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# INSIGHTS

MAY 2024



**THE  
POWER  
OF 2**

**BIONIC UNDERWRITING  
REDEFINES INSURANCE**

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# Editor's Note



Dear Readers,

Welcome to the May edition of Brighton INSIGHTS, where we explore the intersection of technology, risk management, and insurance. Drawing inspiration from the words of Thomas Edison, who famously remarked, "The value of an idea lies in the using of it," we uncover how innovative advancements are reshaping insurance practices.

Our features spotlight human ingenuity and technological advancement, providing invaluable insights into groundbreaking concepts. From bionic underwriting to evolving dynamics in medical malpractice insurance amidst healthcare progress, each article showcases innovation's potential in insurance.

We also delve into the nuanced realm of oceanic geopolitics, where territorial disputes, trade routes, and environmental concerns converge to shape insurance risk assessments and premiums. Our article on greenwashing addresses the challenge of deceptive eco-claims, which distort risk evaluations and threaten insurers' coverage decisions.

Join us as we explore the fusion of technology and expertise, unlocking new possibilities for insurers and reinsurers. Through insightful analysis, we aim to equip you with the knowledge to navigate the evolving insurance landscape.

Happy reading!

*Annie Undikai*  
**Annie Undikai**  
**Managing Editor**



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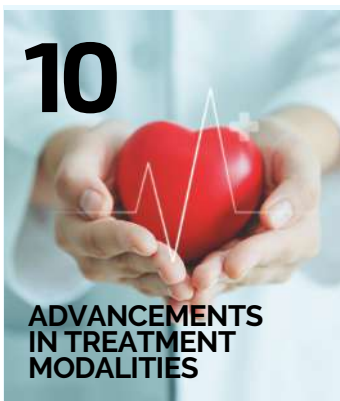
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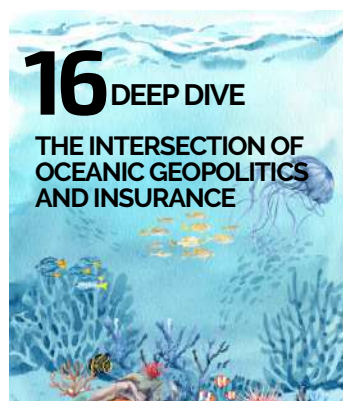
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## 22 GREEN LIES, REAL RISKS

### HOW GREENWASHING IS RESHAPING INSURANCE





# THE POWER OF 2



Bionic Underwriting  
Redefines Insurance



In an era marked by technological breakthroughs and rapid advancements in artificial intelligence (AI), the insurance industry finds itself at the forefront of innovation once again. Enter bionic underwriting – a game-changing approach that combines the analytical prowess of AI with human expertise to redefine risk assessment and policy pricing. This emerging trend is poised to reshape the insurance landscape; offering unparalleled insights, efficiency, and accuracy.

The essence of bionic underwriting transcends mere automation; it embodies a paradigm shift toward innovation and efficiency. As we think about the future of underwriting, it's important to understand what it entails and unravel the tools and skills requisite for success in this changing landscape.

#### **Understanding Bionic Underwriting**

Bionic underwriting represents a symbiotic relationship between humans and machines, leveraging both strengths to enhance decision-making processes within insurance companies. Traditionally, underwriting relied heavily on manual assessments, historical data analysis, and actuarial calculations to evaluate risks and determine premiums. While effective, this approach often lacked agility and struggled to adapt to evolving market dynamics.

In contrast, bionic underwriting harnesses the power of AI algorithms and machine learning models to analyse vast datasets in real-time. These algorithms can sift through disparate sources of information, including social media activity, IoT (Internet of Things) devices, and even satellite imagery, to assess risk factors with unprecedented accuracy. Moreover, machine learning algorithms can continuously learn from new data inputs, refining their predictive capabilities over time.

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**Bionic underwriting represents a symbiotic relationship between humans and machines, leveraging each strengths to enhance decision-making processes within insurance companies.**



