

Canada's actuaries call for greater action on climate-related financial risks

Ottawa, September 24, 2019 – In a statement released today, the Canadian Institute of Actuaries (CIA) asks governments, corporate entities, and investors to account for climate risks in their decision-making and enhance the climate-sensitive financial security of all Canadians.

Quantifying and disclosing the financial impacts of climate change is an important way to help limit the increase in global temperatures in line with the Paris Agreement and to help Canadians adapt to a changing climate.

The CIA's statement outlines three calls to action:

- Prioritize national-level data collection on the financial impacts of climate-related events such as floods, windstorms, and wildfires.
- Implement policies for mandatory financial reporting of climate-related risks and opportunities.
- Adopt environmental, social, and governance principles in financial and investment decision-making.

"Our actuaries work across diverse areas, including property and casualty insurance, pension plans, investments, and more," says **Marc Tardif, FCIA**, President of the CIA. "All of these areas see trends of uncertainty caused by changes in our climate, and we believe they are all pointing to the same conclusion: now is the time to act."

For instance, establishing a national database showing the costs of climate-related events paid by all governments, insurers, organizations, and individuals would help better estimate the risks facing Canadians and prioritize mitigation and adaptation projects across the country. Current data collection is localized, and is neither consistent nor mandatory, leading to significant data gaps.

The Institute is one of the partners behind the [Actuaries Climate Index](#), a tool that tracks changes in extreme weather and sea levels in Canada and the US. Its most recent data show a continuing increase in these events. A national database of reliable climate-related costs would further enhance this index and other decision-making tools, helping governments, insurers, and individuals plan for the climate risks they may face.

"Actuaries don't claim to be climate change experts. But we are experts in modelling financial costs and evaluating the impacts of different scenarios," says **Gaetano Geretto, FCIA**, one of the statement's lead authors. "The effects of climate change are no different: they are causing significant risk to the sustainability of Canada's ecosystems, health, and economy. We all need to work together to mitigate that risk."

The 2017 recommendations of the Task Force on Climate-related Financial Disclosures call for disclosure of climate-related financial risks. Canada needs to adjust its financial ecosystem to require this reporting as soon as possible to allow for better-informed investment, credit, and insurance underwriting decisions and help prevent market disruptions from climate risks.

In addition, environmental, social, and governance factors help assess the sustainability and ethical impact of investments, leading to better risk management and investment with public

interest in mind. All financial decision-makers in Canada should be considering these factors in their activities.

“Today, we’re addressing the big actors in policy-making and economic decision-making because financial security starts there. But everyone should be making climate-sensitive choices, in terms of business and personal spending and investing,” says **Catherine Jacques-Brissette, ACIA**, another of the statement’s lead authors.

Actuaries use data and calculations to determine the probability of future events and their possible effects, and draw on their sound professional judgment to offer options on planning for and addressing risk. As climate change risk becomes an increasingly significant factor in those calculations, actuarial organizations, including the CIA, are developing standards and guidance for their members on how to account for climate change in their work.

It’s time to act on climate-related financial risks to preserve the long-term sustainability of our global ecosystems, health, and economies for the benefit of all Canadians both now and in the future.

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Visit cia-ica.ca/climate to access the CIA’s full statement, *Time to Act: Facing the Risks of a Changing Climate*, along with a short summary and a podcast interview with members of the drafting team.

For media queries or to arrange an interview

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About the CIA

The Canadian Institute of Actuaries is the national, bilingual organization and voice of the actuarial profession in Canada. Our members are dedicated to providing actuarial services and advice of the highest quality, holding the duty of the profession to the public above the needs of the profession and its members.

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Marc Tardif, FCIA, is President of the Canadian Institute of Actuaries. After 40 years as a practising actuary, he retired in 2017 and now works as an independent consultant. Marc holds a BSc in actuarial science from Université Laval.

Gaetano Geretto, FCIA, is Founder and President of Pelecanus Strategic Advisory Services, having retired after 30 years in leadership roles in the insurance industry, consulting, and the public sector. Gaetano is Chair of the Canadian Institute of Actuaries’ Climate Change and Sustainability Committee. He holds a BComm in mathematics from McGill University.

Catherine Jacques-Brissette, ACIA, is the Business Intelligence Senior Analyst within the Corporate Responsibility and Environment team at Bell Canada. Catherine is past Chair and current member of the Canadian Institute of Actuaries’ Climate Change and Sustainability Committee. She holds a BSc in actuarial science from Université du Québec à Montréal.