

BRIEF

THE RISE OF THE CLIMATE “INSURE-STEIN”

Benchmarking insurers’ climate efforts reveals fragmented leadership—
and a vision for progress

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Introduction

Insurers are at the frontline of climate impacts like no other financial actors. As the entities that price the risk of physical hazards and pay out when these materialize, they have experienced firsthand the steady escalation of climate-driven disasters, with insured losses reaching [\\$140 billion globally in 2024](#) and [exceeding \\$100 billion](#) each year for six consecutive years through 2025.

But insurers are not only absorbing the costs of a warming world. They are also among the most powerful enablers—or blockers—of the transition away from fossil fuels. Through underwriting, they determine what gets built and what can or cannot be financed. Through investment, they deploy trillions in capital across the global economy. Their climate posture on both fronts matters in ways that go far beyond their own balance sheets.

Recognition of the insurance industry's vital role in both adaptation and the energy transition motivated a five-month benchmarking exercise to assess the climate efforts of 20 global property and casualty (P&C) insurers. Our findings suggest that insurers have taken widely differing approaches to climate, with no standout showing maximum leadership across all aspects of climate risk. The firms that have taken more ambitious steps to support the transition, for example, do not tend to match that level of leadership when it comes to adaptation. The full gamut of mechanisms needed for a complete climate response—one that values adaptation and just transition alongside decarbonization—can be found in isolation within insurer strategies but are rarely scaled or coordinated across the full organization.

Designing an insurance benchmark

Our benchmark exercise assessed 20 of the largest global P&C insurers across two separate frameworks, each built from sub-rubrics scored on a standardized scale and aggregated into pillar and overall scores. The transition benchmark covers three pillars: *fossil fuel exposure* and *enabling the transition*, which together allow peer comparison across underwriting and investment strategies; and *climate governance and credibility*, which adds an absolute layer by testing whether each insurer's posture meets external standards, such as alignment to the Paris Agreement or SBTi targets, independent of peer performance. The adaptation benchmark covers two pillars: *internal adaptation*, capturing how insurers adapt their own business to climate risk, and *societal contribution*, capturing how they contribute to broader climate resilience. Together, the five pillars distinguish insurers whose commitments are matched by operational delivery from those whose climate posture exists only on paper.

Three design choices shaped the framework. First, transition and adaptation were kept as separate benchmarks rather than collapsed into a composite score, to ensure that strength on one pathway could not mask weakness on the other. Second, the framework distinguishes treaty-level reinsurance commitments from facultative ones.¹ Treaty business is where reinsurance capacity sits at scale; a reinsurer with strong facultative restrictions but no treaty-level policy is not yet doing the harder work. Third, insurance groups are scored on the strength of their centralized climate governance rather than on the performance of individual subsidiaries. Group-level coherence is itself part of what good climate governance requires.

A note on exclusions

Energy demand is real, growing, [and concentrated in regions where transition capacity is still being built](#). Abrupt fossil fuel exclusions risk stranding workers, communities, and economies that depend on those operations without a viable pathway forward, and may concentrate underwriting capacity in less scrutinized parts of the market where climate ambition is lower.

A more effective approach pairs ambitious restriction with credible conditionality. By conditionality, we mean continued underwriting of fossil fuel clients tied to specific, verifiable climate requirements that the client must meet to retain coverage, whether through Paris-aligned transition plans or operational performance standards like methane monitoring. So,

¹ Treaty reinsurance covers portfolios of insurance contracts. Facultative reinsurance covers individual ones.

restrictions on the most carbon-intensive activities, thermal coal expansion, tar sands, Arctic drilling, combined with this conditional capacity, can pull the industry toward decarbonization more efficiently. This is the approach taken by this benchmark. It is also consistent with the broad [just-transition principles](#).

Insights from our benchmarking exercise

While transition benchmarks for insurers [exist in the market](#), adaptation benchmarks are less common—and don’t necessarily account for how insurers are contributing to societal resilience, in addition to adapting their own business models to climate risk. Our approach tracked insurers’ progress on both transition and adaptation, providing unique insight into where leadership is concentrated, where it is missing, and where the most promising climate instruments are hiding in plain sight. Our research surfaced the following insights:

1. A wide range in how companies are positioned on climate risk.

One of the clearest findings from the benchmark is how differently insurers frame and position climate risk, particularly around transition exposure, physical risk adaptation, and the role insurance should play in the energy transition. Some firms have built highly developed public architectures around climate governance: quantified underwriting restrictions, detailed emissions targets, portfolio alignment methodologies, adaptation frameworks, and extensive disclosure tied to Task Force on Climate-related Financial Disclosures (TCFD), International Sustainability Standards Board (ISSB), or Net-Zero Insurance Alliance expectations.² Others disclose comparatively little, avoid hard exclusion policies, or frame climate primarily through enterprise risk management and catastrophe exposure rather than transition strategy.