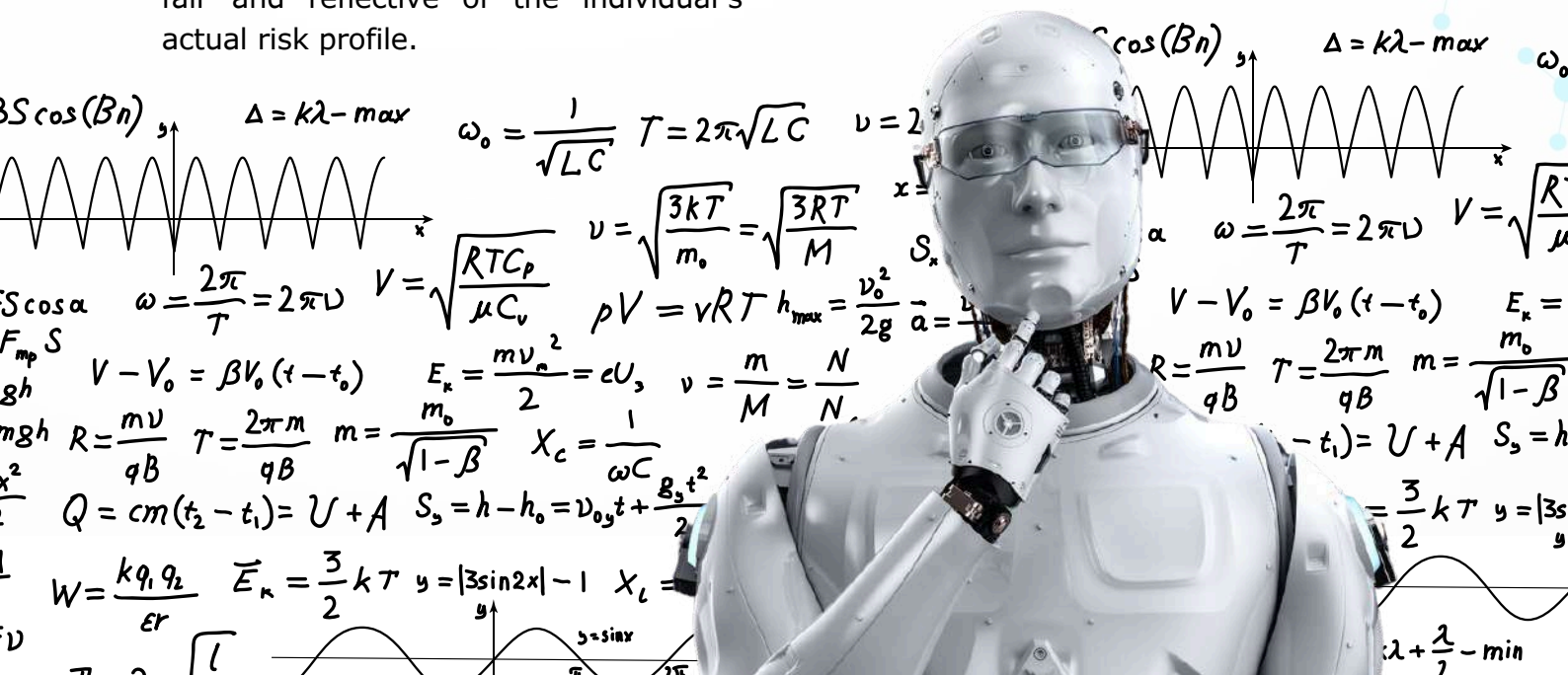
However, human element remains indispensable in bionic underwriting. Experienced underwriters provide invaluable insights, intuition, and domain knowledge that algorithms alone cannot replicate. By collaborating with AI systems, human underwriters can focus on complex cases, strategic decision-making, and customer-centric tasks, while automation handles routine processes and data analysis.

In health insurance, bionic underwriting uses AI to analyse a wide range of data, including medical history, lifestyle factors, and even genetic information (where legally permissible). For instance, if a customer regularly tracks their health metrics through a wearable device, the AI can incorporate this data to provide a more accurate assessment of their health risks. Human underwriters can then review these insights to adjust premiums accordingly, ensuring that the pricing is fair and reflective of the individual's actual risk profile.

### The Impact on Insurance

The adoption of bionic underwriting promises to revolutionise several facets of the insurance industry, yielding significant benefits for insurers, policyholders, and stakeholders alike. Through integrating AI and human expertise, insurers can create a more dynamic, responsive, and customer-centric approach to underwriting that benefits all stakeholders involved.

One major advantage is enhanced risk assessment. Leveraging AI-driven analytics enables insurers to gain deeper insights into individual risk profiles, enabling more accurate underwriting decisions. Bionic underwriting allows for the identification of emerging risks, anticipation of claim probabilities, and real-time adjustments to premiums, thereby optimising risk management strategies. This sophisticated analysis leads to more precise pricing models and better-informed risk selection.



Another key benefit is improved efficiency. Automation streamlines underwriting workflows by reducing manual errors, cutting down processing times, and minimising administrative overheads. With bionic underwriting, insurers can handle larger volumes of policies with greater efficiency, enhancing operational scalability. This efficiency not only lowers operational costs but also speeds up the entire underwriting process, benefiting both insurers and policyholders.

