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Risk Proofing Our Common Future: **The Role Of Insurance Supervision**

A Virtual Side Event at The Fourth Session of the Preparatory Committee for the Fourth
International Conference on Financing for Development

Hosted by:
United Nations Development Programme

29 April 2025, Tuesday
(1000 -1115 New York, 1600 – 1715 Geneva, 2100 - 2215 Bangkok)

Registration link:
<https://bit.ly/FfD4Insurance>



Abstract

The global sustainable insurance sector faces growing challenges due to the widening climate protection gap, degradation of nature-related services, and increasing climate-related disasters. Many vulnerable regions, particularly in low-income countries, remain underinsured, leaving communities exposed to catastrophic losses. Key barriers include the high cost of insurance, limited market reach in high-risk areas, and low awareness of risk management strategies. Additionally, many insurance markets lack the innovation and resources needed to address these risks, particularly for marginalized groups. Insurance regulators play a crucial role in addressing these challenges by strengthening supervisory frameworks, integrating sustainability-related risks into underwriting, pricing, and capital requirements, and promoting market stability. However, regulatory gaps, capacity constraints, and inconsistent risk assessments hinder the development of sustainable insurance solutions and limit global coordination on risk mitigation. Greater regulatory alignment and enhanced supervision of sustainability-related risks are essential to closing the protection gap and increasing the resilience of the insurance sector.

This event aims to identify financing solutions and regulatory approaches that mitigate risk, protect livelihoods, and promote financial stability, ensuring insurance markets contribute effectively to global development goals. It also serves as a platform for dialogue that can enrich discussions surrounding the intergovernmental process leading to the Outcome Document of the Fourth International Conference on Financing for Development (FfD4), to be finalized in Seville.

Background

The insurance sector is at the forefront of managing sustainability-related risks, including climate change, biodiversity loss, and environmental degradation. As economies transition toward more sustainable models, insurers must integrate sustainability factors into underwriting, risk management, and investment strategies. However, the increasing frequency and severity of climate-related disasters, coupled with ecosystem degradation, pose systemic risks that threaten financial stability and the insurability of key sectors.

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A major challenge is the widening climate protection gap—the shortfall between economic losses from climate-related events and the insurance coverage available to absorb them. Many communities, particularly in developing economies, remain underinsured due to unaffordable premiums, limited market reach, and inadequate risk awareness (Swiss Re, 2023). Additionally, nature-related risks, such as biodiversity loss and resource depletion, remain largely unaccounted for in insurance models, despite their growing impact on industries reliant on natural capital.

Insurance regulators play a critical role in ensuring the sector remains resilient amid these sustainability challenges. By strengthening regulatory frameworks, they can guide insurers in embedding sustainability risks into solvency assessments, stress testing, and capital requirements. Regulatory alignment and enhanced risk supervision are essential to enabling insurers to assess, price, and manage both climate and nature-related risks effectively.

As sustainability risks evolve, financial regulators and international bodies are working to integrate them into supervisory practices. The Network for Greening the Financial System (NGFS) has emphasized the need to incorporate climate risks into capital adequacy requirements, while insurance regulatory forums are exploring methodologies to account for transition and nature-related risks. By fostering clear transition pathways, promoting robust risk disclosures, and encouraging sustainable investment practices, regulators can ensure the insurance sector not only withstands emerging risks but also actively supports broader global sustainability goals.

Objectives

The overall objective of the event is to identify insurance sector-solutions that effectively mitigate risk, protect livelihoods and promote financial stability ensuring that insurance markets effectively contribute to global development goals, and support policy building.

As part of the Fourth Session of the Preparatory Committee for the FfD4, the webinar will be open to all participants already registered for the event and anyone registering online. The event will be attended by a diverse range of stakeholders, including member states, international financial institutions (IFIs), development institutions, private sector leaders, UN agencies, and civil society organizations (CSOs).

Agenda

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Time <small>(Time in New York)</small>	Agenda
1000 – 1005	Welcoming Remarks <ul style="list-style-type: none"> Mr. Marcos Mancini, Sustainable Finance Advisor, Bureau for Policy and Programme Services, UNDP
1005 – 1105	Panel Discussion: Risk Proofing Our Common Future: The Role of Insurance Supervision Moderator: Mr. Stephen Nolan , Managing Director and Head of Secretariat, UNDP FC4S and SIF
	<ul style="list-style-type: none"> Dr Emily Duffy, Head of Function - Actuarial Services (Insurance Supervision Directorate, Central Bank of Ireland) Mr. Carlos Guiné, Head of Horizontal Unit Sustainability, Policy and Supervisory Convergence Department, European Insurance and Occupational Pensions Authority Mr. Iwan Pasila, Deputy Commissioner of Insurance, Guarantee, and Pension Fund Supervision, Indonesia Financial Services Authority (OJK) Mr. Jeffery Yong, Principal Advisor, Financial Stability Institute (FSI), Bank of International Settlements (BIS) Mr. Ricardo Rodríguez, President, National Insurance and Surety Commission (CNSF), Mexico. Ms. Hanne van Voorden, Head of Supervisory Practices and Operations, International Association of Insurance Supervisors (IAIS)
1105 – 1115	Closing Address <ul style="list-style-type: none"> Mr. Thomas Beloe, Director, Sustainable Finance Hub, United Nations Development Programme (UNDP)