

Climate risk: financial materiality of physical impacts

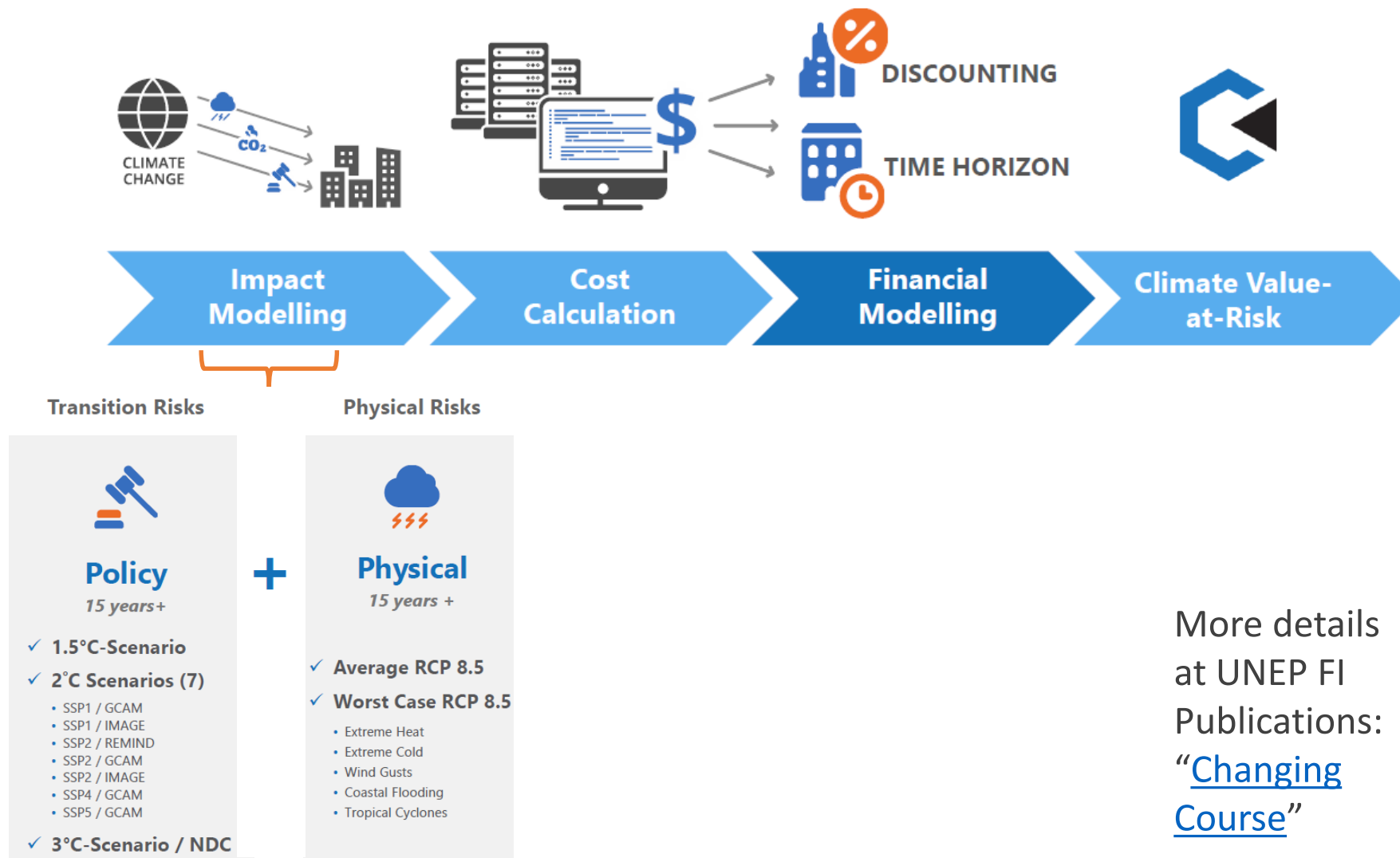
Insurance Asset Risk Conference
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TCFD Investors Pilot

Methodology overview



More details
at UNEP FI
Publications:
“[Changing
Course](#)”



Information gaps and uncertainty

Historical exposure & damages			
Costs (opex + capex)	Income	Risk Apportion and Carry	<div>Value / Valuation</div> <div>Buy / Hold / Sell</div>
Insurance premiums	lease rates / value	Lease terms & conditions	
Refinance / cost of capital	Void periods	Insurance terms & conditions	
Maintenance	Yield	Insurability	
Capital updgades (resilience)		Local policy & area investment	
Property / business rates			
Scenarios / modelling: projected exopsure & damages			

- Scenarios and modelling
 - dealing with extremes
 - damage costs and resilience capex
- Post-event rents and values – reverting to the norm
- Risk carriage – changes in insurance coverage, premiums, and insurability
- Macro conditions – borrowing costs, rents & yields, local area resilience

