



The 2026 Progress Report

**Climate Risk Reporting
in the U.S. Insurance Sector**

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Acknowledgments

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About Ceres

Ceres is a nonprofit advocacy organization working to accelerate the transition to a cleaner, more just, and resilient economy. With data-driven research and expert analysis, we inspire investors and companies to act on the world's sustainability challenges and advocate for market and policy solutions. Together, our efforts transform industries, unlock new business opportunities, and foster innovation and job growth—proving that sustainability is the bottom line. For more information, visit ceres.org.

About Ceres Accelerator for Sustainable Capital Markets

The Ceres Accelerator for Sustainable Capital Markets is a center within Ceres that aims to improve the practices and policies that govern capital markets by engaging federal and state regulators, financial institutions, investors, and corporate boards to act on climate change as a systemic financial risk. For more information, visit ceres.org/accelerator.

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Background

Bringing Climate Risk into Focus: TCFD and U.S. Insurance Regulation

As mandatory climate risk corporate disclosure evolves across the United States and globally, U.S. insurance regulators and insurers have demonstrated notable leadership in this area. In April 2022, the [National Association of Insurance Commissioners](#) (NAIC) took a significant step forward by mandating that insurers with \$100 million or more in premiums in participating states must file Climate Risk Disclosure Surveys aligned with the Task Force on Climate-related Financial Disclosures (TCFD), the global standard for climate risk disclosure.

The [NAIC Climate Risk Disclosure Survey](#) plays a crucial role in promoting transparency and enabling regulators and other stakeholders to assess the insurance industry's preparedness for climate risk impacts.

Initially adopted by 15 jurisdictions, this requirement now applies to 30 states and territories, covering more than 85% of the insurance market in the U.S. This expansion reflects the growing regulatory recognition of climate risk's importance to the insurance sector. Today, more U.S. insurers publish TCFD reports than the rest of the world combined, a clear signal of U.S. leadership in this space.

- The TCFD is structured around four core categories: governance, strategy, risk management, and metrics and targets. These categories encompass 11 specific recommendations detailing the actions and processes companies should disclose.
- The TCFD's recommendations are fully incorporated into the [International Sustainability Standards Board's](#) (ISSB) [IFRS S1](#) and [IFRS S2](#) standards. In October 2023, the TCFD's responsibilities were integrated into the ISSB, marking a culmination of the TCFD's work and a step toward global standardization of climate reporting. These standards are being implemented in dozens of nations across the globe.

Figure 1 • TCFD Recommendations for Disclosing Climate-Related Risks and Opportunities



About This Report

This report by Ceres analyzes and presents findings from insurance company responses to the National Association of Insurance Commissioners' reporting year 2024 Climate Disclosure Survey, which is aligned with the TCFD framework for climate risk disclosure. On behalf of 30 state insurance regulators across the nation, these reports were submitted to the California Department of Insurance in the fall of 2025. This report provides insights that may be valuable to insurance regulators, insurers, consumers, investors and other stakeholders. Ceres hopes this analysis will encourage continual improvement in the comprehensiveness and usefulness of climate-related disclosures in future years. Ceres commissioned AI-powered software provider Manifest Climate to measure TCFD alignment with a machine learning-based algorithm.

To search for a specific NAIC Climate Risk Disclosure Survey submission, refer to the [California Department of Insurance Results site](#).

Our [interactive dashboard](#) provides comprehensive TCFD pillar, recommendation, and action item results by company, group, and line of business. The dashboard offers a user-friendly interface to explore and analyze the data. Through Manifest Climate, the analysis has been updated for the entire four-year data gathering period to provide even more details of insights on dozens of key topics of interest.



