



SUSTAINABLE INSURANCE

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Babel Cover

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“The insurance industry is a key component of the economy by virtue of the amount of premiums it collects, the scale of the investments and more fundamentally, the social and economic role it plays by covering personal and commercial risks”



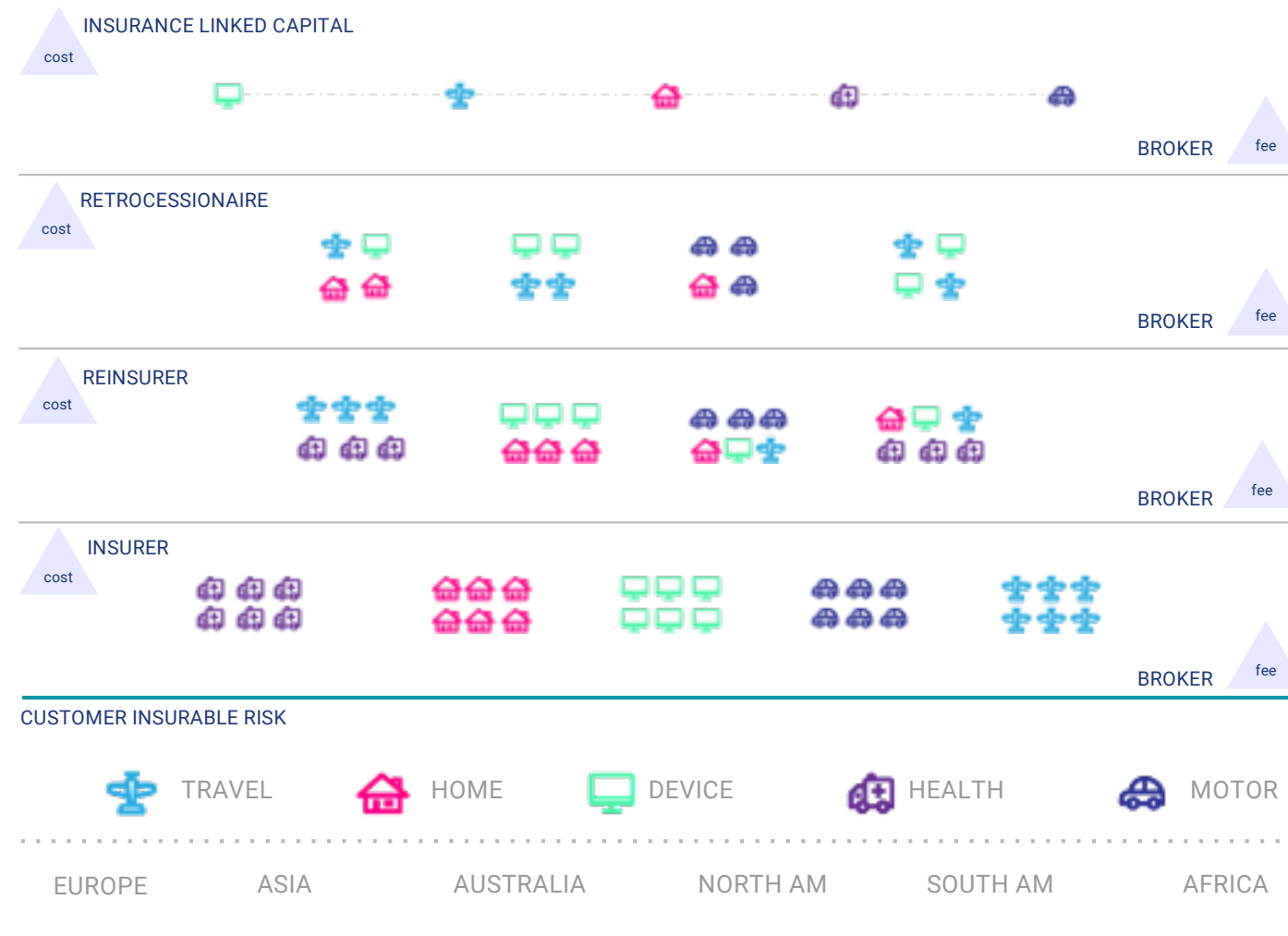
CONTENT

- Insurance market construct
- Natural catastrophes and the inter-connection to insurance pricing
- Corporate carbon risk financing

