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The Insurance Industry Development Goals for Cities

A global action framework for the insurance industry to help make cities inclusive, safe, resilient and sustainable in line with UN Sustainable Development Goal 11

- Goal 1: Build climate and disaster-resilient communities and economies**
 - Goal 2: Promote healthy lifestyles and prevent pollution**
 - Goal 3: Develop solutions for unserved people and enterprises**
 - Goal 4: Protect natural and cultural heritage sites**
 - Goal 5: Promote sustainable energy and resource efficiency**
 - Goal 6: Leverage data, risk analytics and technology**
 - Goal 7: Promote risk management, insurance and financial literacy**
 - Goal 8: Help develop climate and disaster risk management strategies and plans**
 - Goal 9: Help develop sustainable insurance roadmaps for cities**
 - Goal 10: Promote the Insurance Industry Development Goals for Cities**
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Introduction

As risk managers, insurers and investors, the insurance industry is uniquely positioned to play a key role in promoting economic, social and environmental sustainability—in other words, sustainable development. The Insurance Industry Development Goals for Cities serve as a global action framework for the insurance industry to help achieve UN Sustainable Development Goal 11 to “make cities inclusive, safe, resilient and sustainable”. The goals take into account the insurance industry’s risk management, insurance and investment activities in the context of key urban challenges and opportunities, and enabling factors.

Key urban challenges and opportunities (Goals 1 to 5)

Goal 1: Build climate and disaster-resilient communities and economies

Possible actions:

- 1.1 Conduct or support research on natural disaster risks, including the effects of climate change and ecosystem degradation, in the context of communities, businesses and local governments
- 1.2 Include climate change and ecosystem risks in catastrophe risk assessment and risk management services, and offer such services to communities, businesses and local governments



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- 1.3 Support climate and disaster-resilient land-use planning, building codes, infrastructure standards and coastal management; and their enforcement
- 1.4 Support efforts to improve information sharing between the insurance industry and local governments that would help insurers assess risk more accurately and help local governments make risk-informed decisions on land-use planning, building codes, infrastructure standards and coastal management
- 1.5 Support natural infrastructure approaches to disaster risk reduction, climate change adaptation and mitigation, and environmental sustainability, such as the conservation and restoration of forests, mangroves, wetlands, coral reefs and other ecosystems
- 1.6 Help communities, businesses and local governments improve their disaster preparedness, including early warning systems and evacuation procedures
- 1.7 Develop climate and disaster risk insurance solutions for households, businesses and local governments, including innovations such as insurtech, index-based or parametric insurance, catastrophe bonds, resilience bonds, and insurance for ecosystems; and provide incentives to those who implement risk reduction measures
- 1.8 Invest in climate and disaster-resilient properties, companies, and man-made and natural infrastructure

Goal 2: Promote healthy lifestyles and prevent pollution

Possible actions:

- 2.1 Conduct or support research on the links between health and pollution in the context of communities, businesses and local governments
- 2.2 Offer health and pollution risk assessment and risk management services to communities, businesses and local governments
- 2.3 Support efforts that promote healthy lifestyles, prevent or reduce pollution, and promote sustainable waste management, including working together with communities, businesses and local governments
- 2.4 Develop health and/or pollution-related insurance solutions for individuals, households, businesses and local governments, including innovations such as insurtech, index-based or parametric insurance, pandemic bonds, and urban pollution impact bonds; and provide incentives to those who implement risk reduction measures
- 2.5 Invest in green and resource-efficient technologies, properties, companies and infrastructure



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Goal 3: Develop solutions for unserved people and enterprises

Possible actions:

- 3.1 Conduct or support research on unserved people and enterprises, particularly low-income people and micro, small and medium enterprises, and how they manage risks
- 3.2 Offer risk assessment and risk management services to unserved people and enterprises and help them improve their risk, insurance and financial literacy
- 3.3 Develop insurance solutions for unserved people and enterprises, including innovations such as insurtech and index-based or parametric insurance, and provide incentives to those who implement risk reduction measures
- 3.4 Invest in companies that promote social and financial inclusion, such as those that provide inclusive financial services—including loans, insurance, savings and pensions for low-income people and micro, small and medium enterprises—and companies that generate positive social impact

Goal 4: Protect natural and cultural heritage sites

Possible actions:

- 4.1 Conduct or support research on natural and cultural heritage sites, including World Heritage Sites designated by the UNESCO World Heritage Convention, and their relevance to the insurance industry, communities, businesses and local governments
- 4.2 Include risks to natural and cultural heritage sites in risk assessment and risk management services offered to communities, businesses and local governments
- 4.3 Work together with stakeholders to access necessary data and information and enhance knowledge and understanding of best practices to protect natural and cultural heritage sites
- 4.4 Raise awareness of natural and cultural heritage sites and promote or support widespread action to protect these places by working together with clients, business partners, governments, regulators, civil society and other key stakeholders
- 4.5 Develop or implement risk management, insurance and investment principles, policies, frameworks, guidelines or processes that prevent or reduce the risk of insuring and investing in companies or projects whose activities could damage natural and cultural heritage sites, whenever possible
- 4.6 Protect natural and cultural heritage sites through risk management services, insurance products or investments



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- 4.7 Engage with insured and investee companies, whenever possible, to improve their disclosure of any activity that could damage natural and cultural heritage sites, and encourage them to adopt and adhere to industry standards and practices to protect these places

Goal 5: Promote sustainable energy and resource efficiency

Possible actions:

- 5.1 Conduct or support research on sustainable energy and resource efficiency in the context of communities, businesses and local governments
- 5.2 Offer climate change and energy and resource efficiency risk assessment and risk management services to communities, businesses and local governments
- 5.3 Develop insurance solutions for sustainable energy and resource-efficient technologies and properties, including innovations such as insurtech, index-based or parametric insurance, usage-based insurance, green building insurance and energy efficiency insurance; and provide incentives to those who adopt sustainable energy and resource efficient practices
- 5.4 Invest in green and resource-efficient technologies, properties, companies and infrastructure

Enabling factors (Goals 6 to 10)

Goal 6: Leverage data, risk analytics and technology

Possible actions:

- 6.1 Explore how data, risk analytics and technology can be improved and be more accessible, reliable and usable; and leverage them to enhance risk assessment and risk management services, insurance solutions, and investments

Goal 7: Promote risk management, insurance and financial literacy

Possible actions:

- 7.1 Promote risk management, insurance and financial literacy to individuals, communities, businesses and local governments in order to better understand and manage risks

Goal 8: Help develop climate and disaster risk management strategies and plans

Possible actions:

- 8.1 Help communities, businesses and local governments develop climate and disaster risk management strategies and plans to build a culture of prevention and to promote good risk management practices



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Goal 9: Help develop sustainable insurance roadmaps for cities

Possible actions:

- 9.1 Help local governments develop sustainable insurance roadmaps that enable them to work together effectively with the insurance industry across risk assessment and risk management services, insurance solutions, and investments

Goal 10: Promote the Insurance Industry Development Goals for Cities

Possible actions:

- 10.1 Promote the widespread adoption of the Insurance Industry Development Goals for Cities across the insurance industry, all levels of governments, regulators, the wider financial sector and business community, civil society, academia and other key stakeholders in order to help the insurance industry play its full role in sustainable development, in line with UN Sustainable Development Goal 11 to make cities inclusive, safe, resilient and sustainable