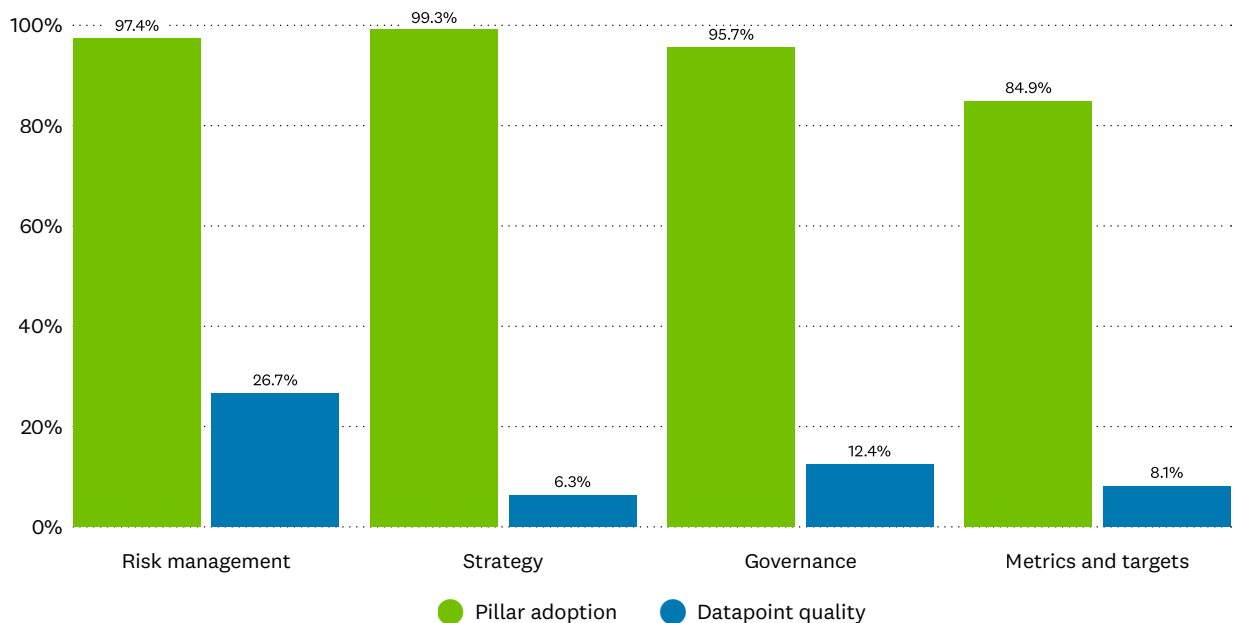
Executive Summary

Four years into standardized climate risk reporting, a paradox has emerged: while there is widespread adoption by U.S. insurers of climate disclosure, the quality of that disclosure remains critically underdeveloped.

This gap matters. As climate driven losses mount, insurers face escalating financial and operational risks. Without rigorous, decision-useful disclosure, insurers cannot accurately price risk, align capital with exposure, or satisfy growing regulatory and investor expectations.

This report, Ceres' fourth annual analysis of U.S. insurers' Climate Risk Disclosure Survey, provides the first comprehensive assessment of disclosure quality across multiple years of data. Our analysis of 537 insurance groups shows that the industry has answered the question of whether to report. The challenge now is how to ensure disclosures are robust enough to strengthen underwriting, investment strategy, and long-term financial resilience.

Figure 2 • The Breadth vs. Depth Paradox



The Stakes Are Rising

Climate-related losses are reaching [unprecedented levels](#), regulatory expectations are accelerating globally, and the financial materiality of climate risk is inescapable.

As climate risks intensify and regulatory scrutiny increases, insurers that invest in crafting and implementing risk management strategies and substantive disclosure will be positioned to demonstrate financial resilience and competitive advantage.

For investors, policyholders, and regulators, the quality of climate disclosure directly affects their ability to assess financial resilience.

This report examines the 2024 disclosures that 537 insurance groups are publishing based on the Task Force on Climate-related Financial Disclosures (TCFD).

Our past reports tracked the increase in the quantity of disclosures insurance companies were making. This report analyzes the quality of the data in those reports, for instance, whether carriers quantify the financial impact of climate risks and whether they set time-bound, science-based emissions targets. It also looks not just at the most recent year's disclosures, but the past four years.

Explore the complete dataset with our [free interactive dashboard](#). Filter by carrier, TCFD pillar, line of business, NAIC zone, assessment year, and individual datapoints.

Key Findings



A paradox of depth but not breadth

83.2% of insurers now provide disclosure on all four of the TCFD pillars (Risk Management, Strategy, Governance, and Metrics and Targets), increasing from 2021 and underscoring the broad adoption of climate risk disclosure

But only 10.5% of actual disclosures meet the standard for substantive reporting. Of the thousands of datapoints assessed, 51.7% are rated “not found” and 37% “partially met”.

The industry has mastered the appearance of climate disclosure while the rigor required for decision-useful reporting remains disappointingly absent for the vast majority of carriers.



The quality gap is not one of lack of awareness or technical capacity

The analytical infrastructure required for comprehensive climate disclosure already exists within most carriers.

