

# IAG: Adaptation and Mitigation go hand in hand



As the largest general insurance company in Australia and New Zealand, IAG sees first-hand the devastating impact a changing climate can have on people and their communities. This is why a focus on climate change goes to the heart of their purpose to make the world a safer place, and why their team is dedicated to tackling the climate change challenge.

“Climate change is a critical issue for all of Aotearoa New Zealand,” says IAG’s General Manager of Corporate Relations, and Climate Change spokesperson, Bryce Davies.

**“The impacts of our changing climate are complex and challenging. They extend well beyond the physical, reaching into the social, cultural and economic as well. These are impacts that are already happening and are only going to get worse.”**

That is precisely why a key part of Bryce Davies’ leadership role is in helping to create a strong focus on adaptation in New Zealand’s response to climate change.



## Adaptation in our climate response

While New Zealand faces the challenge of reducing emissions and reaching net-zero by 2050, it must also deal with the inevitable and growing impacts that climate change will, and already is, bringing. This is why adaptation plays a core role in the climate response, but it's a role that can often be relegated as a lesser consideration to deal with down the track.

"As a country we can't afford to do that. Reducing our emissions will not stop the impacts we have locked in, or those that our inaction creates for the future. New Zealand must focus on how it will manage these impacts and the risk they create to our wealth as well as to our wellbeing.



And with the consequences of climate change already being felt around the country, IAG says adaptation is not about giving up.

**"It is about acknowledging the consequences of the science, consequences which in some cases are already here, and finding the solutions we need for those problems," says Mr Davies.**

In order to highlight the urgent need for action in the adaptation space, and to encourage businesses to get involved, IAG runs a series of events and workshops exploring both the science and policy sides of the equation and chairs the Adaptation Working Group with the Climate Leaders Coalition and Sustainable Business Council.

IAG also asks Kiwis about their attitudes to climate change and how they think the country should adapt in their annual Climate Opinion Poll.

**“The whole point of these sessions, and our survey, is to encourage people to be thinking about this urgent need for adaptation. Because these issues are not waiting for us down the track.”**

In 2021, IAG’s Climate Opinion Poll put the spotlight on the expectations of business, as well as the difficult question of who pays, particularly when people upgrade their home or move when the climate related risks they face are too great. A small sample of [the findings](#) included:

- Only **23%** of respondents agreed that New Zealand’s current response is moving fast enough to have a real impact.
- **37%** were confident New Zealand will be able to reduce the impacts that climate change will have on homes, businesses and communities.
- **51%** think someone else should pay some or all of the cost for them to buy an existing home in a new location.



“The overall findings highlighted a sense that New Zealand isn’t making the progress it needs to and that Government and business must do more. As a country we are still yet to confront the hard trade-offs that lie at the heart of adapting to an increasingly changing climate in a transparent and fair way. IAG is up for the challenge and ready to play its part, alongside everyone else in New Zealand must focus on how it will manage these impacts and the risk they create to our wealth as well as to our wellbeing.”



For the first time, in 2021 IAG also surveyed members of the Sustainable Business Council and Climate Leaders Coalition to get a business view on climate change and adaptation. Some of those findings included:

- **100%** agree climate change is important to their business
- **84%** expect moderate/significant business impact from climate change
- **45%** expect the impacts will become material within the next five years
- **91%** think businesses should do more to help each other adapt.

**“The change in our climate creates both risks and potential rewards for businesses. Ultimately how businesses adapt to the impacts that climate change is bringing will spell their success or failure,” says Mr Davies.**

## **Challenges on our horizon**

The recent Intergovernmental Panel on Climate Change (IPCC) report on ‘Impacts, Adaptation and Vulnerability’, released last month, was an urgent reminder to take a two-pronged approach to climate change in reducing our emissions as well as adapting to the worst effects of climate change. While the overall findings of the report came as no surprise to the team at IAG, the call for urgent and targeted adaptation action made for an important read.

“As Amanda Whiting, IAG New Zealand’s CEO, commented at the time, adaptation is a core part of our climate response, and it is encouraging to see more and more businesses recognising the importance of that two-pronged climate change approach,” says Mr Davies.

**“There is no avoiding how vitally important adapting to the impacts of climate change is, and that starts with clarity around how we are going to adapt, who is going to pay for it, and how to do this fairly.**

“The IPCC’s report served as another stark reminder that those are all questions we need to be addressing, and finding answers to, now.”



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## About IAG

IAG provides a wide range of general insurance products to protect our customers' homes, possessions and businesses. Through education, sharing insights, working with government, regulators and through community partnerships, we encourage the proactive management of risk and taking action to help minimise the resulting losses and hardship. This includes advocating for legislation that reduces the impacts of floods and storms, developing tools and responses to emerging challenges, and helping to raise understanding of the physical and economic risks of natural perils. We are proud to be recognised externally for our sustainable business commitments.

## About SBC

SBC is a member organisation that connects businesses, partners, and sectors to create impact that no single business could achieve alone. We work with executives and sustainability professionals to maximise their positive impact for shareholders, communities and the environment. We hold our members to account by asking them to fulfil member commitments. We deliver impact by championing our members to be at the leading-edge of sustainability and inspire other businesses to take action.