



Hugh Wood Canada Ltd.
Sustainable Energy Practice Presents;

Renewable Energy, Sustainability and Insurance: Considerations for Municipalities



Jen Aitchison
SVP Sustainable Energy Insurance

Agenda

- **Introduction**
- **Why this is important**
- **Insurers recent history with solar & storage**
- **Insurers current state of the market**
- **Next steps**



Introduction

Climate change and the need for overall resiliency is driving change

Insurers are no stranger to the effects of climate change

Municipalities are looking for ways to implement change

Insurers are slow and steady, sometimes impeding evolution and technology adoption

We seek to highlight the potential for misalignment



Why is this important?

Risk mitigation for sustainability

Support across multiple stakeholders is key

Rapid deployment and adoption will be necessary

Potential barriers exist outside of simple cost and effectiveness of measures

Highlighting potential blind spots to remove barriers



Insurers Recent History with Solar & Storage

2008 – Ontario Launches Feed-in Tariff including a microFIT option for homeowners to reach the program in an effort to move to a more sustainable energy mix.

Insurers not engaged in the initial program contemplation.

Unexpected barriers to market entry found with insurers lack of understanding and education

2018 Energy Storage for GA Chase becomes an expected business model

Insurers again a barrier, inside systems more than outside a challenge

Codes and standards lagging behind, insurers playing catch up

2020 Indoor BESS becoming a business model, insurers remain in a difficult market



Insurers Current Market Conditions

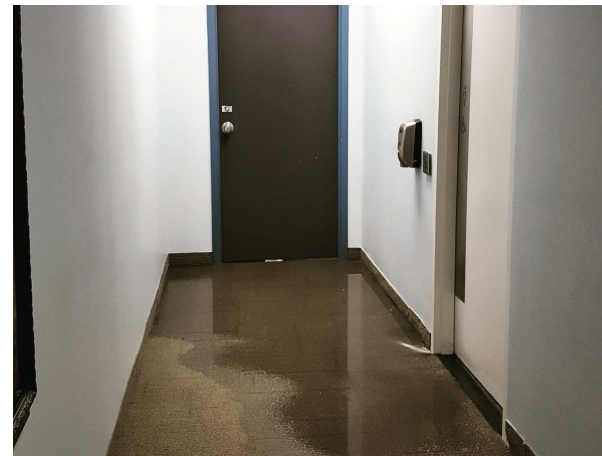
Insurance industry remains in turmoil - 2021 remains a hard market

Main drivers:

- Major global natural catastrophes
- Reinsurance treaty amendments
- Profitability concerns
- Changing regulatory environment

Result:

- Lower appetite for new risks/technology
- Decreased capacity
- Increasing premiums
- Changes to terms & conditions



Next Steps



Evaluate, Engage, Educate

Evaluate new technologies that are expected to roll out. Have an idea as to how many and what types of facilities will be affected/expected to uptake these new measures and cost. What will the program look like to achieve preferred adoption rates.

Engage insurers. Either directly, through a broker, through the Insurance Bureau of Canada, Canadian Risk and Insurance Management Society or any other channel that may gain the attention of the insurers. Whether through webinars, newsletters, links to published educational tools etc.

Engage Associations. If the new technology is contentious with insurers, engage the appropriate association for additional educational resources.

Educate insurers. Insurers need to understand the risk profile of any new technology.

What risk(s) are you trying to mitigate?

How does this new technology impact that risk(s)?

What additional risks may this new technology pose and how have they been addressed?

If applicable, have first responders such as fire fighters been trained to respond?

If applicable, what codes & standards are being followed/developed ?

What is the anticipated adoption rate?

How can their loss control gain better understanding of the technology to get more comfortable?

Has this been done elsewhere and if so, where? (Insurers will look to other jurisdictions so as not to re-invent the wheel so to speak)





QUESTIONS?

Jen Aitchison
Hugh Wood Canada Ltd.
4120 Yonge St. Suite 201
Toronto, Ontario M2P 2B8
416.229.3233
jaitchison@hwcanada.com
www.hwcanada.com