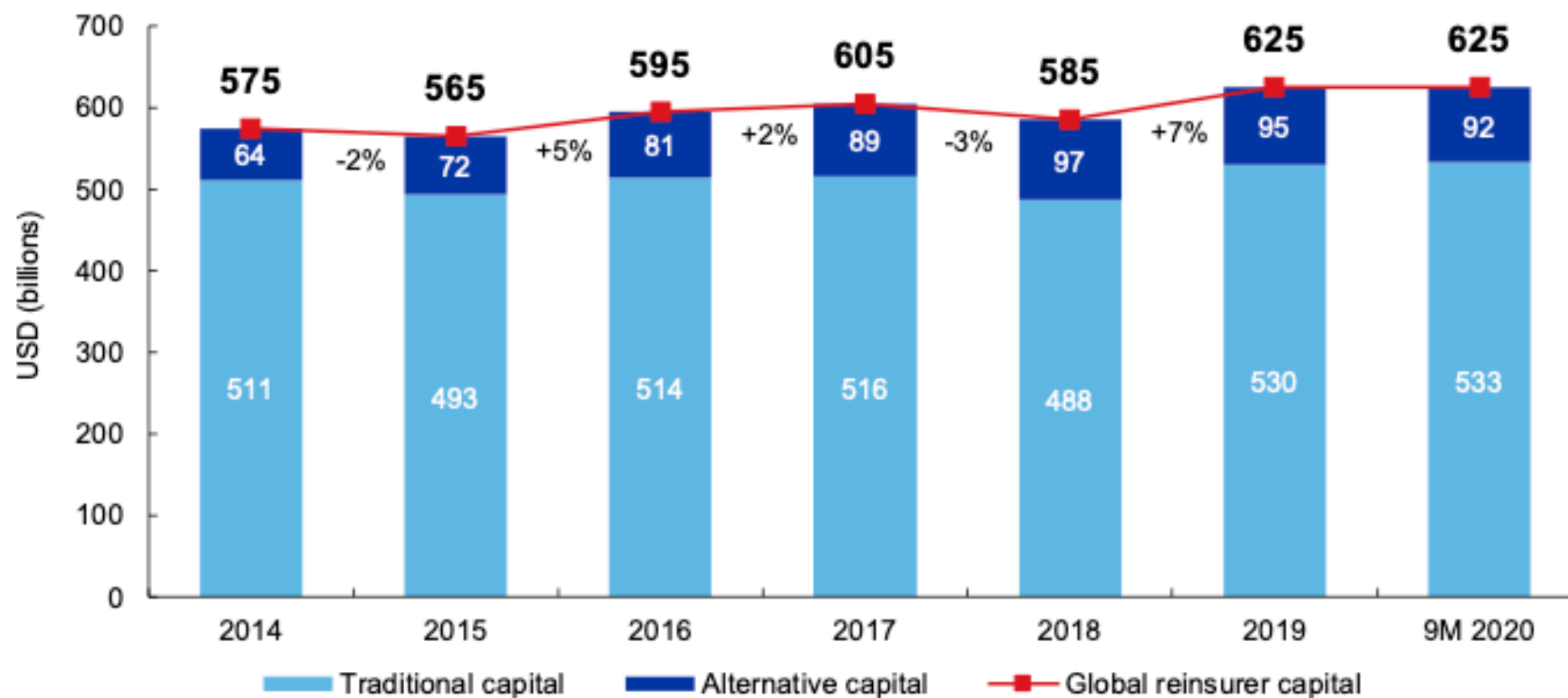


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