Plenary Session I - 11th June 2026

Challenging risks for the insurance industry

Risk & Underwriting Challenges

Climate change & geopolitics

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1. CLIMATE (AND ENVIRONMENTAL) RISKS ARE RESHAPING THE INSURANCE INDUSTRY

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Environmental risks are increasingly affecting underwriting, claims, liability exposure and the role of insurers in supporting resilience and transition.

CLIMATE CHANGE
- Floods
- Wildfires
- Heatwaves
- Catastrophe volatility

Insurance impact
Higher claims frequency, increased severity and pressure on pricing models.

TRANSITION ECONOMY
- Decarbonisation
- Renewable energy
- New technologies
- Emerging liabilities

Insurance impact
Corporate Liability / New professional liability and construction-related exposures.

REGULATORY EXPANSION
- CSRD
- Climate litigation
- Green Claims Reform
- Sustainability reporting

Insurance impact
Growing D&O exposure and disclosure-related liability.

INSURANCE MARKET SHIFT
Environmental risks are no longer assessed only as external events. They increasingly affect underwriting assumptions, claims frequency, loss severity, accumulation scenarios and the availability of insurance capacity across multiple lines of business.

CLAIMS AND LIABILITY TRIGGER
The same climate/environmental event may generate property losses, business interruption, professional liability, D&O exposure, regulatory investigations and defence costs, turning a single risk driver into a multi-line insurance issue.

Environmental risks are reshaping insurance from risk selection and pricing to claims handling, liability assessment and resilience services

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2. FROM ESG COMPLIANCE TO D&O LIABILITY

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Environmental disclosures, sustainability commitments and ESG certifications increasingly influence liability exposure, defence costs and D&O claims

ITALY
• UNI/PDR 125:2022
• Law 162/2021: gender equality report for companies with more than 50 employees
• Equal Opportunities Code: sanctions of €5,000–10,000 for discrimination in access to work, pay, career progression and pension benefits
• Golfo-Mosca Law: at least one third of board/control bodies from the less represented gender

FROM DISCLOSURE TO INSURANCE
• Sustainability statement
• Market reliance
• Greenwashing or misrepresentation claim
• Defence costs and investigations
• D&O coverage assessment

EU FRAMEWORK
• Directive (EU) 2022/2381: Women on Boards and equal opportunities
• Directive 2000/78: protection against discrimination
• Directive (EU) 2023/970: equal pay
• CSRD / SFDR: sustainability reporting, transparency and accountability requirements

CERTIFICATIONS
International
• ISO 30415 Diversity & Inclusion
• ISO 53800 Gender equality
Environmental / green
• ISO 14001 environmental management
• ISO 50001 energy management
• EMAS with validated environmental statement
• EU Ecolabel, Made Green in Italy, Remade in Italy, Plastica Seconda Vita, B Corp
Certifications may become udw data and evidentiary material in ESG-related disputes.

D&O RELEVANCE
Directors may face liability where environmental disclosures, sustainability commitments or ESG-related statements are inaccurate, unsupported or inconsistent with actual corporate conduct. The resulting exposure may include regulatory investigations, defence costs, shareholder actions and reputational harm.

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3. THE RISE OF CLIMATE AND ESG LITIGATION

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Climate and ESG litigation is becoming a concrete source of insurance exposure, affecting defence costs, D&O liability, underwriting assessment and claims strategy

ITALY – ENI CLIMATE LITIGATION
Greenpeace and ReCommon v. ENI, MEF and CDP.
Climate strategy, governance and ESG disclosure are challenged in relation to alleged climate-change damage and emissions linked to industrial, commercial and energy activities.

ITALY - GREEN CLAIMS
Tribunal of Milan, 25 July 2025.
Environmental claims were challenged as misleading where not demonstrated, verifiable and supported by objective evidence. The case anticipates the stronger scrutiny of generic green statements such as "sustainable", "zero impact" and "eco-friendly".

FRANCE
TotalEnergies: NGO greenwashing claim over carbon-neutrality and transition leadership; In October 2025, the Paris Judicial Court found certain climate-related statements misleading and ordered their removal.
French State: liability for emission-reduction failures; ecological damage recognized with symbolic compensation.

UNITED KINGDOM
Jet Zero Strategy upheld as lawful in April 2025.
ClientEarth v. Shell and Friends of the Earth v. UK Export Finance dismissed, while confirming the trend of strategic ESG litigation by shareholders and NGOs.

GERMANY
Claims against Mercedes, BMW, VW and RWE dismissed; in 2025 the OLG rejected the Peruvian farmer's claim. Thousands of citizens petitioned the Federal Constitutional Court over governmental inaction on climate change.

ITALIAN CONSUMER CODE REFORM
From 24 March 2026, applicable from 27 September 2026, the reform strengthens the fight against greenwashing. Environmental claims must be clear, specific, verifiable and objectively based; generic expressions such as "sustainable", "zero impact" or "eco-friendly" are exposed to challenge when unsupported.

ITALIAN SUPREME COURT NO. 18522/2023
Identical minimum height requirement for men and women may integrate indirect gender discrimination. The employer was ordered to pay loss-of-chance damages equal to 50% of the remuneration the excluded candidate would have received.

D&O RISK PROFILE
Unsupported environmental claims, unvalidated ESG data, weak internal controls and inconsistency between disclosure and actual conduct generate defence costs, sanctions and injunctive actions. The exposure sits between strategy, governance, disclosure and evidence.

ESG litigation turns corporate communication into an insured event trigger when statements lack technical, documentary and legal verification.

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4. GEOPOLITICAL RISKS: THE NEW INSURANCE FRONTIER

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ENERGY TRANSITION & SECURITY
- Critical minerals
- Energy security
- Renewable infrastructure
- Grid dependency

SUPPLY-CHAIN DISRUPTION
- Red Sea tensions
- Trade restrictions
- Inflation pressure
- Replacement costs

STATE-SPONSORED CYBER OPERATIONS
- Critical infrastructure attacks
- War exclusions
- Cyber accumulation risk
- Operational disruption

CRITICAL INFRASTRUCTURE
- Utilities
- Transport
- Ports
- Water systems

UDW CHALLENGES
- Premium increase (up to 300%)
- Supply Chain Disruptions
- Sanctions and Regimes evolves rapidly
- Cyber Sabotage

GEOPOLITICAL INSTABILITY
- Ukraine
- Red Sea
- Energy security
- Critical infrastructure

Insurance impact
Accumulation risk, supply-chain disruption and market volatility.

Geopolitical risk increasingly affects Property, Marine, Cyber, D&O, Trade Credit and BI portfolios.

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5. CONCLUSIONS
FROM RISK TRANSFER TO RESILIENCE MANAGEMENT

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CLIMATE RISKS

Climate risk is no longer confined to property losses, as it now affects pricing, capacity, claims volatility and liability exposure.

DISCLOSURE RISK

Sustainability statements and climate commitments are increasingly becoming litigation triggers when unsupported by evidence.

GEOPOLITICAL INSTABILITY

Conflicts, cyber threats and sanctions create interconnected risks.

The future of insurance will depend on the ability to price, defend and manage interconnected environmental, technological and geopolitical risks.

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