



UNEP Finance Initiative
Innovative financing for sustainability

Changing Environments - Changing Finance?
Sustainable Finance in Turkey

Istanbul 22.1.2009



Sustainable Insurance Products: *Insuring Environmental Impairment Liability*

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- **Environmental liability: a “*chronic infection*”**
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Sustainability & the Role of Insurers

- **The global financial crisis & the global environmental crisis: reflections on the insurance industry**
- **New findings: environment is less of an externality in our days!**
- **New pressures from society, government, clients, competition**
- **Drastic impacts on all lines of business: health - pensions - non-life**

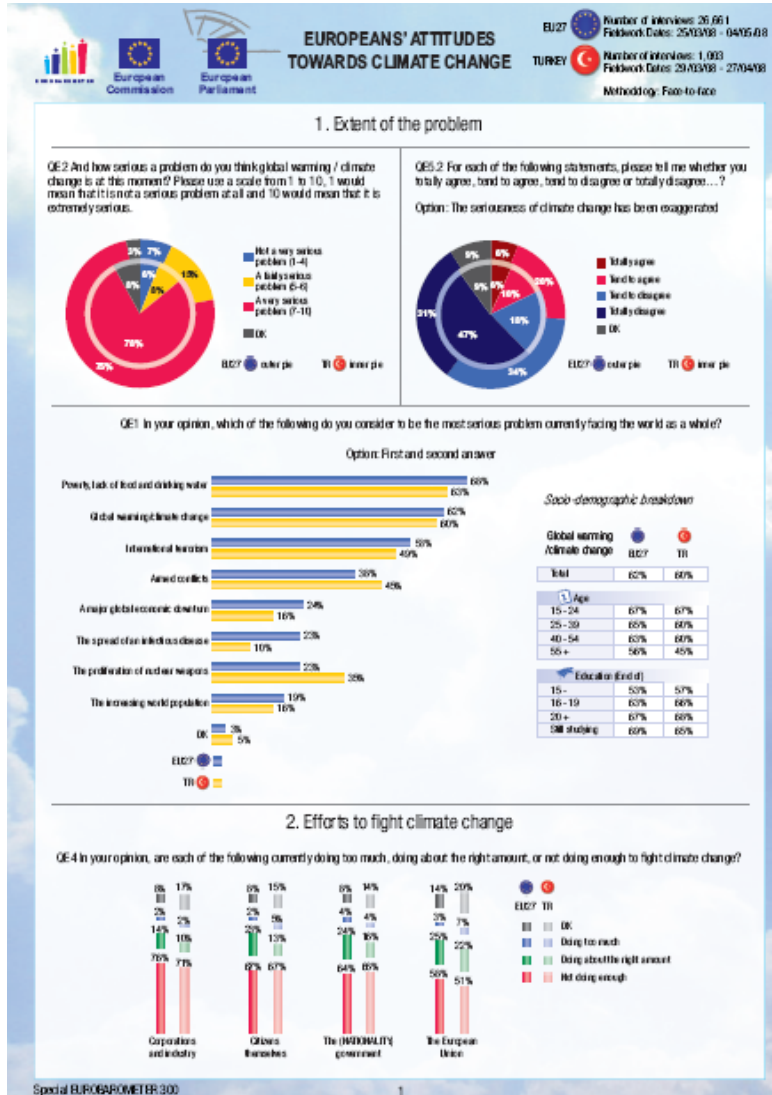


Sustainability & the Role of Insurers

- **Drastic impacts on core business:
insurability – underwriting – claims handling
sales – reinsurance**
- **Need to shift from defensive to proactive!**
- **Need to focus on our core strengths!**
- **Need to contribute widely our core strengths!**