Currently, 99% of groups are disclosing on Strategy, which provides insight into how climate risks affect business models, now and in the future. 97% are disclosing on Risk Management, which covers the processes a company uses to handle climate-related risks. 96% are disclosing on Governance, which provides insight into how company board and senior management oversee climate-related risks and opportunities.



The quality gap reflects a lack of strategic prioritization

Carriers acknowledging that climate risks exist is categorically different from carriers *demonstrating* how an organization measures, manages, and holds itself accountable for those risks. Best practices appear across all lines of business; the primary differentiator is not sector but organizational commitment to structured, decision-useful disclosure.



Despite persistent quality gaps, participation is growing

The over 83% of insurers now addressing all four TCFD pillars represents 537 insurance groups, 85 more than in 2021. The number of insurers participating has grown by 106 groups since 2021, reflecting both organic industry growth and expanded disclosure participation.



Pockets of excellence underscore that comprehensive, decision-useful climate disclosure is achievable

Six carriers (American Alternative Insurance Corporation, American Guaranty & Liability Insurance Corporation, Swiss Re Corporate Solutions America Insurance Corporation, Greenwich Insurance Company, Samsung Fire & Marine Insurance Co., Ltd., HDI Global Insurance Company) achieve 50% to 57% “fully met” across all datapoints, spanning diverse business models from global reinsurers to regional specialists; the highest “fully met” performers on average.

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Some carriers also improved dramatically on year-over-year qualitative measurements

Greenwich Insurance Company advanced from 26% to 53.2% “fully met”; Security Life of Denver from 0% to 32.5%. Risk Management, the strongest pillar at 26.7% “fully met”, shows where the industry has successfully integrated climate into core business processes, with climate integration into Enterprise Risk Management achieving 79.3% “fully met”.

The carriers achieving disclosure excellence did not develop fundamentally different capabilities than their peers; they made different strategic choices about deploying existing analytical infrastructure toward climate accountability. This means comprehensive industry-wide improvement is feasible within current technical capabilities if there is a strategic commitment across all insurers.

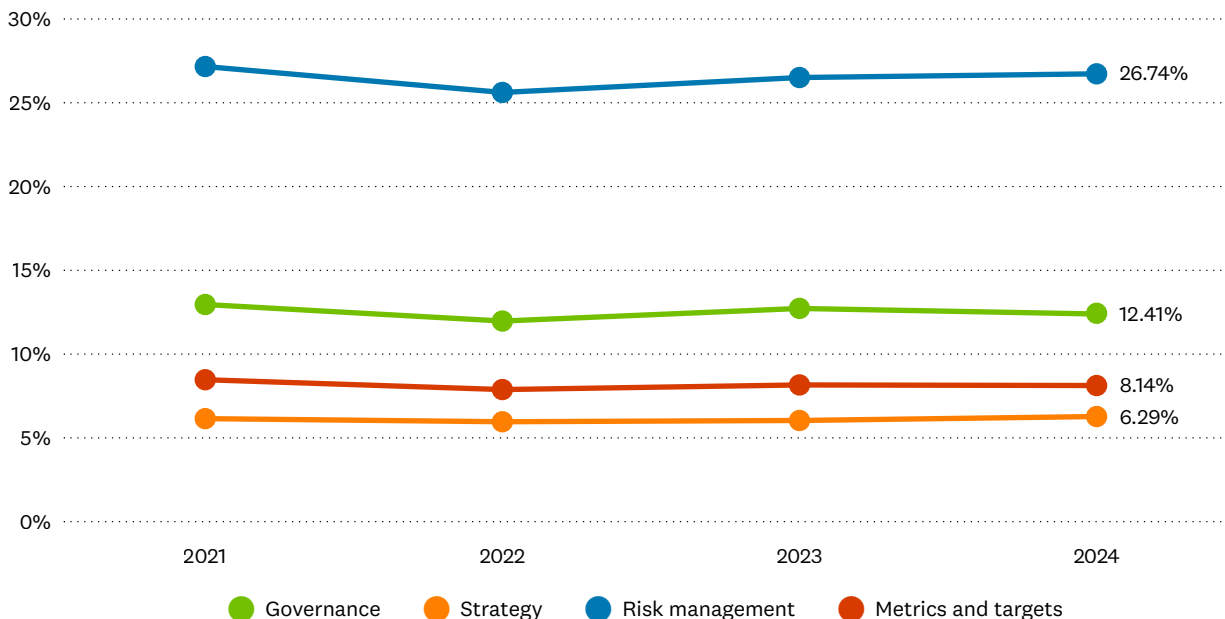
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The relative performance qualitatively across TCFD pillars has been effectively frozen since 2021

Risk Management has hovered between 25.6% and 27.2% “fully met” across all four assessment years. Governance has remained between 12% and 13%. Strategy has been stuck between 6% and 6.3%. Metrics and Targets has fluctuated slightly between 7.9% and 8.5%.