Bionic underwriting also facilitates the development of personalised policies. AI algorithms can analyse vast amounts of data to tailor insurance products to the unique needs and preferences of individual customers. For example, usage-based car insurance can adjust premiums based on driving behaviour, while personalised health plans can be crafted based on individual health data and lifestyle choices. This level of customisation helps insurers offer bespoke solutions that resonate with consumers, meeting their specific needs more precisely than traditional, one-size-fits-all policies.

Fraud detection and prevention is another area where bionic underwriting excels. Machine learning algorithms are adept at detecting patterns and anomalies within data, making them invaluable tools for identifying potential fraud. With bionic underwriting, suspicious claims can be flagged, fraudulent activities detected, and financial losses minimized. This early detection enables insurers to safeguard themselves and their honest customers from the financial repercussions of fraudulent claims.

Bionic underwriting holds the promise of improved the customer experience. Automating routine tasks and expediting the underwriting process allows for a seamless and frictionless experience for policyholders. Faster approvals, transparent pricing, and personalised services contribute to higher customer satisfaction and loyalty. For instance, customers can receive instant quotes and immediate coverage decisions, reducing the wait times and uncertainty often associated with purchasing insurance.

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**AI algorithms can analyse vast amounts of data to tailor insurance products to the unique needs and preferences of individual customers.**



### Challenges and Considerations

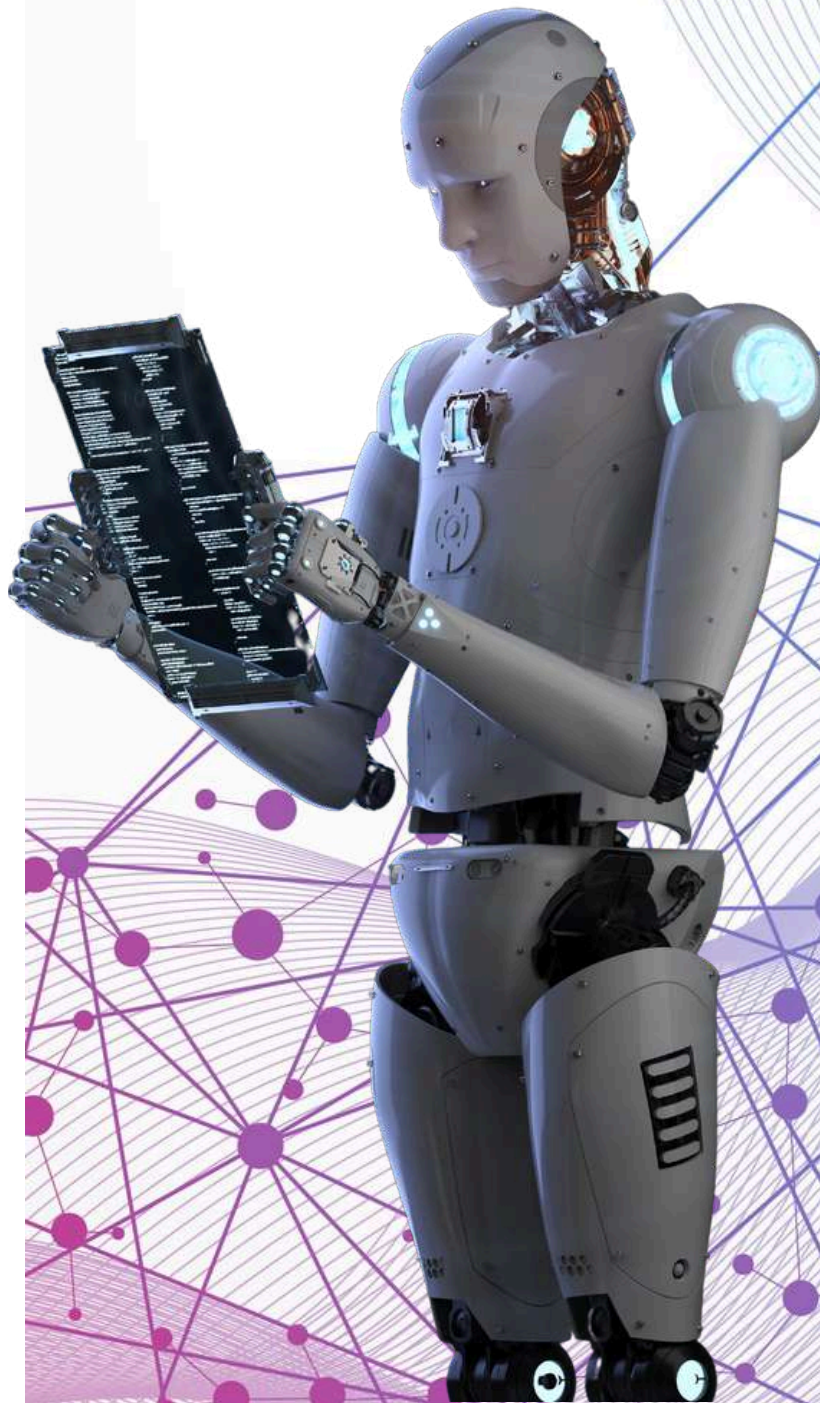
While the potential benefits of bionic underwriting are undeniable, its implementation and adoption pose challenges that requires careful consideration. One significant issue is data privacy and security. The use of vast amounts of personal data raises concerns about privacy and cybersecurity. Prioritising data protection measures and ensuring compliance with regulatory requirements is essential to safeguarding sensitive information.

