CLIMATE CHANGE AND FINANCIAL RISK
Implications for Public Entities and Regulated Utilities

Paul Fuller, CPCU
CEO, Allied Public Risk

Central Coast Climate Collaborative Annual Symposium
Wed, Aug 14, 2019
CLIMATE CHANGE IMPACT ON INSURANCE INDUSTRY
Perspective on Underwriting & Investment Portfolios

- Evolution in our Thinking
- Laggard to Thought Leader
- Elevated Threat
  - Underwriting
  - Investments
  - Regulator & Rating Agency Concurrence
  - Heightened Climate Change Weight on Stress/Solvency Tests
- Climate Change = Grey Rhino
  - Our New Normal
  - Industry Solutions
CLIMATE CHANGE IMPACT ON PUBLIC ENTITIES & REGULATED UTILITIES

Perspective on Insurance Policies and Municipal Bonds

- Insurance Carrier-to-Policyholder Relationship
  - Tightening Property Marketplace
  - Transformational Liability Changes
  - Insurance Industry as Institutional Buyer of Municipal & Utility Revenue Bonds
  - $500 Billion Portfolio
- Climate Change vs Conventional Wisdom
  - Heightened Buyer Scrutiny
- Climate Change = Grey Rhino
  - Your New Normal
  - Bond Competition