

Title of case study	New insurance products and climate risk
Name of organization(s)	HSBC
Business sector	Financial Services
Region(s) relevant to case study	<input checked="" type="checkbox"/> All regions <input type="checkbox"/> Africa and the Arab States <input type="checkbox"/> Asia and the Pacific <input type="checkbox"/> Caribbean and Central America <input checked="" type="checkbox"/> Europe <input type="checkbox"/> Least Developed Countries <input type="checkbox"/> North America <input type="checkbox"/> Polar regions <input type="checkbox"/> Small Island Developing States <input type="checkbox"/> South America
Country(s) relevant to case study	United Kingdom (HSBC headquarters)
Adaptation sector(s) relevant to case study	<input checked="" type="checkbox"/> Business <input type="checkbox"/> Education and training <input checked="" type="checkbox"/> Food security, agriculture, forestry and fisheries <input checked="" type="checkbox"/> Human health <input type="checkbox"/> Oceans and coastal areas <input checked="" type="checkbox"/> Science, assessment, monitoring and early warning <input type="checkbox"/> Terrestrial ecosystems <input type="checkbox"/> Tourism <input checked="" type="checkbox"/> Transport, infrastructure and human settlements <input checked="" type="checkbox"/> Water resources <input type="checkbox"/> Other (please specify):
Adaptation activity	<p>HSBC, a global financial services firm headquartered in the UK, has developed a range of responses relating to climate adaptation, from both a risk perspective and in terms of opportunity. On the risk front, it released the HSBC Climate Vulnerability Assessment, which maps risk for the G20 in 2020 from expected climate impacts, in terms of food losses, water stress, and rising healthcare costs. This assessment is intended to advise both the bank and its clients on looming risks, but can also help to shape future products.</p> <p>One clear example is the bank's entry into the crop insurance market, developing, together with Allianz, a</p>

	<p>German insurance and financial services group, an offering for Brazilian farmers, to help them deal with climate-related losses.</p> <p>HSBC's Brazilian insurance arm is now introducing a new climate offering: an insurance product for individuals that will provide cover to clean and repair homes and cars that are affected by weather events. The product also provides warnings and information to consumers about climate and risks of flooding. HSBC plans to sell this in conjunction with finance products offered by the bank, and believes it will create a huge new market.</p> <p>HSBC has also established a climate change research facilitation programme with the UK Met Office, which will allow fund managers to make more accurate assessments of the climate risks and impacts across their investment portfolios. This is part of a major effort by HSBC to assist fund managers in understanding the broader impacts of climate change on investments.</p>
<p>Cost-benefit</p>	<p>HSBC is developing a detailed understanding of the physical risks of climate change to help the bank maximise the opportunities that arise, such as the marketing of new products, and focus on how best to respond to the risks. Physical risks to fixed assets and infrastructure from storm damage or flood, impacts on supply chains from increasing scarcity of natural resources such as water, and shifting patterns in demand for goods and services could all potentially become material factors as a part of a bank's assessment of corporate credit risk.</p>
<p>Case study source(s)</p>	<p><u>Adapting to an Uncertain Climate: A World of Commercial Opportunities (UK Trade and Investment)</u></p> <p><u>Business Leadership on Climate Change Adaptation: Encouraging Engagement and Action (PwC)</u></p> <p><u>Future Proof: Preparing your business for a changing climate (CBI)</u></p>
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