CAN THE INSURANCE INDUSTRY SAVE THE PLANET

At first glance, this would seem to be a rather unusual statement. Not too long ago, I would have thought the same. However, a recent Radio4 programme opened my eyes as to why there is a lot of possible truth in this statement.

At the moment, there are some quite unstable leaders on the world stage, but there is one thing more powerful than any of them. That is money. Big money.

An item that seemed to escape mainstream news was a global get together of insurers and underwriters, who came to the conclusion that a global warming of 3 degrees above pre-industrial temperatures would cause the collapse of the insurance industry. The reasons given are, the obvious one of paying out massive claims mostly for wildfire and flood damage caused by the changing climate. These alone would cause severe financial problems in the industry, making many homes and businesses uninsurable. This would lead to a drop in premiums received, thus a double-whammy, which would cause the industry to become extinct.

The repercussions of this would be felt way beyond the insurance business. Insurance companies are the second largest investors, behind pension funds, and this would cause a worldwide financial crash not seen since the great Depression of the 1920s & 30s. The results would actually be worse as we have evolved a style of living that has changed enormously over the last 100 years. The sad fact is that crashes like this are usually followed by wars, big ones.

However, insurance companies are not idly letting this happen. Premium reductions are enjoyed by customers who take precautions to safeguard their property from the ravages of

fire and flood. This has always been the case, but insurers are now giving discounts to clients who are taking serious steps to reduce their carbon footprint.

New technology for renewable energy start- ups and maintenance also get special treatment from insurers. This will help speed up the introduction and adoption of far more renewable capacity. I can only presume that the premiums for fossil fuel installations must have gone up alarmingly, given events that have occurred in the last 20 years. Large oil spills from tankers have cost millions in clean-ups and lawsuits. I shudder to think what the premiums on nuclear power installations must be, given the devastation that can be caused by explosions, whether accidental or as a result of terrorist action.

Insurers are also likely to look favourably on agriculture, as farmers begin to grow drought resistant crops and make use of digesters. These simple devices take all the sewage and slurry produced in dairy/meat production and burn the methane given off to produce electricity, thus reducing their reliance on the grid. At the end of the process, organic fertilizer remains, thus reducing the need for the artificial variety. The adoption by a lot of farmers of regenerative farming also reduces fossil fuel use and creates more productive land by reducing tilling, leaving living roots in the ground which feeds the microbes necessary for soil health and causes less destruction of insects vital to the production of organic matter. Soil treated in this manner is also capable of sequestering carbon in large amounts.

There is a possibility that climate change itself is a self - regulatory tool of the planet. It appears that there is a link between climate change and the almost total cessation of growth in most economies worldwide. With less growth comes less consumption, which should result in the production of less CO^2. However, politicians seem to view economic growth as

the one and only card on the table, but it is proving to be something of a bright elusive butterfly. My own belief is that it would be dangerous to believe the climate crisis can be solved by low growth on its own.

“Despair is not a luxury I afford myself”.

Greta Thunberg

BY JEFF WHITE