



Society of Actuaries in Ireland

Press Release: Monday 24th October

Climate change is affecting how risks are underwritten and priced globally

Past data to calculate impact and risk may not be applicable for projecting future risks and impacts

Society of Actuaries in Ireland supports policy-driven and just transition to climate neutrality

Society of Actuaries in Ireland is the first Professional Body in Ireland to join the Professional Bodies Climate Action Charter

Climate change is affecting how risks are underwritten, priced, managed and reported globally, whether for general insurance, life insurance, pensions, other financial institutions, and social security.

This is one of the key messages in a paper [‘Climate Change Matters’](#) published by the Society of Actuaries in Ireland this morning (Monday Oct 24th).

“The unprecedented nature of some of the climate changes observed to date indicates that methods using past data to calculate impact and risk may not be applicable for projecting future risks and impacts. Climate statistics calculated in the 20th century or early 21st century, such as the likelihood of a given climate extreme in a given region, may no longer apply. This can alter the risk estimation of future events.

“Human influence is already making many extreme climate events, including heatwaves, heavy rainfall and droughts, more frequent and severe. Globally, events that were previously considered 1-in-50-year extreme heat events have become about five times more likely, while events previously considered 1-in-10-year events are now almost three times more likely.”

The Society of Actuaries in Ireland aims to contribute to the work of Government and other institutions in transitioning to climate neutrality through an orderly, policy-driven and just approach - that is, one that seeks to ensure that the substantial benefits are shared widely while also supporting those who stand to lose economically.

The paper emphasises that it is important for actuaries to understand the magnitude of the potential changes, the uncertainty of their frequency and intensity and the inherent volatility of such risks, and to factor this knowledge into their advice to their clients and employers.

“As risk professionals, actuaries can contribute in multiple ways, including advising the insurance, banking, pension, investment, government and other sectors on identifying, assessing, managing and disclosing the financial and economic risks and opportunities arising from climate change.

“As an example, actuaries have developed climate indexes to provide an objective measure of changes in climate extremes and sea level across certain territories.”

Professional Bodies Climate Action Charter

The Society of Actuaries in Ireland is the first professional body in Ireland to join the Professional Bodies Climate Action Charter and supports its ambition to develop a unified voice for professionals, recognising that climate change is a complex and multidisciplinary issue requiring the transformation of infrastructures governed by multiple professions.

[The Public Statement can be accessed here.](#)

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Issued on behalf of the Society of Actuaries in Ireland by Setanta Communications

For enquiries, please contact:

Aisling Kennedy: (086) 827 4075

Society of Actuaries in Ireland: info@actuaries.ie

Setanta Communications: Michael Moloney, (087) 258 7264, mail@setanta.ie

Society of Actuaries in Ireland

The Society of Actuaries in Ireland is the professional body for actuaries practising in Ireland. Actuaries provide advice on and relevant solutions for financial, business and societal issues involving uncertain future events. Most of the Society's members work in the financial services industry, and members of the profession hold statutory or regulated roles relating to the financial management of pension schemes and insurance companies. The Society seeks to make an impartial contribution to public debate on social policy and public interest matters where an actuarial perspective can add value.