

# Questions for public consultation on draft Application Paper on public disclosure and supervisory reporting of climate risk

Thank you for your interest in the public consultation on draft application paper on climate scenario analysis in the insurance sector. The Consultation Tool is available on the IAIS website.

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## Consultation questions

1	General comments draft Application Paper on public disclosure and supervisory reporting of climate risk
2	General comments on section 1 Introduction
3	<p>Comments on section 1.1 Context and objective</p> <p><a href="#">Suggest the following clarifications and editorial changes to Para. 2:</a></p> <p>The IAIS acknowledges climate change is and will continue to be a driver of risk for insurers and therefore it is important that <del>it</del> <b>consideration of its impacts</b> be integrated into the traditional risk categories (eg underwriting, reserving, credit, market, liquidity risk etc).</p> <p><del>In the case of climate-related risks, i</del> It is therefore important that climate-related risk disclosures be well explained so that they are meaningful and useful for policyholders and market participants <del>in</del> <b>so that they can making make well-informed</b> decisions on insuring risks with and providing resources to, <del>respectively,</del> the insurer.</p>
4	Comments on section 1.2 Scope and paper structure
5	<p>Comments on section 1.3 Related work by the IAIS</p> <p><a href="#">Suggest combining the first two sentences in Para. 7:</a></p> <p>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.</p>
6	Comments on section 1.4 Proportionality
7	General comments on section 2 Developing a disclosure regime
8	Comments on section 2.1 Climate-related risk financial disclosures: materiality and relevance
9	Comments on section 2.2 Link to international standards
10	<p>Comments on section 2.3 Fundamental principles of a climate-related risk disclosure framework</p> <p><a href="#">Suggest the following editorial change to Para.19:</a></p> <p>Concentration risk: Consistent with ICP 20.6.6, where small insurers have concentrated exposures to certain climate perils <del>either due to</del> <b>due either to</b> geographical or economic sector concentrations which would be considered material by users, they will need to be disclosed.</p>

	<p>Suggest rephrasing the sentence as follows:</p> <p>Different disclosure costs: Existing climate disclosure regimes acknowledge the fact that <b>the costs and burden associated with providing disclosures on different climate-relevant topics may vary.</b></p> <p>Box 3: Consider including a brief excerpt of the NAIC Climate Risk Disclosure Survey as a jurisdictional example:</p> <p>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.</p>
11	<p>Comments on section 2.4 Recommendations</p> <p>Suggest rephrasing the sentence as follows for clarification to Para.22:</p> <p>Consistent with existing disclosure <b>standards</b>, climate disclosures should <b>include appropriate</b> indicators (<b>metrics</b>) <b>that</b> are relevant and meaningful for market participants and policyholders.</p>
12	General comments on section 3 Public disclosure of decision useful climate information
13	Comments on section 3.1 Climate information
14	Comments on section 3.2 Disclosure of scenario analysis results
15	Comments on section 3.3 Key criteria to improve the decision usefulness of indicators
16	Comments on section 3.4 Climate adaptation
17	Comments on section 3.5 Recommendations
18	General comments on section 4 Considerations for supervisory reporting of climate-related risks
19	Comments on section 4.1 Understanding different climate-related risks
20	Comments on section 4.2 Supervisory reporting examples
21	Comments on section 4.3 Supervisor-level data issues
22	Comments on section 4.4 Group versus entity level reporting
23	Comments on section 4.5 Supervisory actions in response to information received
24	<p>Comments on section 4.6 Recommendations</p> <p>Suggest the following editorial change to Para. 55:</p>

	Consistent with ICP 9.0.2, supervisors should, when <b>necessary</b> , <del>needs to</del> , provide their staff with the tools and training to understand how to interpret and challenge assumptions presented in the reporting of climate-related risk.
25	General comments on section 5 Governance for climate-related risk disclosure
26	Comments on section 5.1 Setting regulatory governance expectations and exploring governance structures
27	General comments on section 6 Data issues and limitations in climate-related risk disclosures
28	Comments on section 6.1 Data issues in climate-related risks
29	Comments on section 6.2 Insurer-level data issues
30	Comments on section 6.3 Disclosure constraints
31	Comments on section 6.4 Possible actions from supervisors to address data issues
32	Comments on section 6.5 Possible actions from supervisors to address disclosure constraints
32	Comments on section 6.6 Assurance of climate-related risk disclosures
33	Comments on section 6.7 Recommendations

# Questions for public consultation on draft supporting material on macroprudential and group supervisory issues and climate risk

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<b>ICP 24 (Macroprudential Supervision) guidance material</b>	
1	General comments on the draft climate risk ICP 24 related supporting material
2	<p>Comments on climate change and financial stability risks</p> <p>Suggest the following editorial change to Para. 8:</p> <p>For instance, if the effective transition to a more sustainable or net zero economy is delayed, this may increase the probability that physical risks will materialise, including <del>in</del> the severity and frequency of physical risk events.</p>
3	Comments on data collection for macroprudential purposes
4	Comments on risk dashboard for monitoring climate-related vulnerabilities
5	Comments on data analysis for macroprudential purposes
6	Comments on supervisory response
<b>ICP 25 (Supervisory Cooperation and Coordination) guidance material</b>	
7	General comments on the draft climate risk ICP 25 related supporting material
8	Comments on group considerations for data collection