Another critical challenge involves ethical and bias concerns. AI algorithms can be susceptible to biases inherent in their training data, which can potentially result in discriminatory outcomes. If an AI system is trained on historical data that reflects societal biases, it might unfairly disadvantage certain groups.

This could occur in underwriting for life insurance, where historical data might reflect lower life expectancies for minority populations due to systemic healthcare disparities. Should the AI model incorporate this bias, it could lead to elevated premiums or refusal of coverage for individuals belonging to these groups.

To mitigate these ethical issues, it's essential to ensure fairness, transparency, and accountability in the underwriting processes. One approach is to implement rigorous testing and validation procedures to identify and correct biases in AI models.

This entails utilising diverse and representative datasets during the training phase and consistently monitoring AI decisions for indications of bias. For instance, periodic audits of the AI's decisions can be conducted to ensure that outcomes are equitable across different demographic groups.





Effective bionic underwriting requires a seamless integration between AI systems and human underwriters. This integration is crucial for maximising the strengths of both AI and human expertise while minimising their respective limitations.

Achieving this requires investment in crucial areas like training programs, change management initiatives, and fostering cultural shifts. Such efforts encourage collaboration and trust between human and machine counterparts.

Training programs are crucial for equipping underwriters with the skills needed to work effectively alongside AI systems. These programs should focus on enhancing technical literacy, enabling underwriters to understand and interpret AI outputs. For example, training might include sessions on data analytics, machine learning basics, and the specific functionalities of the AI tools being used. By improving their technical skills, underwriters can better assess the AI's recommendations and make informed decisions.

In addition to technical training, soft skills development is equally important. Underwriters need to cultivate a mindset that embraces AI as a collaborative partner rather than a competitor. Fostering adaptability, enhancing communication skills, and cultivating a culture of continuous learning are essential to seamlessly integrate AI into daily workflows.

Lastly, regulatory compliance and adaptability present ongoing challenges. The insurance industry is heavily regulated, with stringent laws and guidelines designed to protect consumers and ensure fair practices. The introduction of AI-driven processes into underwriting adds another layer of complexity, which necessitates continuous monitoring and adaptation to evolving legal standards. Staying updated on these changes and proactively adjusting AI practices is crucial for insurers.

An example of regulatory adaptability can be seen in the response to new AI regulations by the EU, known as the EU Artificial Intelligence Act. The Act, which was passed by the European Parliament in March this year, adopts a risk-based approach for categorising AI systems into four tiers. These tiers generally correspond to the sensitivity of the data involved and the particular AI use case or application.

### **A New Era**


The emergence of bionic underwriting, blending AI and human expertise in the insurance sector, fosters innovation, efficiency, and enhanced customer value. This transformation empowers insurers to redefine risk assessment, elevate customer experiences, and fuel growth in the digital age.



# ADVANCEMENTS IN TREATMENT MODALITIES

**Impact on Medical  
Malpractice Insurance**





The healthcare industry is witnessing a revolution in patient care, as emerging treatment modalities continuously transform its landscape. From innovative surgical techniques to groundbreaking pharmaceutical advancements, these modalities hold immense promise for improving outcomes and quality of life for patients worldwide. However, the impact of these advancements on medical malpractice insurance cannot be overlooked.

### **The Rise of Emerging Treatment Modalities**

Transformation in the healthcare industry is fuelled by advancements in medical technology and research, giving rise to a multitude of innovative treatment modalities across various medical disciplines. These breakthroughs are reshaping the landscape of patient care, offering new avenues for improved outcomes and enhanced quality of life.

In the realm of surgery, minimally invasive techniques have emerged as a cornerstone of modern medical practice. For instance, robotic-assisted procedures have revolutionised surgeries, allowing surgeons to conduct various complex procedures with greater precision, flexibility, and control compared to traditional methods.



Robotic surgery provides surgeons with highly advanced visualisation capabilities through high-definition cameras, offering a detailed view of microscopic structures. With their enhanced dexterity, robotic systems can rotate 360 degrees and manoeuvre into hard-to-access areas, surpassing the capabilities of the human hand.