2. European insurers dominate both rankings.

Seven of the 20 insurers assessed are European. All seven rank at the top of both benchmarks. This concentration reflects the combined effect of Europe’s stronger regulatory disclosure obligations, more developed climate policy environments, and more sustained investor pressure on climate strategy. It also raises a question the benchmark cannot fully answer, but that policymakers might want to: how much of European leadership reflects genuine climate ambition, and how much reflects the influence of a more demanding disclosure regime?

² This assessment is based on insurers’ 2023 reporting and reflects the climate-disclosure frameworks and expectations applicable during that reporting period.

3. Nature-based solutions, protection gaps, and resilience-building products remain underdeveloped industry-wide.

The adaptation benchmark surfaces three industry-wide gaps where isolated innovation exists but scale remains the missing piece. In each case, at least one insurer has developed a meaningful approach, but no gap has seen industry-wide uptake, and the exceptions remain exceptions.

First, most insurers acknowledge that ecosystems like mangroves and reefs reduce climate risk, but few have built that into how they price or design insurance products. Swiss Re is the clearest counterexample: its [Biodiversity and Ecosystem Services Index](#), available through CatNet, provides location-specific information on the condition of coastal ecosystems that insurers can use in risk selection and potentially to inform risk-adequate pricing for nearby property. The extent to which this has translated into meaningful premium adjustments at scale remains unclear from public disclosure, but the framework itself represents a structural first that no other insurer in our benchmark has replicated.

Second, on protection gaps commitments, despite growing public attention, only [Axa](#) in the benchmark has established a quantified, time-bound commitment tied to expanding insurance access. Through its AXA EssentiALL business unit, AXA has committed to reaching 20 million customers in selected emerging and mature markets by 2026, serving low-income to mass market communities in emerging markets and modest-income communities in Europe, with 17.4 million customers [already covered as of 2024](#). This is the only formal, measurable protection gap commitment in the benchmark.

Finally, on resilience-building products, insurance instruments designed to fund resilience and prevention prior to the loss event remain rare. [Most insurance capital still flows only after damage occurs](#). The clearest emerging exceptions are [catastrophe bonds sponsored by the North Carolina Insurance Underwriting Association](#) and fronted by Hannover Re, with an embedded resilience feature: a resilience spread that funds fortified-roof installation in North Carolina before storm damage, reframing the insurance dollar from compensation capital to resilience capital.

While the industry's exposure to climate hazards is significant, its strategic response across these three dimensions is not yet proportionate.

4. Some insurers under-promise and over-deliver.

The benchmark relied entirely on public disclosure, which means it measures what insurers say more than what they do. However, our analysis revealed examples of cases where actions to support the transition exceeded any stated goals. The two Chinese insurers in the benchmark, Ping An and PICC, illustrate the “say vs. do” gap clearly, in ways that make them appear less strong on climate than they actually are. PICC is one of the largest insurance underwriters in renewable energy globally, yet has not established strong public targets or policy commitments. Ping An follows the same pattern: significant operational delivery, limited public commitment language.

U.S. mutuals show a related pattern. Some have quietly expanded their renewable energy investment portfolios, developed resilience-linked products, and built out catastrophe risk management capabilities, without publicly disclosing the restrictions, quantified targets, or formal commitments that disclosure-based benchmarks use to measure climate progress.

The pattern raises a question for the alliances and coalitions designed to coordinate climate action across the industry. Many initiatives are built around target-setting and public commitment as the entry condition for participation. If a significant number of insurers are embedding climate action in their operations, but not disclosing it publicly, coalitions may be filtering them out. This matters because coalitions exist to coordinate climate progress across the industry, not just within the segment of firms willing to commit publicly. If meaningful operational climate work is happening outside the commitment-based model, the coordination value of these coalitions weakens.

5. Just Transition is mostly a paragraph when it could be a portfolio.

Just Transition language appears across many of the insurers assessed, but only one insurer in our sample, Generali, has embedded Just Transition as an operational component of its [transition plan](#). Across the remaining 19, Just Transition is mostly a paragraph.

