

Insuring the uninsurable

European Seminar on Finance, Environment & Sustainable Development

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10 January 2003 – Paris**

Gaps in Cover

Natural disasters

80 % of loss is uninsured

Efficiency of process

30% of fund is not recycled

Access to fund

a rich man's club

Product design

short-term, restrictive

Lack of capital

unstable prices, volatile demand

A Way Ahead

- **Collaboration on public policy**

regulation (social v efficient models)

compensation ("deep pocket",charity etc)

physical resilience (design and construction)

- **The human factor**

selection,training, development

- **Information**

specification, capture and use

A Way Ahead

- **Capital formation**

renting, tax breaks, ART

- **Internal processes**

IT, product design, micro-insurance

Investment: The Second Front

- **"Safe" ghg levels means 60% cuts**
"Kyoto" impact is minimal and ends in 2012
- **That means BIG economic changes**
inevitable as cheap oil runs out
- **Investors cannot rely on managers**
...or policy-makers!
lack of vision, short-termism

Investment: The Second Front

- **Pressures are rising!**

USS & CERES reports/USA Export Credit Agency suits

Carbon Disposal Project

Swiss Re questions on Directors & Officers

- **Does "safety" = "poverty" ?**

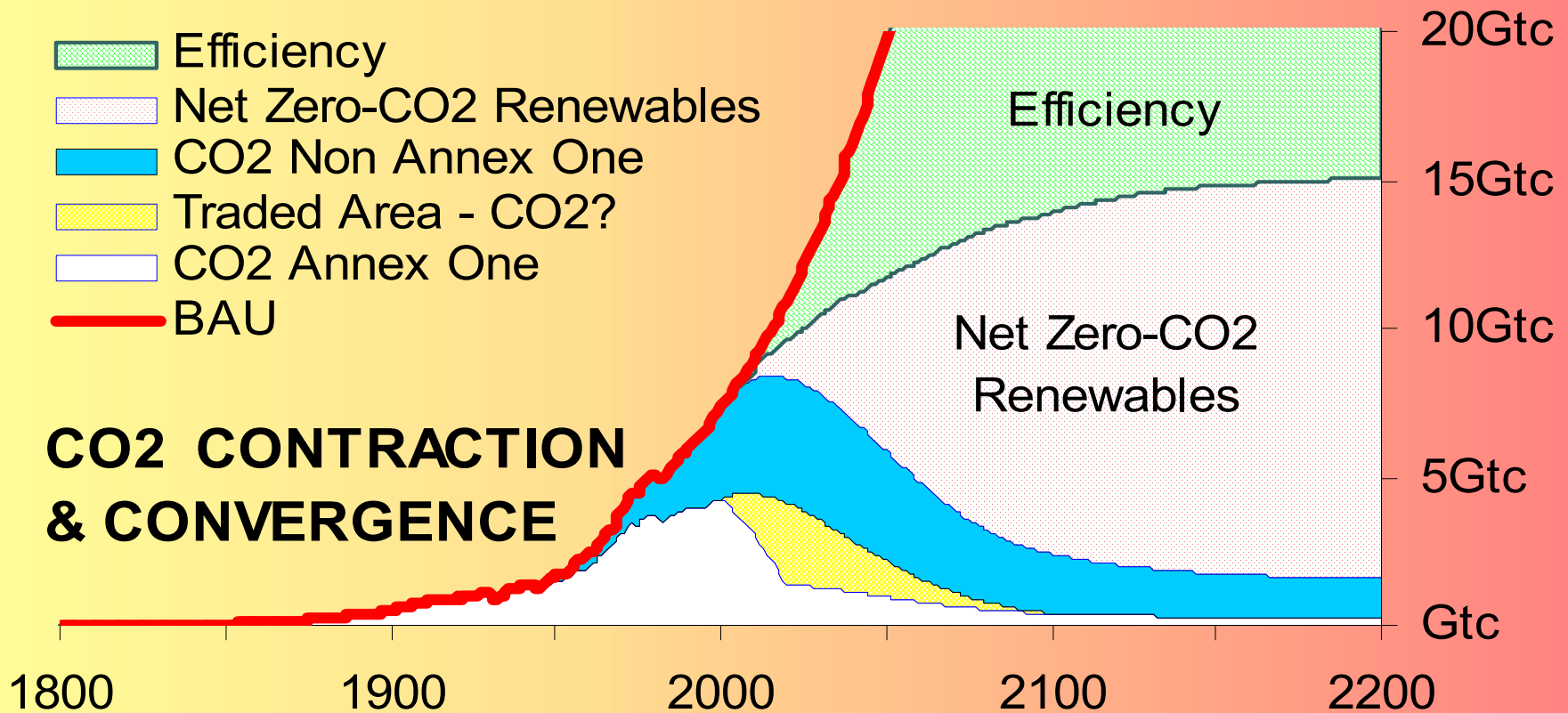
proven renewables technology (IPCC)

"Contraction & Convergence"

Carbon Disclosure Project

- Investors cannot get consistent data on Corporate emissions or strategies
- CDP is a group of 35 investors with over \$4 trillion assets
- Asked world top 500 quoted stocks for this information on May 31st
- Also product life cycle and supply chain impacts.
- It will be published early in 2003 for general access

Contraction & Convergence



- Contraction & Convergence assigns everyone equal rights to carbon emissions, with effect from a given future date, giving time to adjust.
- Solid segments show how CO₂ emissions must fall 60% in total to limit atmospheric carbon.
- The red line shows how energy demand rises, in a business-as-usual scenario, with growth.
- The gap can be filled by alternative energy and more efficient technology.