The global surgical robots market reached \$8.5 billion in revenue in 2022 and is projected to grow to \$18.4 billion by 2027.<sup>1</sup> This growth highlights the rising adoption of robotic-assisted procedures worldwide, driven by the demand for minimally invasive techniques as well as expanded applications across medical specialties. As surgical robots advance, they are anticipated to significantly improve surgical precision, patient outcomes, and healthcare efficiency.

In oncology, the advent of targeted therapies and immunotherapies represents a paradigm shift in cancer treatment. Targeted therapies precisely identify and attack cancer cells while minimising harm to healthy tissue, offering new hope to patients with various malignancies. Immunotherapies harness the power of the immune system to recognise and destroy cancer cells, leading to durable responses and

prolonged survival in certain cancers. According to recent data, the introduction of these innovative treatments has significantly improved survival rates and quality of life for patients with advanced or refractory cancers.

Regenerative medicine is another frontier where groundbreaking discoveries are transforming healthcare. Stem cell therapies, for instance, hold immense promise for repairing and regenerating damaged tissues in conditions such as spinal cord injuries and degenerative joint diseases.

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**Robotic surgery provides surgeons with highly advanced visualisation capabilities through high-definition cameras, offering a detailed view of microscopic structures.**

<sup>1</sup>Surgical Robots Market (2023). <https://www.marketsandmarkets.com/Market-Reports/surgical-robots-market-256618532>.



Clinical trials have demonstrated encouraging results, with patients experiencing improvements in mobility, pain relief, and functional recovery. With ongoing advancements in research, regenerative medicine is set to transform the treatment of debilitating conditions that were previously deemed untreatable.

Precision medicine approaches are also revolutionising how healthcare is delivered by tailoring treatment strategies to individual patient's genetic makeup, molecular profiles, and environmental factors. Through harnessing the power of big data and genomic sequencing, clinicians can identify biomarkers that predict disease susceptibility, predict prognosis, and gauge response to therapy.

Such personalised healthcare approach maximises treatment efficacy while minimising adverse effects. It ultimately leads to improved patient outcomes and cost savings in healthcare.

### **Implications for Medical Malpractice Insurance**

While these advancements hold immense promise, they also introduce new risks and considerations in the realm of medical malpractice insurance. As treatments

become more sophisticated and specialised, the potential risks and liabilities associated with medical practice evolve accordingly.

### Complexity of Procedures

Innovative treatment methods frequently entail complex procedures and techniques that demand specialised skills and training. This increases the likelihood of errors or complications, emphasising the significance of comprehensive insurance coverage to protect healthcare professionals from malpractice claims stemming from procedural errors.

### Standard of Care Dilemmas

The introduction of new treatment modalities may blur traditional standards of care, raising questions about what constitutes reasonable practice in a rapidly evolving medical landscape. Coverage policies and underwriting criteria must be adjusted to reflect emerging standards of care, all while offering guidance and support to healthcare providers navigating these complexities.



### Informed Consent Challenges

Novel treatments bring forth unique considerations regarding informed consent. Patients must be adequately informed about the risks, benefits, and alternatives associated with these cutting-edge modalities. Failure to obtain valid informed consent can expose healthcare providers to legal liabilities. Thus, clear communication and documentation are vital in the informed consent process.

### Product Liability Concerns

In cases where emerging treatments involve the use of innovative medical devices or pharmaceuticals, product liability issues may arise. Medical malpractice insurance policies need to address potential liabilities associated with defective products or adverse reactions. This ensures healthcare providers involved in delivering these treatments have sufficient protection.

### **Mitigating Risks Through Collaboration and Education**

In response to the complexities posed by emerging treatment modalities, proactive measures are imperative to safeguard the sustainability of medical malpractice insurance. Collaboration among insurers, healthcare providers, and regulatory bodies is paramount to establish a unified understanding of the distinct risks and liabilities inherent in these advancements.





Continuous education and training initiatives are essential to empower healthcare professionals with the expertise needed to proficiently and safely utilise emerging treatments. Through robust investment in ongoing education programs and the dissemination of best practices, the healthcare sector can bolster patient safety measures and effectively diminish the incidence of malpractice claims.

Fostering a culture of collaboration and prioritising education enables the industry to proactively address the evolving landscape of healthcare. This ensures optimal patient outcomes while safeguards against potential risks and liabilities.

### **Conclusion**

As healthcare continues to advance at a rapid pace, the integration of emerging treatment modalities presents both opportunities and challenges for medical malpractice insurance. Staying abreast of evolving medical practices enables insurers to adapt their policies and risk management strategies to address the unique needs of healthcare providers operating in this dynamic environment.