The more striking finding, however, is not the absence of formal commitment. It is the presence of instruments that already exist on insurance balance sheets, performing Just Transition functions without being recognized or labeled as such.

Reclamation bonds are the clearest case. These are financial guarantees that ensure land disturbed by mining operations will be restored once those operations close, protecting communities from contaminated soil, polluted water, and economic abandonment when fossil fuel projects end. The instrument is not new. What is new is the framing: reclamation bonds are,

structurally, a Just Transition tool. They ensure that the closure of fossil infrastructure is a managed transition rather than an abandonment. The barrier to recognizing them as such is not product innovation. It is intentionality.

Which insurer has the industry-leading climate strategy?

Given everything that puts insurers at the center of the climate challenge, from handling many decades of data to acting as risk architects across sectors and geographies, a natural question arises. If any industry is structurally equipped to deliver climate leadership, it should be this one. So who is the actual leader?

The answer is: No single firm.

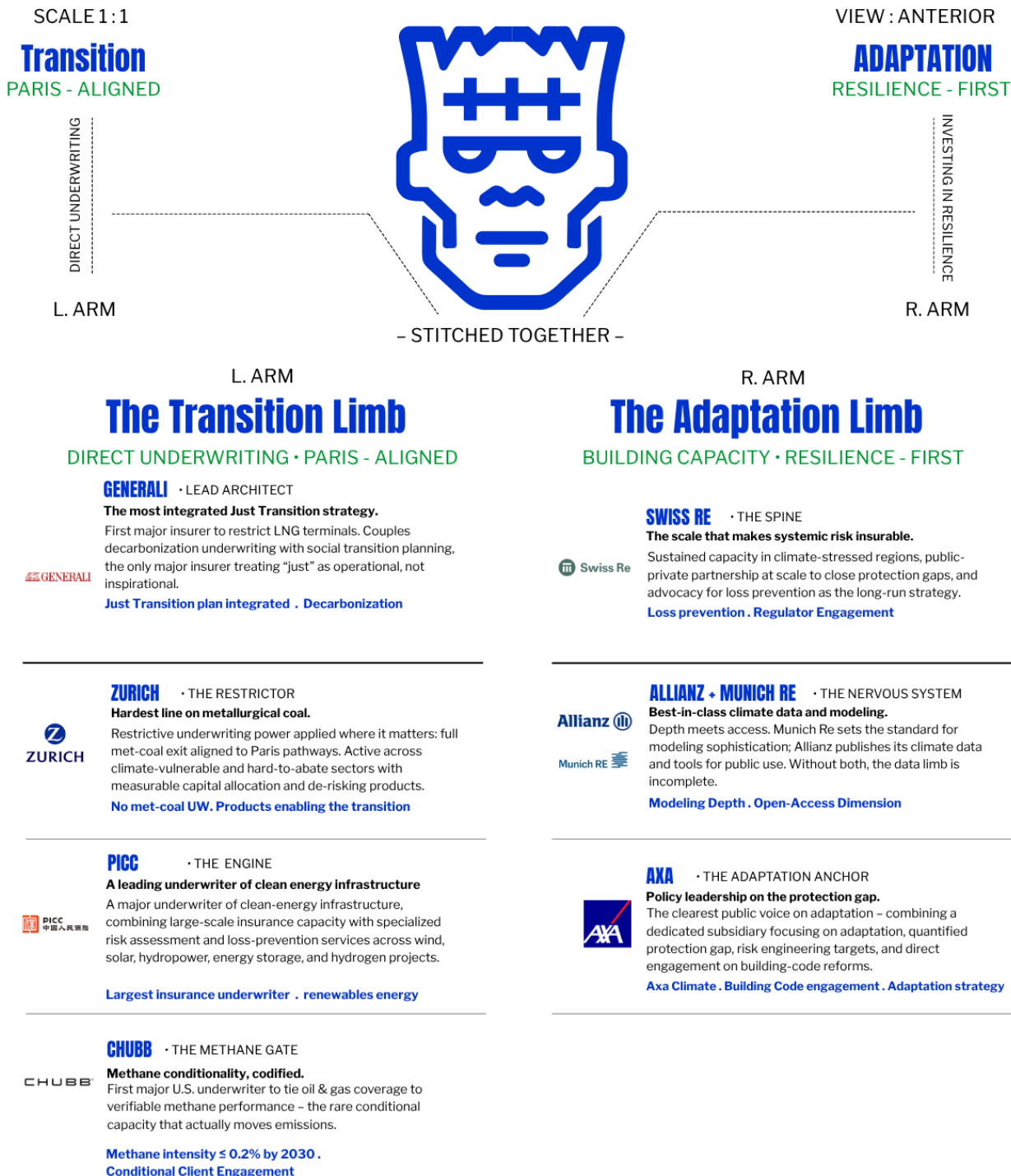
Many of the insurers assessed had a clear standout dimension, an area of genuine climate leadership where they far exceeded the efforts of their peers. What is harder to find is any single firm bringing that same level of leadership across every dimension at once.

