

INSURERS 'INCREASINGLY CONCERNED ABOUT GREENWASHING'

- **Global study shows nearly half are very concerned about the issue**
- **80% expect the range of investment opportunities available to insurers to narrow over the next two years because of increasingly stringent ESG requirements**

Insurers are becoming increasingly concerned about greenwashing as ESG requirements become tougher, a new global study* among investment management professionals in Life Insurers, London Markets (re)insurers and investment managers who support insurers, shows.

Nearly half (45%) are very concerned about the current level of greenwashing when it comes to investing, with 53% quite concerned, according to the study from Ortec Finance, the leading global provider of risk and return management solutions for insurers and other financial services companies.

Institutions questioned are planning to increase portfolio allocations to green bonds and specialist climate focused funds over the next two years, with 62% boosting allocations to green bonds and 75% to specialist climate focused funds.

However, they are concerned that the range of investments insurers can access will shrink over the next two years due to increasingly stringent ESG requirements. Around 80% expect a rise in the range of investments becoming unavailable for investment because of ESG requirements, with 9% predicting a dramatic increase.

Only one in five (18%) believe the industry as a whole has very good ESG strategies and programmes currently in place. That rises to 21% when companies were asked about the strategies and programmes their own organisation has in place.

The table below shows how respondents rate the ESG strategies and programmes of insurers, and insurance asset managers in general, and of their own organisations.

How do you rate ESG strategies and programmes?	For insurers and insurance asset managers	For your company
Very good	18%	21%
Quite good	41%	27%
Average	7%	18%
Quite ineffective	22%	23%
Very ineffective	12%	11%

Hamish Bailey, Managing Director UK, and Head of Insurance & Investment said: “There is strong demand among insurers and insurance asset managers for specialist climate focused funds and green bonds.

“But that is running up against increasing concern about the current level of greenwashing and a belief that the range of available investment opportunities will narrow over the next two years as ESG requirements become tougher.

“Insurers increasingly need support in identifying investment opportunities which deliver for their institution and meet ESG requirements, which means a tougher focus on greenwashing.”

Ortec Finance provides insurers with a range of services to help them confront challenges like complex liabilities, low yields, increasing investment performance analysis demands, or to assess climate change related risks and opportunities.

Specific services Ortec Finance provides to insurers are around asset liability management, asset allocation, risk management, economic scenario testing and performance measurement & attribution. For further information visit

<https://www.ortecfinance.com/en/industries/insurance-companies>

-Ends-

Notes to editors:

*Ortec Finance commissioned independent research company Pureprofile to interview 100 investment management professionals at life insurance companies, Lloyds of London insurer and reinsures and at fund managers who support insurers in November 2023. Survey respondents are located in the UK, the USA, France, Germany, Hong Kong, Italy, Netherlands, Singapore and South Korea. Collectively the organisations they work for manage around \$5 trillion.

For more information, contact:

Phil Anderson, Perception A.

phil@perceptiona.com / +44 7767 491 519

About Ortec Finance

Ortec Finance is the leading provider of technology and solutions for risk and return management. It is Ortec Finance's purpose to enable people to manage the complexity of investment decisions.

This is accomplished via the delivery of leading technologies and solutions for investment decision-making to financial institutions around the world. Ortec Finance's strength lies in an effective combination of advanced models, innovative technology, and in-depth market knowledge. This combination of skills and expertise supports investment professionals in achieving a better risk-return ratio and thus better results.

Headquartered in Rotterdam, The Netherlands, Ortec Finance has offices in Amsterdam, London, Toronto, Zurich, Melbourne, and New York. Ortec Finance helps 600+ clients manage their \$15 trillion assets under management. www.ortecfinance.com