There has been no convergence between the strongest and weakest pillars over four years of measurement, suggesting that the forces driving disclosure in each pillar are structurally different.

Figure 3 • Four Years of Quality Stagnation





Disclosure quality across TCFD pillars remains too low to show measurable climate-risk progress

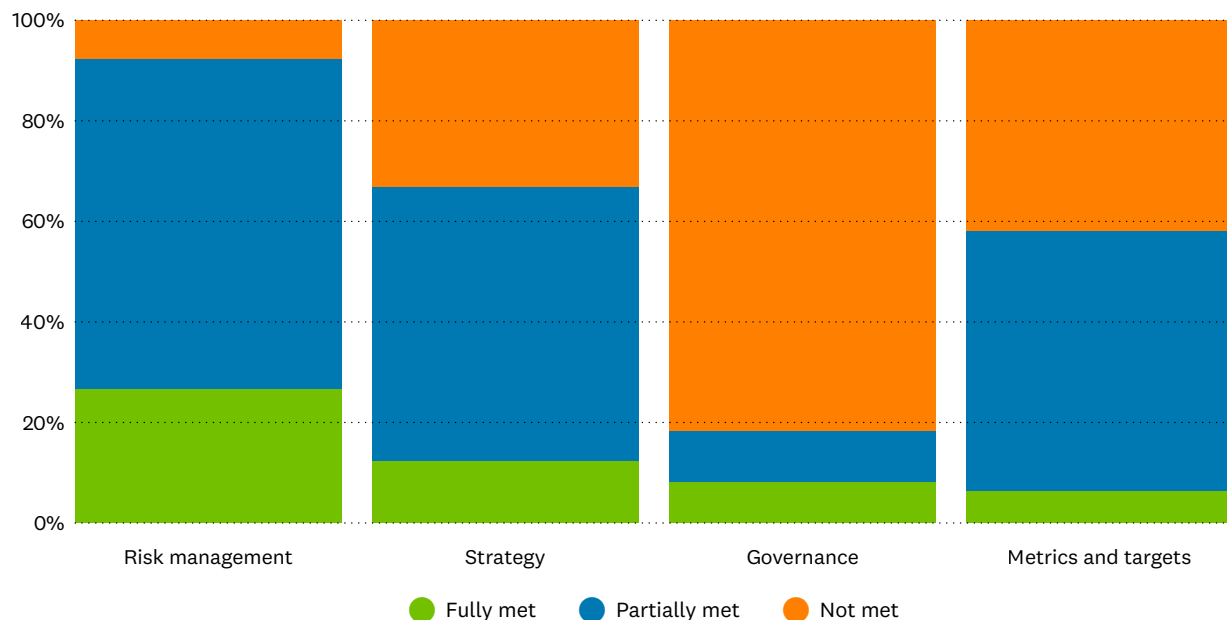
Metrics and Targets is the most critically underdeveloped pillar: 81.9% of datapoints are rated “not found”. This is in contrast to the nearly 90% of carriers engaging with the Metrics and Targets pillar and highlights that, while carriers may be responding, it is the quality and depth of those responses that is found lacking.

Three gaps prevent stakeholders from assessing actual climate impact: the vast majority of insurers fail to aggregate scope 3 emissions despite these representing the largest share of an insurer’s carbon footprint. Internal carbon pricing remains virtually nonexistent across the industry, and carriers describe climate exposure qualitatively but fail to quantify the percentage of assets subject to material physical risk.

In Strategy, virtually no carriers disclose capital or operating expenditures allocated to climate risk transition plans, preventing stakeholders from assessing the financial commitment behind stated ambitions.

In Governance, climate-linked executive compensation remains weak with only 8.5% “fully met” and 66% “not found”. Without clear accountability mechanisms tied to measurable climate outcomes, governance structures risk remaining aspirational rather than operational.