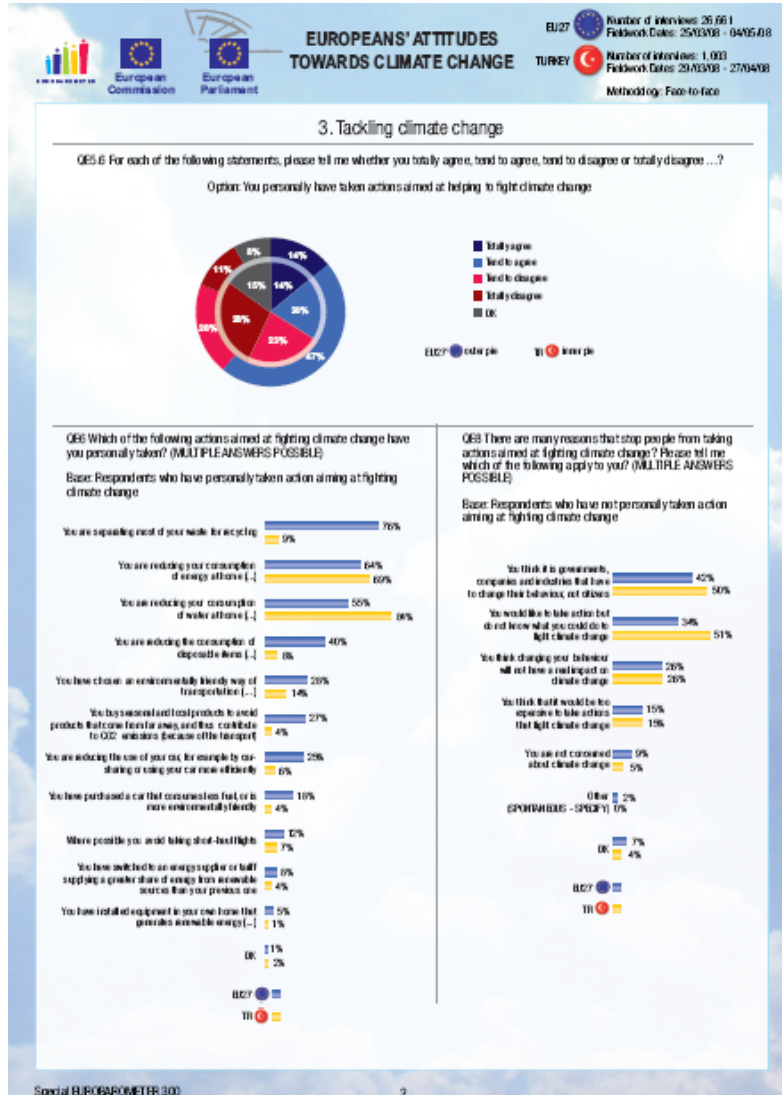


Sustainability & the Role of Insurers



Special EUROBAROMETER 300

1



Special EUROBAROMETER 300

2



Sustainability & the Role of Insurers



- New ongoing projects:
IWG global survey questionnaire
MNR Project (Microinsurance,
Natural Catastrophe,
Risk Financing)
PRINCIPLES
FOR
SUSTAINABLE
INSURANCE (PSI)