So, the benchmark took the best-in-class on each dimension and stitched them together, limb by limb, Frankenstein-style, into a picture of what full-spectrum climate leadership could look like.

The Insure • stein

No single insurer leads on every dimension of the climate transition. The complete climate insurer is a composite – assembled part by part from eight distinct strenghts.

– Anatomical Schematic, Composite No. VII –



The Diagnosis

“It takes **eight (re) insurers** to assemble one complete climate leader.
The market has the parts. It does not yet have the body.”

GENERALI + ZURICH + PICC + CHUBB + SWISS RE + MUNICH RE + ALLIANZ + AXA

The transition limb

Zurich draws the hardest publicly documented line on metallurgical coal among its peers, and has developed some of the most progressive de-risking instruments for hard-to-abate industries, using insurance capacity to actively support clients through the transition. Generali contributes a targeted, operationalized approach to Just Transition, linking continued insurance and financing for selected coal-sector companies to credible transition plans that address the needs of workers and local communities. PICC supports the expansion of clean and renewable energy through targeted green investment, specialized insurance coverage, risk assessment and pricing tools, and risk-reduction services for technologies including wind power, solar photovoltaic generation, energy storage, and hydrogen.

Those three build the net-zero foundation. But getting from here to net zero efficiently requires managing the fossil fuel sector as it transitions, not just drawing lines around it. That is where Chubb's methane conditionality comes in. By tying oil and gas underwriting capacity to verifiable methane monitoring and performance standards, Chubb converts the insurance contract into a direct lever on one of the most tractable near-term emissions challenges.³ It is the mechanism that keeps clients moving.

One structural gap is worth naming. No pure reinsurer – firms that provide capacity to other insurers rather than selling policies directly – made it onto this limb. This is not an oversight; it reflects the state of the treaty reinsurance market, where climate restrictions remain significantly weaker than at the direct underwriting level. [Treaty capacity](#) – a type of reinsurance that covers portfolios of insurance contracts rather than individual ones – continues to back fossil fuel expansion, because most climate restrictions in the reinsurance market apply only at the individual deal level and have not yet extended to treaty business. Until that changes, the transition limb will remain incomplete at the reinsurance layer.

The adaptation limb

Munich Re and Allianz together form the nervous system the adaptation limb needs. Munich Re brings decades of catastrophe modeling sophistication, the analytical depth that allows the industry to price, understand, and respond to climate risk at a granular level. Allianz brings public accessibility: making climate risk data and modeling available in ways that extend beyond

³ EDF helped develop the methane conditionality approach discussed here. While this relationship may create a perceived conflict of interest, the author conducted the underlying research independently and reached her conclusions through a comparative assessment of climate-related initiatives across the property and casualty insurance sector.

the insurance industry into public sector planning and policy. Depth meets access. Together they are the data and intelligence infrastructure that the rest of adaptation depends on.

Swiss Re contributes operational innovation at the frontier of loss prevention and nature-based solutions. From nature-based risk pricing to public sector partnership and policy engagement, Swiss Re connects insurance capital to the physical world of climate risk management, building instruments that fund prevention before losses occur. AXA anchors the adaptation limb in the societal dimension. With demonstrated leadership on building code engagement, a structured adaptation strategy, and the only quantified protection gap commitment in the benchmark, it ensures the adaptation limb reaches the populations who need it most.

Together these four insurers form the adaptation limb: the analytical infrastructure, the prevention innovation, and the societal reach. Each contributes something distinct, and the limb requires all four.

Conclusion

It took eight (re)insurers to build one “Insure-stein,” a complete climate leader encompassing the best the industry has to offer on both adaptation and the energy transition. The market has the parts. What it lacks—for now—is the coordination architecture to bring them together, one that rewards capability alongside commitment, and works across the full range of institutional contexts the industry represents.

Note: The benchmark’s firm-level scores are not shared here because the purpose of this work is to develop insights on industry-wide patterns and opportunities, and gaps where value may be added through industry-level engagement.