Figure 4 • Disclosure Quality by TCFD Pillar



Looking Ahead

The U.S. insurance industry stands at an inflection point. The question of whether and how to report on climate risks has been settled. The far more consequential question of how to report effectively, with the specificity and rigor that enable meaningful risk assessment, remains unresolved for the vast majority of carriers.

As we look toward the next assessment year, the key question is whether the industry will accelerate the transition to quantified, decision-useful disclosure. The tools, frameworks, and best practices exist, and leading reporters have demonstrated the path.

Climate disclosure is not an end in itself. It is a means to effective climate-related financial risk management. Until insurers move from describing risks to quantifying them, disclosure will remain a compliance exercise rather than a strategic imperative.

The choice facing the U.S. insurance industry is clear: continue mastering the appearance of climate disclosure or commit to its substance. Four years of data suggest which path the industry has chosen; the fifth year will reveal whether that choice changes.



Methodological Advancement

This year's analysis represents a significant advancement in assessment rigor. Prior reports evaluated climate disclosure on a binary basis: using machine learning to determine whether an insurer's submission included any information related to each of the 11 TCFD recommendations. Each recommendation received either a "1" (information present) or "0" (information absent), regardless of how comprehensive, specific, or decision-useful that information was.

This yes/no approach could identify whether an insurer addressed a topic; for example, whether board oversight was mentioned at all, but could not distinguish between a brief acknowledgment of board involvement and a detailed description of governance structures, meeting frequency, expertise requirements, and accountability mechanisms. A carrier providing a single sentence about climate metrics received the same binary score as one disclosing granular emissions data, science-based targets, year-over-year trends, and third-party verification protocols.

For this current analysis, we implemented a granular qualitative assessment methodology that evaluates not just whether insurers report on climate risk, but how they report: whether disclosures include specific metrics, quantified financial impacts, time-bound targets, governance accountability mechanisms, and integration into core business processes. We retested all four years of data utilizing the new methodology. This framework assesses [77 individual datapoints](#) across the four TCFD pillars, assigning each a rating of "fully met", "partially met", or "not found" based on disclosure specificity and rigor. In total, 537 insurance groups were evaluated under this enhanced methodology for the current assessment year (2024). As examples of these data points, the framework can evaluate whether climate-related risks are integrated into the enterprise risk management framework, whether scenario analysis informs business strategy, and whether measurable, time-bound climate targets with defined baselines are established.

We reevaluated all four years of historical data (assessment years 2021–2024) under this enhanced methodology to enable true year-over-year comparison and trending analysis. Because not all carriers reported in every assessment year, the year-over-year comparative analysis is based on a consistent cohort of 537 groups that have Survey filings across all reporting years. This consistency allows us to track whether the quality of reporting is improving over time.



Current Year Reporting (2024)

The assessment evaluated 537 insurance groups across four TCFD pillars: Governance, Strategy, Risk Management, and Metrics and Targets. The following analysis captures both the breadth of industry participation and the depth of disclosure quality. The vast majority of assessed carriers address at least some aspect of each TCFD pillar:

Figure 5 • Pillar Adoption: Near-Universal Participation

TCFD pillar	Groups reporting	Percent of total
Strategy	588	99%
Risk management	586	98%
Governance	577	97%
Metrics and targets	534	90%

Note: A group “addresses” a pillar if at least one datapoint in that pillar receives “fully met” or “partially met” status.

Understanding Participation vs. Quality

These adoption rates measure the breadth of disclosure, whether carriers address climate topics at all, and not the quality or comprehensiveness of that disclosure. The threshold for inclusion in Figure 5 is intentionally low: a carrier counts as “reporting” in a pillar if it achieves at least one “fully met” or “partially met” datapoint out of the multiple recommendations assessed within that pillar.

This distinction is critical. A carrier that partially addresses one governance recommendation appears in the same participation statistic as a carrier that fully addresses all governance recommendations. The 99% Strategy adoption rate, for example, indicates that virtually every carrier acknowledges climate-related risks or opportunities in some form, but reveals nothing about whether those disclosures meet TCFD’s substantive requirements for scenario analysis, time horizons, or materiality assessment.

The quality analysis that follows examines how well carriers meet TCFD’s specific recommendations within each pillar, revealing significant variation beneath these high participation rates.