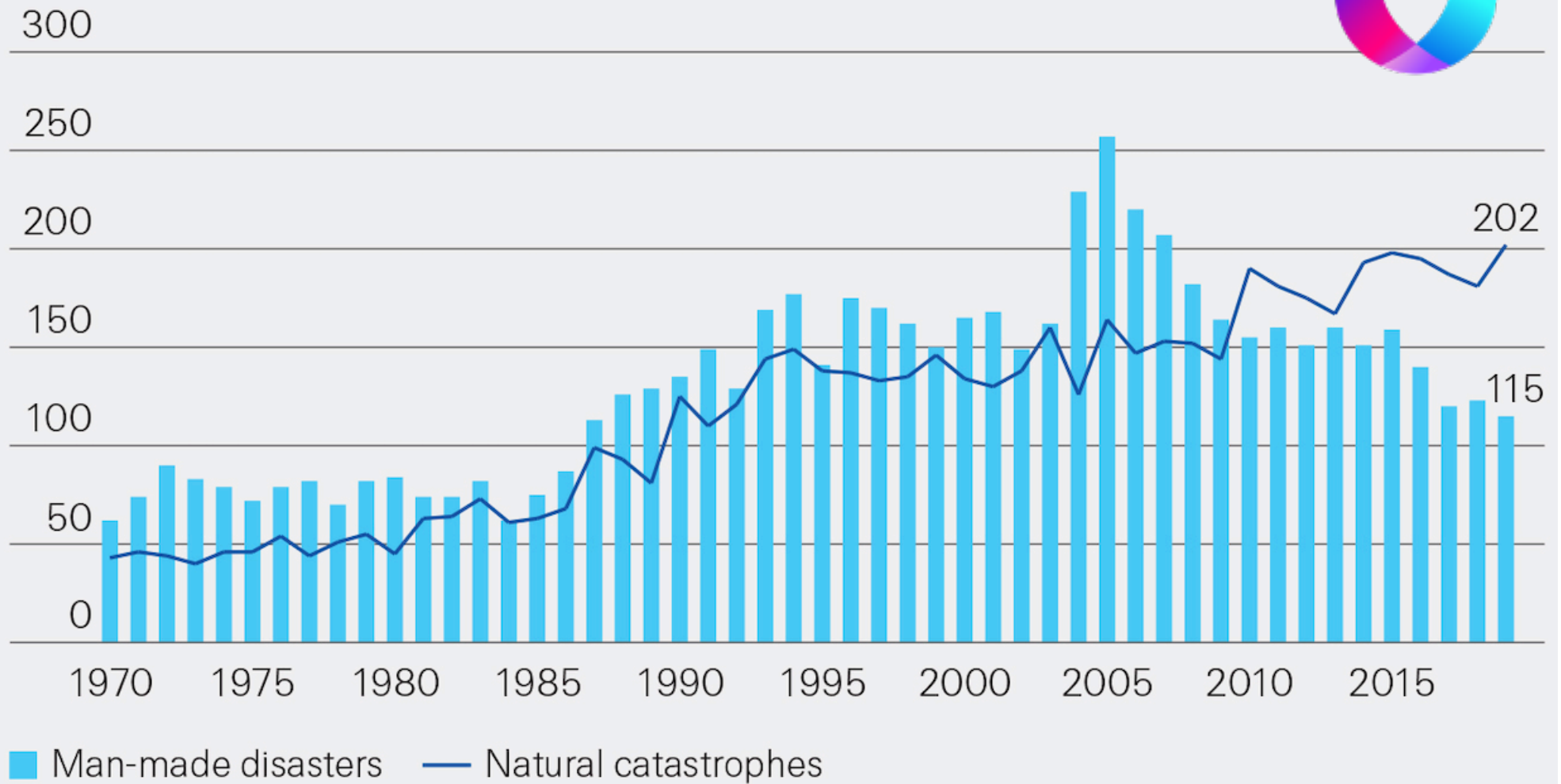
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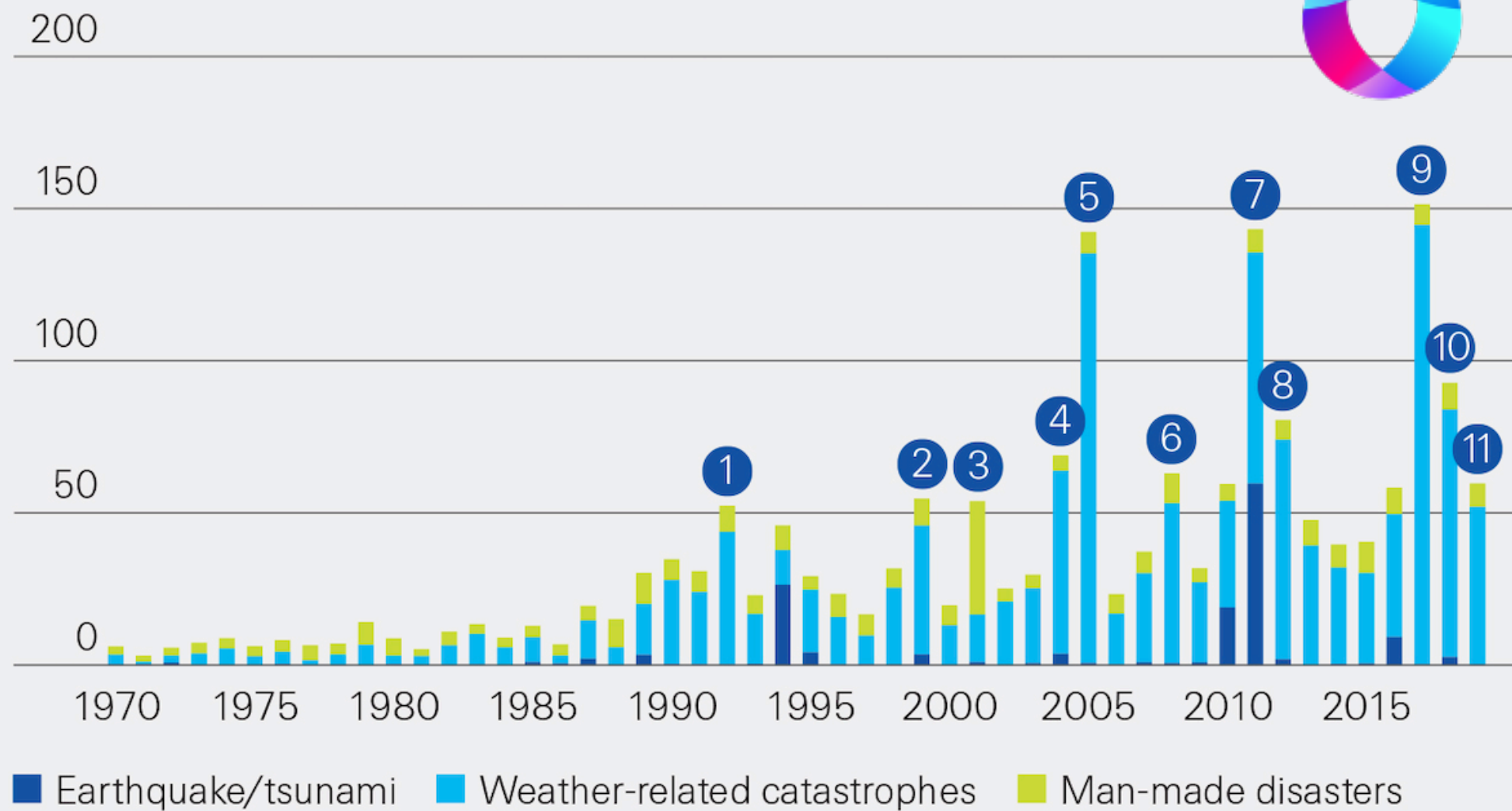
Sources: Company financial statements / Aon Business Intelligence / Aon Securities Inc.