# DEEP DIVE

The Intersection of  
Oceanic Geopolitics  
And Insurance





The oceans, covering over 70% of the Earth's surface, have always been central to human civilisation. Their importance is set to reach new heights due to a combination of economic, security, and environmental factors. With the oceans home to 94% of the planet's life and supporting critical economic activities, they are a pivotal source of minerals essential for the energy transition.

These elements are driving the oceans into the spotlight of global geopolitics, compelling businesses and nations alike to recalibrate their strategies to account for these emerging dynamics. This shift has profound implications for the insurance industry, which must adapt to the evolving risks and opportunities presented by these changes.

### **The Economic Lifeline**

The oceans are not just vast expanses of water; they are the arteries of global trade. Maritime routes are the backbone of the international economy, with around 90% of global goods transported by sea. The sheer volume of trade underscores the critical role of maritime

transit corridors, such as the Strait of Hormuz, Strait of Malacca, Panama Canal and the Suez Canal. These routes collectively handle approximately \$14 trillion worth of goods annually.<sup>1</sup>

For the insurance industry, mitigating the risks associated with global trade is a crucial role. As geopolitical tensions rise around these key maritime routes, the risk of disruptions increases, leading to higher premiums and the need for more comprehensive coverage. This calls for the development of specialized products to address emerging risks associated with political unrest, piracy, and other threats to shipping.

The blockage of the Suez Canal by the Ever Given in 2021 serves as a poignant illustration, emphasising the critical role of insurance in addressing unforeseen events. This incident resulted in estimated daily trade losses of \$9.6 billion.



<sup>1</sup>Global Shipping's Chokepoints (2023). <https://www.statista.com/chart/31489/shippings-chokepoints/>



### Strategic Resources

The oceans harbour a wealth of resources, ranging from abundant fish stocks and hydrocarbons to essential minerals like cobalt, manganese, and rare earth elements. These resources serve as vital pillars supporting diverse industries, spanning energy, technology, and pharmaceuticals. A recent report highlights the potential of deep-sea mining, projecting an annual revenue of up to \$15 billion by 2030 from this burgeoning industry.<sup>2</sup>

As nations and corporations vie for control over oceanic resources, the insurance industry needs to address the complex risks associated with resource extraction. This includes environmental liability insurance for potential damages caused by deep-sea mining and offshore drilling.

The Deepwater Horizon oil spill in 2010 exemplifies the substantial financial risks, with over \$65 billion in fines, settlements, and cleanup costs incurred. Hence, accounting for political risk insurance is essential, especially for investments in politically unstable regions where territorial disputes may escalate into conflicts.

### Security Concerns

Maritime security threats, including piracy, terrorism, and illicit trafficking, pose significant risks to both national and international security. The Gulf of Aden and the Strait of Malacca are notorious for pirate attacks, which threaten the safety of shipping lanes and the stability of maritime trade.

In 2023, maritime piracy incidents saw a 20% rise compared to 2022. The International Maritime Bureau (IMB) estimates that these events resulted in \$16 billion economic losses, mainly attributed to theft, ransom payments, shipping delays, and heightened insurance expenses.<sup>3</sup>

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**As nations and corporations vie for control over oceanic resources, the insurance industry must address the complex risks associated with resource extraction.**

<sup>2</sup>Deep-sea mining technology: the potential job market and challenges (2024). <https://www.airswift.com/blog/deep-sea-mining>

<sup>3</sup>Piracy and Armed Robbery Report (2023). <https://www.icc-ccs.org/index.php/1342-new-imb-report-reveals-concerning-rise-in-maritime-piracy-incident-in-2023>



The rise in maritime security threats necessitates the development of specialised maritime insurance products. Kidnap and ransom insurance, which covers the costs associated with piracy, is increasingly important. As such, marine hull insurance policies must include comprehensive coverage for physical damage to vessels caused by terrorist attacks or other hostile actions. Enhanced risk assessment tools and predictive analytics can help insurers better understand and price these risks.

### **Security Concerns**

While the economic and security aspects of ocean geopolitics are paramount, the environmental dimension cannot be overlooked. The exploitation of ocean resources, whether through deep-sea mining or offshore drilling, raises significant environmental concerns.

Insurance tailored to environmental risks from ocean resource exploitation, such as pollution liability and habitat damage, is crucial. For instance, policies covering oil spill cleanups are essential. Deep-sea mining also threatens marine biodiversity, emphasising the need for insurers to collaborate with scientists and regulators to ensure sustainable practices and manage financial risks.





