



IVASS
ISTITUTO PER LA VIGILANZA
SULLE ASSICURAZIONI



JURISDICTION: ITALY

AUTHORITY: ISTITUTO PER LA VIGILANZA SULLE ASSICURAZIONI (IVASS)

Background

The *Institute for the Supervision of Insurance* (IVASS) is a legal entity that works to ensure adequate protection of policyholders by pursuing the sound and prudent management of insurance and reinsurance companies and their transparency and correctness towards customers. The Institute also pursues the stability of the financial system and markets.

IVASS and the Bank of Italy exercise their institutional functions in close coordination, both in the domestic market regulation and supervision, giving support to the Italian Ministries competent for the financial sector (Ministry of Finance and Ministry of Economic Development), and in the international cross-sectoral fora.

Sustainability objectives

Promoting sustainable finance in the Italian insurance market is a key objective of IVASS' supervisory policies: it encompasses our regulatory activity, our contribution to international cooperation, and our macroprudential approach.

Environmental protection is essential for the quality of life of individuals and for sustainable development. IVASS, aware of its responsibility to society and future generations, carries out its functions in compliance with the relevant regulations and with its environmental protection policy. IVASS is committed to:

- reconciling work, economic development and value creation with the respect and protection of the environment and the security of resources;
- sharing corporate guidelines and the relevant measures for the protection of the environment with its employees, collaborators, contractors, trade unions, other institutions, citizens and all the stakeholders; and
- promoting the involvement and the collaboration of employees and the various counterparties in achieving the objectives relating to the protection of the environment, aware that these objectives can only be achieved with everyone's active contribution.

Sustainability work highlights

Following the adoption of the 2016 Paris Agreement on Climate Change and the United Nations 2030 Agenda, our macroprudential analyses have addressed sustainability issues. This has included exploring Italian insurers' attitude as long-term investors, their green and social footprint through the analysis of their Own Risk and Solvency Assessment (ORSA), Solvency and Financial Condition, Non Financial reports, and conducting specific investigations of the initiatives taken by the insurers on climate change-related risks.

IVASS was a first mover among the national insurance supervisory authorities in Europe when it explicitly incorporated ESG factors both in its "Governance" Regulation (IVASS Regulation No. 38/2018, art. 4) and in its Regulation on transparency, disclosure and design of insurance products (Regulation No. 41/2018, art. 36).



In order to more robustly assess the impact of the climate change risk on insurers' business models, in 2019 and 2020 IVASS conducted qualitative and quantitative surveys focussing on: natural catastrophe claims settlement; underwriting and pricing practices; and green and low-carbon investments.

Membership in any other initiatives/networks working on sustainability

- IAIS
- FSB
- UNEP
- EIOPA
- Sustainable Finance Working Group (chaired by the Italian Central Bank)

Recent engagement with SIF

IVASS contributed a case-study to *SIF/IAIS Issues Paper on Climate Change Risks to the Insurance Sector*. This was followed by a contribution to the *SIF/IAIS Issues Paper on the Implementation of the Recommendations of the Task Force on Climate-related Financial Disclosures*, published in February 2020.

IVASS attended SIF's virtual meeting in May 2020, providing support and valuable inputs to SIF's future work plan including during the development phase of the work plan.