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Source: Swiss Re Institute



Source: Swiss Re Institute



How does a multinational identify and manage an increase in its consolidated carbon emissions because of unforeseen risk events?

What is the most effective way to combine the efforts of risk and sustainability departments to better protect the organization?

What are the available options and most financially effective methods to treat carbon related risk?

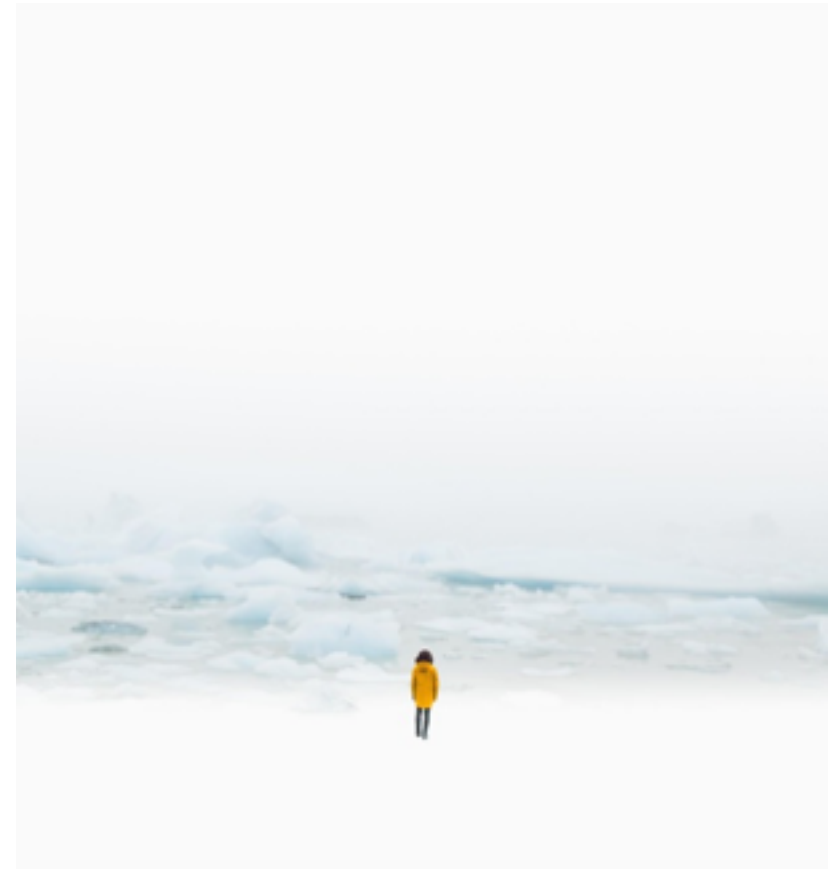
Is a self-financing insurance-linked solution beneficial? How can a long-term strategy be developed to manage such a complex risk?



The transition to the low-carbon economy is creating opportunities and threats to multinationals.

In July 2017, to achieve certain transparency across multinationals, the Task Force on Climate-Related Financial Disclosures (“TCFD”) issued their recommendations.

- **Policy and Legal** - increased pricing of GHG emissions/ mandates on and regulation of existing products and services
- **Technology** – substitution of existing products with lower emission options
- **Markets** – changing consumer behaviour/ increased cost of raw material
- **Physical Risk** – extreme weather events





- 1 Inability to meet commitments made to stakeholders in respect of reaching carbon neutrality.
- 2 Fragmentation and communication disconnect between Sustainability and Risk and Insurance Management Departments.
- 3 Lack of structured process to identify, understand, quantify and finance carbon emission related risks and carbon offset cost uncertainty.
- 4 Challenge to meet increased public financial disclosure requirements and the quantification of transition risks.





Case Study

Dutch Multinational seeking to quantify its carbon emission volatility exposure across global manufacturing plants.