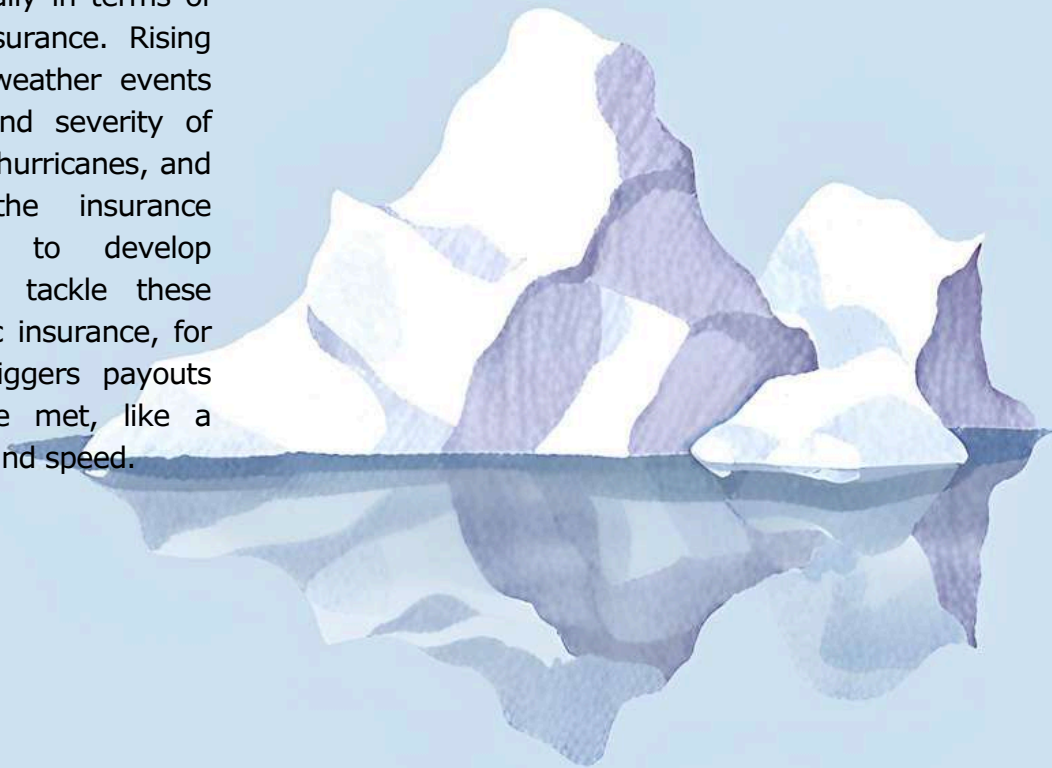
### **Climate Change Impacts**

Oceans are at the frontline of climate change impacts, with rising sea levels, ocean acidification, and extreme weather events posing significant challenges. Coastal nations and island states are particularly vulnerable to these changes, which can lead to loss of habitat, increased flooding, and economic disruptions. The Intergovernmental Panel on Climate Change (IPCC) projects that sea levels could rise by up to 1.1 meter by 2100, with over 1 billion people will be exposed to much greater risks of flooding<sup>4</sup>

Climate change significantly impacts the insurance industry, especially in terms of property and casualty insurance. Rising sea levels and extreme weather events increase the frequency and severity of claims related to flooding, hurricanes, and coastal erosion. For the insurance industry, it's essential to develop innovative products that tackle these emerging risks. Parametric insurance, for instance, automatically triggers payouts when specific criteria are met, like a certain level of rainfall or wind speed.

### **Multilateral Cooperation and Governance**

The intensification of ocean geopolitics necessitates a coordinated as well as multilateral approach to governance. The effective management of ocean resources and maritime affairs requires adherence to international laws, such as the United Nations Convention on the Law of the Sea (UNCLOS). Hence, diplomatic dialogue and cooperation among nations are essential to mitigate conflicts and promote stability.



<sup>4</sup>Sea Level Rise Projections: 10 Cities at Risk of Flooding (2022). <https://earth.org/sea-level-rise-projections/>



The insurance industry must navigate the complexities of international maritime laws and regulations. This can be achieved through collaboration with governments, regulatory bodies, and international organisations to ensure compliance and support the development of standardised maritime insurance frameworks.

Global governance structures, exemplified by the 2022 agreement to establish marine protected areas (MPAs) in the Antarctic Ocean, covering 1.5 million square kilometers, serve as a model for cooperative approaches to ocean management. Insurance coverage options can be designed to incentivise sustainable and responsible maritime activities.

### **Corporate Responsibility**

For businesses, incorporating ocean geopolitics into their supply chain and sustainability strategies is no longer optional but a necessity. Companies must engage in responsible ocean stewardship, collaborate with governments and NGOs, and commit to transparency and accountability in their operations.

