather than reasonable assurance until better data availability and reliability.
EHDEC Infra & Private Assets	Singapore	No comments.
Public Citizen	United States	As this section highlights, "in most jurisdictions, insurers' management is responsible for the accuracy of the information that it publicly discloses." It is important that management responsibility extends to disclosure of climate risk data and modeling provided by third parties. Transparency challenges arising from using third party providers

		cannot shield management from responsibility and supervisors should ensure this is well understood by insurer management.
Norges Bank Investment Management	NA	We support the use of the International Auditing and Assurance Standards Board's forthcoming International Standard on Sustainability Assurance 5000 (ISSA 5000), for external assurance on sustainability disclosures. Basing assurance practices on a global standard will enhance investors' trust and confidence in climate-related financial disclosures across jurisdictions and help mitigate greenwashing risks. In line with our public expectations of portfolio companies on climate change, we expect reasonable assurance for Scopes 1 and 2 emissions information and limited assurance for the rest of climate disclosures. We acknowledge that assurance of climate reporting has been voluntary so far, and believe that limited assurance can be a practical starting point, with an expectation that it develops to reasonable assurance over time, depending on market and policy developments.
Ceres	United States	Ceres endorses the IAIS's focus on assurance for climate-related risk disclosures, recognizing its central role in building trust and enabling informed decision-making. While we acknowledge the current prevalence of limited assurance, we advocate for a tempered shift towards reasonable assurance as data quality and methodologies mature. This transition is vital for enhancing the reliability and credibility of climate risk reporting. The ongoing development of assurance standards by IAASB and ethical frameworks by IESBA marks a significant step forward. We urge swift adoption of these standards to promote consistency and reliability in assurance practices across the sector. Simultaneously, we emphasize the importance of where climate-related disclosures are positioned. Integrating material climate risks into financial statements, in our view, ensures more rigorous auditing and aligns these risks with other financial considerations. However, we recognize the substantial challenges posed by data quality issues and inconsistencies between data providers. To address these hurdles, we encourage supervisors to take a multifaceted approach: promoting standardization of climate data and methodologies, supporting capacity building for both insurers and assurance providers, and considering a phased implementation of assurance requirements. This measured approach would allow time for improvements in data quality and availability, ultimately leading to more reliable disclosures. Throughout this process, transparency should be paramount. We emphasize the need for clear communication of

		any limitations and uncertainties in climate-related disclosures and their assurance. This openness not only builds trust but also helps stakeholders better understand and interpret the information provided.
Global Federation of Insurance Associations (GFIA)	Global	While GFIA agrees that assurance improves the reliability of disclosures, verification of reporting and disclosure content should be done in a manner that takes into account costs and benefits and should not be premised on third-party assurance.
Institute of International Finance (IIF)	United States	We also appreciate the cautious language in Section 6.6 of the Draft Application Paper with respect to assurance of climate-related risk disclosures. A careful and iterative approach to assurance is in the interests of insurers, supervisors and users of public disclosures alike. Assurance requirements should primarily be for the consolidated Group report. Additional local assurance requirements, particularly if the metrics are based on estimates of Group figures, are cost intensive and bring limited additional value.
MSCI ESG Research LLC	United States of America	The data reported according to established standards and verified through new assurance protocols, all within a framework of ethical conduct, will foster ongoing development by making the data more transparent and subject to scrutiny and analysis. While sustainability and climate reporting standards continue to evolve, the International Auditing and Assurance Standards Board (IAASB) has developed and approved the International Standard on Sustainability Assurance (ISSA) 5000, which applies to sustainability information across various topics and frameworks. Therefore, we suggest that the IAIS engage with the IAASB and other standard-setting bodies to adopt ISSA 5000, which would enhance the credibility and reliability of sustainability reports globally.
E3G	United States	As this section highlights, “in most jurisdictions, insurers' management is responsible for the accuracy of the information that it publicly discloses.” It is important that management responsibility extends to disclosure of climate risk data and modeling provided by third parties. Transparency challenges arising from using third party providers cannot shield management from responsibility. Supervisors should ensure this is well understood by insurer management, e.g., FSB toolkit for third party oversight.

Comments on section 6.7 Recommendations		
Toronto Centre	Toronto	The issue of data reliability is critical to supervisors as this is the foundation of their risk assessment.
Finance Watch	EU	The recommendations in this section should include a reference to transition plans as an important source of data and information on climate-related risks. Supervisors should develop harmonised methodologies for climate risk assessments and provide guidance on climate scenarios to be used. They should also outline how supervisors can implement a precautionary approach where data issues are present.
EHDEC Infra & Private Assets	Singapore	No comments.
Norges Bank Investment Management	NA	We support the use of the International Auditing and Assurance Standards Board's forthcoming International Standard on Sustainability Assurance 5000 (ISSA 5000), for external assurance on sustainability disclosures. In line with our public expectations of portfolio companies on climate change, we expect reasonable assurance for Scopes 1 and 2 emissions information and limited assurance for the rest of climate disclosures. We acknowledge that assurance of climate reporting has been voluntary so far, and believe that limited assurance can be a practical starting point, with an expectation that it develops to reasonable assurance over time, depending on market and policy developments.
Ceres	United States	Ceres endorses the IAIS's thoughtful recommendations for supervisors regarding climate risk disclosure assurance. These guidelines reflect a pragmatic approach to the complex challenges insurers face in providing reliable climate risk information, and they set a solid foundation for advancing climate risk management in the industry. At the heart of these recommendations is the recognition that effective supervision requires a deep understanding of several interconnected issues. The IAIS rightly emphasizes the need for supervisors to grasp how data quality impacts both disclosure reliability and the assurance process. This understanding is critical, as it forms the basis for accurately assessing climate risk within the insurance landscape. Equally important is the IAIS's call for supervisors to familiarize themselves with the applicable assurance and ethics standards in their jurisdictions. As the field of climate risk disclosure evolves, ensuring that those providing assurance are both qualified and adhering to rigorous standards will be key to building trust in these disclosures across the industry. We appreciate the included acknowledgement of the current limitations in the assurance process. By recognizing that it may take time before some disclosures are of sufficient quality for comprehensive assurance, the

		recommendations allow for progress while being realistic about present constraints. The final recommendation, urging supervisors to work collaboratively with insurers to develop accurate data sources, is especially commendable. This cooperative approach can significantly enhance the quality and reliability of climate risk disclosures, addressing one of the fundamental challenges in this field. Ceres views these recommendations as more than just guidelines; they are a call to action for supervisors to actively engage with the evolving landscape of climate risk disclosure. By embracing these recommendations fully, supervisors can play a pivotal role in helping the insurance industry lead the way in transparent, assured climate risk reporting. As the urgency of addressing climate risk grows, the importance of reliable climate risk disclosures cannot be overstated. By implementing these recommendations, supervisors can guide the insurance industry towards a more resilient and sustainable financial system.