Carbon Emission Risk Evaluated

175K

Gross carbon risk identified
across global industrial
locations

Carbon Risk Quantified

€ 35m

Expected maximum loss

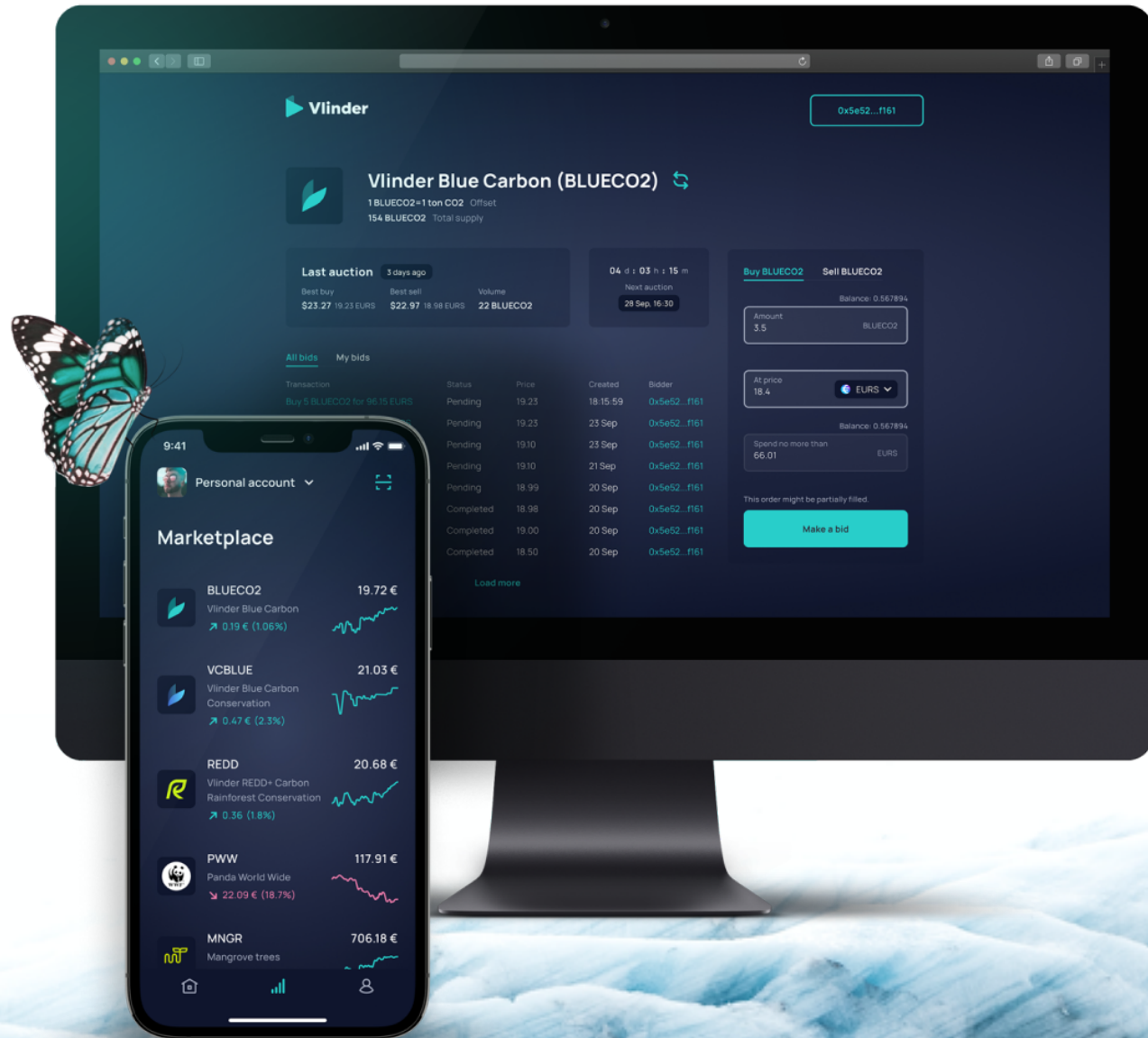
Internal Risk Finance Premium

€ 0.5m

Internal risk finance solution to
support consolidated budget
certainty over long term