The World Economic Forum's Ocean Action Agenda, launched in 2023, provides a framework for companies to align their operations with sustainable ocean management practices, emphasising the importance of corporate responsibility in preserving marine resources.

Insurers have a unique opportunity to shape corporate behaviour through their underwriting practices. This can manifest by extending preferential terms and lower premiums to companies that adopt sustainable practices and invest in ocean conservation. Incorporating environmental, social, and governance (ESG) criteria into risk assessments can further encourage responsible corporate actions.

### **Future Forward**

As we look to the future, the oceans will not only shape the geopolitical landscape but also define the pathways to economic prosperity and environmental resilience. Key stakeholders in this domain, including insurers, have a pivotal role in supporting and safeguarding the complex network of maritime activities that form the foundation of the global economy.





# GREEN LIES REAL RISKS

## How Greenwashing Is Reshaping Insurance

Increasing awareness of environmental issues and demand for sustainable practices have pressured businesses to adopt greener policies. With environmental sustainability at the forefront of global concerns, companies are now increasingly positioning themselves as environmentally friendly to attract conscious consumers and investors. However, not all green claims are genuine. This phenomenon, known as greenwashing, has significant implications, especially in the insurance industry.

Greenwashing is referred to as the act of misleading consumers regarding the environmental practices of a company or the environmental benefits of a product or service. It involves tactics like vague claims, irrelevant information, and even outright false statements. This act of greenwashing not only undermines genuine sustainability efforts, but misleads consumers and stakeholders.





Recent surveys and reports highlight the prevalence and impact of greenwashing. A 2021 report by the European Commission found that 42% of green claims made by companies were exaggerated, false, or deceptive.<sup>1</sup>

One of the most notorious examples of greenwashing is the Volkswagen emissions scandal, often referred to as "Dieselgate." In 2015, it was revealed that Volkswagen had installed software in their diesel vehicles to manipulate emissions tests, making their cars appear more environmentally friendly than they actually were. The scandal led to significant legal and financial repercussions for the company and highlighted the severe consequences of greenwashing.

In 2022, HSBC faced backlash when the UK's advertising watchdog banned a series of misleading adverts by the bank. Despite claims of investing \$1 trillion in green projects, HSBC's ads failed to disclose its financing of carbon-intensive industries. HSBC's annual report revealed it financed 65.3 million tons of CO2 emissions annually from oil and gas clients alone. The watchdog mandated that future campaigns must disclose the bank's contribution to the climate crisis.

Greenwashing has profound implications for the insurance industry. Insurers rely on accurate information to assess risks and determine premiums. When companies engage in greenwashing, they provide false or misleading information that can distort risk assessments and lead to financial losses for insurers.

The practice of greenwashing can obscure a company's true environmental practices, potentially causing insurers to underestimate the risks associated with insuring the said company. This miscalculation can result in inadequate premiums that do not reflect the actual risk, potentially leading to substantial financial losses.

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**Greenwashing can obscure the true environmental practices of a company, leading insurers to underestimate the risks associated with insuring that company.**

<sup>1</sup> European Commission, "Screening of websites for 'greenwashing': half of green claims lack Evidence" (2021). [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_21\\_269](https://ec.europa.eu/commission/presscorner/detail/en/ip_21_269)

Companies exposed for greenwashing may face significant legal challenges, including lawsuits and regulatory penalties. Insurers may find themselves embroiled in these legal battles, either as parties to the lawsuits or as insurers of the accused companies. This can lead to increased claims and payouts, adversely affecting the insurer's financial stability.

Insurance companies themselves are increasingly under scrutiny regarding their sustainability practices. Supporting or insuring companies engaged in greenwashing can damage an insurer's reputation, resulting in the loss of consumer trust and potential business. This underscores the importance of thorough due diligence and adherence to sustainable principles in risk assessment.

There is a growing demand for sustainable and ethically responsible businesses. Insurers that fail to recognise and adapt to this shift may lose market share to competitors who are more transparent and proactive in their sustainability efforts. With consumers and investors becoming more savvy, demanding transparency and accountability, insurers are compelled to be more diligent in their evaluations.

Greenwashing presents significant challenges for the insurance industry, from distorted risk assessments to reputational risks. To address these issues, insurers must strengthen their due diligence processes, incorporate rigorous ESG criteria, and stay vigilant against deceptive practices.

With the global shift towards greater environmental accountability, the insurance industry must evolve to uphold genuine sustainability and shield itself from the financial and reputational repercussions linked to greenwashing. Ignoring this phenomenon carries significant consequences, emphasising the imperative for a more transparent and responsible stance towards environmental claims.