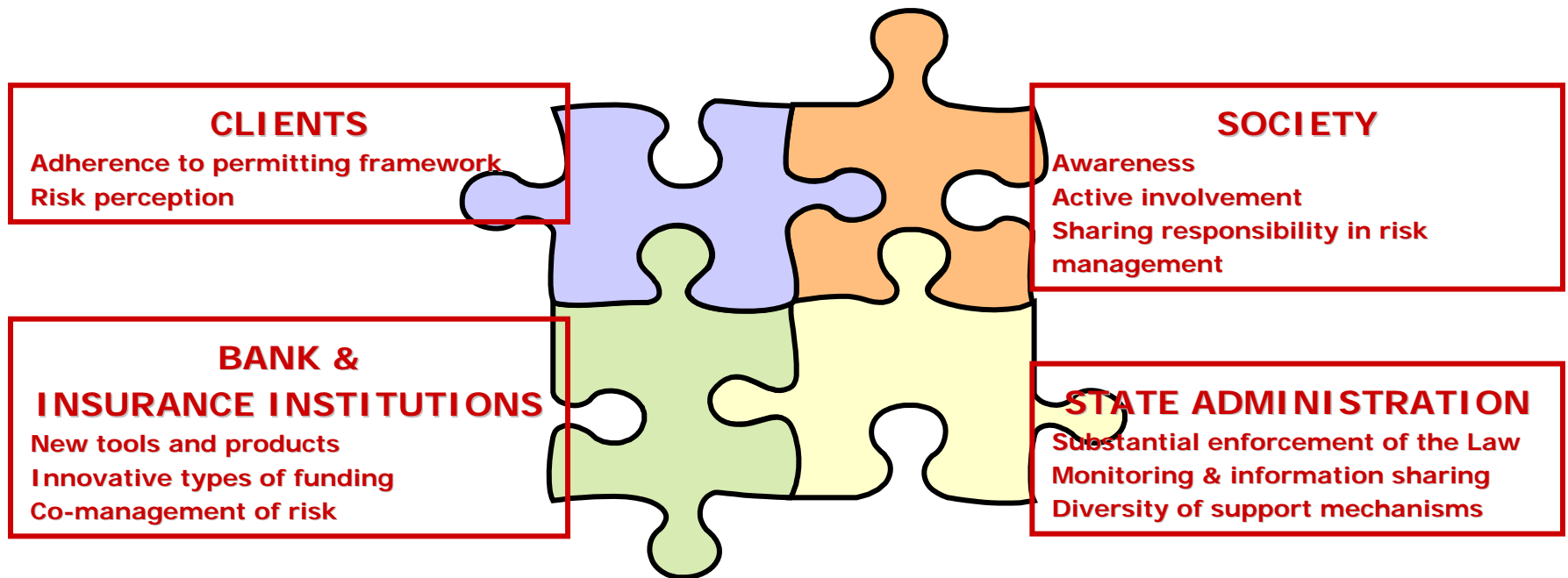
Environmental liability: a “*chronic infection*”

- New pan-European legislative framework: *finances, remedial action, penal punishment...*
- Environmental liability unfolds a complex array of interrelated risk exposures, e.g.:
 - environmental impairment
 - first & third party liabilities
 - operational risks
 - legal risks
 - financial risks
 - technological risks
 - social risks
 - business & reputational risks



Environmental liability: a “*chronic infection*”

- Need to involve all stakeholders in constructive dialogue:





Environmental liability: a “*chronic infection*”

L 143/56

EN

Official Journal of the European Union

30.4.2004

DIRECTIVE 2004/35/CE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 21 April 2004

on environmental liability with regard to the prevention and remedying of environmental damage

Article 14

Financial security

1. Member States shall take measures to encourage the development of financial security instruments and markets by the appropriate economic and financial operators, including financial mechanisms in case of insolvency, with the aim of enabling operators to use financial guarantees to cover their responsibilities under this Directive.

2. The Commission, before 30 April 2010 shall present a report on the effectiveness of the Directive in terms of actual remediation of environmental damages, on the availability at reasonable costs and on conditions of insurance and other types of financial security for the activities covered by Annex III. The report shall also consider in relation to financial security the following aspects: a gradual approach, a ceiling for the financial guarantee and the exclusion of low-risk activities. In the light of that report, and of an extended impact assessment, including a cost-benefit analysis, the Commission shall, if appropriate, submit proposals for a system of harmonised mandatory financial security.



New challenges, *new products*

ΑΣΦΑΛΙΣΗ ΑΣΤΙΚΗΣ ΠΕΡΙΒΑΛΛΟΝΤΙΚΗΣ ΕΥΘΥΝΗΣ

GREEN LINE

Ευθύνη για το περιβάλλον



 **INTERAMERICAN**
Μεγάλη και Σίγουρη

New challenges, *new products*

GREEN LINE

Covers:

- sudden & accidental environmental impairment liability based on risk exposure
- emergency measures
- remedial action plans & measurements as dictated by competent authority
- third party liability
- legal support





The future



Çok teşekkür ederim!



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