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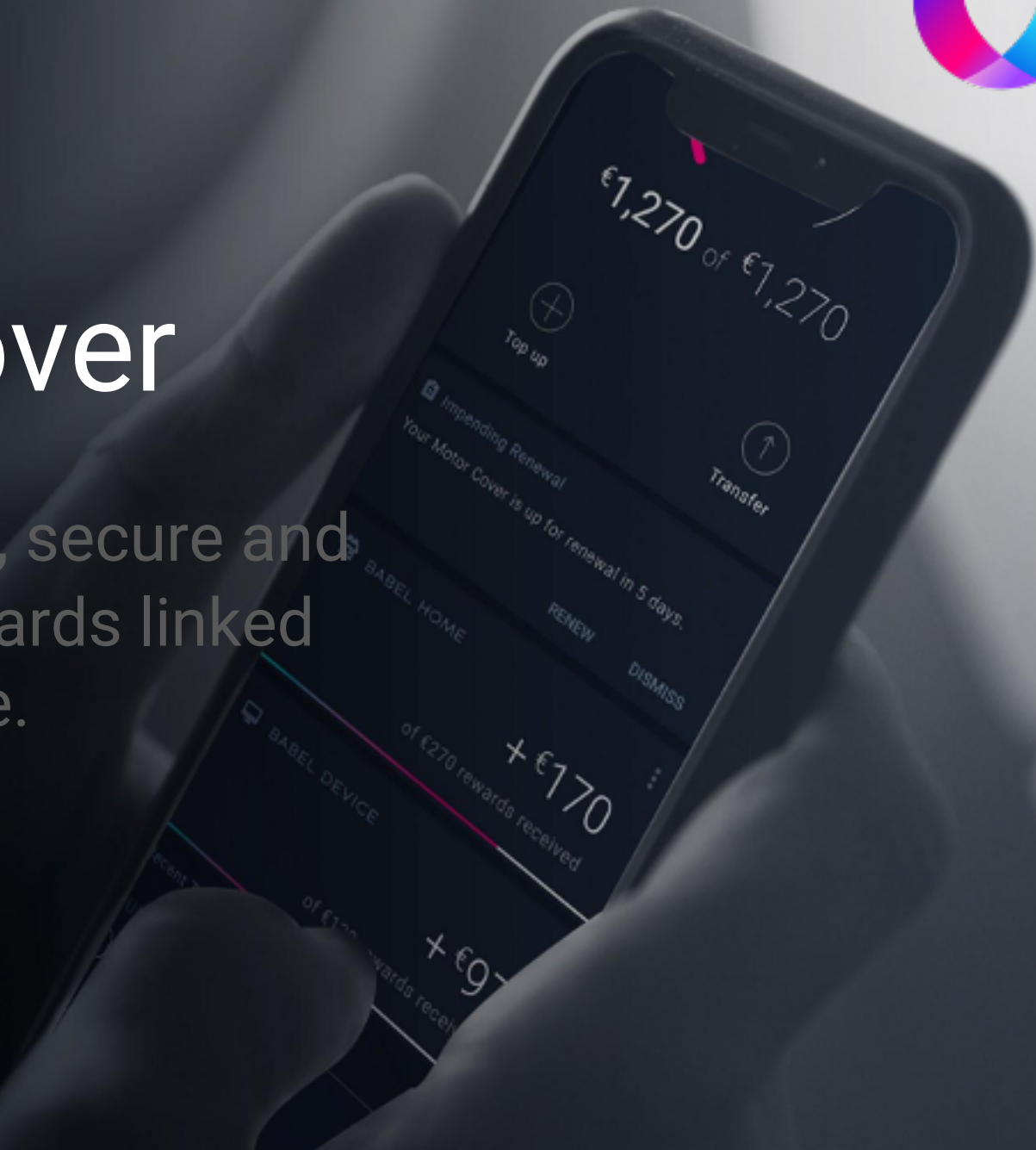


Through the use of
Blockchain Technologies
the insurance system can
be radically redesigned for
the betterment of all



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Sustainable, secure and transparent rewards linked digital insurance.





Digitize, Democratize, Decentralize



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Thank You

Let's Make Things Clearer

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