

INSURANCE ESG FRAMEWORK MARKS ANOTHER WORLD FIRST FOR GUERNSEY

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Guernsey, a jurisdiction at the forefront of green and sustainable finance, has achieved another world first with the creation of an Environment, Social and Governance (ESG) framework for insurers.

It has been designed by the [Guernsey International Insurance Association](#) with the aim of helping member organisations to manage ESG opportunities and risks and to deliver positive ESG impact.

“ESG-related criteria has moved from a peripheral concern to one that is front and centre of decision making,” said GIIA chairman Mark Elliott.

“This framework acknowledges that we are a long way from agreement on a single standard for ESG in the insurance space, so it is an important first step on the journey towards recognising the work that Guernsey insurance entities do in achieving Sustainable Development Goals and ensuring that ESG is at the heart of their governance structures.”

The framework enables insurers and insurance managers who are members of GIIA to self-certify and work is underway to create a kitemark through a third-party accreditation process.

It follows the United Nations’ recommended approach of incorporating ESG processes to align sustainable development goals with the outcomes of financial services products, services and investments made by the insurer.

The framework sets out four pillars of requirement which must be fulfilled to comply with the framework. They are:

- To embed ESG within the decision making and governance structure;
- The risks underwritten to contribute to achieving the sustainable development goals;
- The investments held to contribute to achieving sustainable development goals, and
- The insurer to publicly disclose how it has met the framework’s requirements.

Adele Gale, Deputy Chair of GIIA, said: “What the framework seeks to achieve is behavioural change. There is a strong desire within the industry to bring ESG discussions into the boardroom and our aspiration in creating this framework is to make those discussions accessible to all our Guernsey based (re)insurers, managers and prospects.

“The framework is both a handrail for existing (re)insurers taking their first steps into ESG and a standard that sophisticated ESG practitioners can certify compliance with to demonstrate their credentials.

“I think it is also important to say that this is the start of the journey. We are leading change and want to encourage other jurisdictions to do the same.”

Dr Andy Sloan, Deputy Chief Executive, Strategy, Guernsey Finance, welcomed the framework. He said: “This is a great development and demonstrates not only leadership from Guernsey’s insurance industry, but also a commitment to sustainability that runs across the board in Guernsey’s financial services sector.”

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PO Box 655, St Peter Port,
Guernsey, GY1 3PN

+44 (0)1481 720071

INFO@WEAREGUERNSEY.COM