Interpreting the Participation Data

With this context, the near-universal participation rates indicate that climate disclosure has achieved broad acceptance across the U.S. insurance sector. Strategy leads at 99% adoption, reflecting that virtually every carrier acknowledges climate-related risks and opportunities in some form. Governance (96%) and Risk Management (97%) show comparably strong adoption, suggesting that most carriers have established at least minimal oversight structures and integrated climate into existing enterprise risk frameworks. Metrics and Targets trails at 85%, reflecting the measurement and accountability challenges detailed in subsequent sections. A full 83.2% of carriers address all four TCFD pillars, demonstrating comprehensive, if not necessarily deep, engagement with the framework.

► [Filter the dashboard by pillar to see carrier-level detail](#)

Pillar Coverage Distribution: The Depth Question

While adoption rates measure breadth of participation, the distribution of how many of the four TCFD pillars each respective carrier addresses reveals the depth of commitment:

Figure 6 • Pillar Coverage Distribution: The Depth Question

Pillars addressed	Number of groups
0	3
1	6
2	11
3	70
4 (complete)	447

The overwhelming majority of carriers (83.2%) address all four TCFD pillars at some level. Only 20 carriers (fewer than 4%) address two or fewer pillars, suggesting that incomplete framework adoption is rare. Of the 70 carriers addressing exactly three pillars, 63 omit Metrics and Targets, the pillar requiring quantified emissions measurement and target setting; confirming that measurement capacity, not awareness or governance commitment, represents the primary barrier to comprehensive disclosure.

The Breadth-Versus-Depth Paradox

High pillar adoption rates create a misleading impression of industry progress. The quality analysis in subsequent sections reveals that only 10.5% of individual datapoints achieve “fully met” status, a stark gap between the 85 99% participation rates and the actual substance of disclosure. Near-universal participation should signal maturity; instead, it highlights how far the industry remains from meeting the TCFD framework’s substantive requirements. Most carriers have initiated disclosure, but few have moved beyond checkbox compliance to provide the transparent, decision-useful information the framework envisions.

Recommendation-Level Coverage: Granular Engagement

The TCFD framework contains 11 specific recommendations across the four pillars. The distribution of how many recommendations carriers address provides additional insight on disclosure depth:

Figure 7 • Distribution of Recommendations Addressed by Carriers

Recommendations addressed	Number of groups	Percent of total
9/11	224	38%
10/11	136	23%
11/11	142	24%
0-8/11	91	15%

The average carrier addresses 9 of 11 TCFD recommendations (36% of assessed groups), while 39% address at least 10 recommendations. Only 17% achieve complete coverage across all 11 recommendations, suggesting that even among carriers with strong breadth of disclosure, certain specific recommendations remain challenging.

The recommendations most frequently omitted typically involve forward-looking commitments: climate risk transition plans, science-based targets, and scope 3 emissions measurement. This pattern aligns with the broader finding that carriers demonstrate greater capacity for describing current activities than for committing to future actions.

Year-Over-Year Pillar Adoption Trends

Examining how pillar adoption has evolved over four years provides context for the current state:

Figure 8 • Year-Over-Year Pillar Adoption Trends

TCFD pillar	2021	2022	2023	2024	Growth
Strategy	427	511	507	533	+106 ▲
Risk management	422	509	500	523	+101 ▲
Governance	413	491	491	514	+101 ▲
Metrics and targets	369	415	419	456	+87 ▲
Total groups assessed	431	520	512	537	+106 (25%) ▲

Note: Year-over-year compares the subset of all carriers reporting overall assessment years (537).

All four pillars show substantial growth in absolute participation over the four-year period, with total assessed groups increasing by 106 (25%). However, adoption rates as percentages have remained unfortunately static: Strategy adoption held at 99%, Risk Management at 97–98%, Governance at 95–96%, and Metrics and Targets at 85–86%. This stability amid population growth suggests that new entrants adopt climate disclosure at rates comparable to the existing population and they are not lagging significantly behind established reporters in breadth of framework engagement.

What this pillar-level analysis cannot capture, and what the subsequent detailed assessment reveals, is disclosure depth. High adoption rates indicate that carriers are addressing TCFD pillars; they do not indicate how comprehensively carriers are addressing them. The transition from this current-state overview to year-over-year quality trends illuminates this critical distinction between participation and performance.

Year-Over-Year Disclosure Trends: The Paradox of Growth Without Progress

The U.S. insurance industry added more than 100 new climate reporters between 2021 and 2024, yet overall disclosure quality remained essentially flat at 10.5% “fully met”; a collective failure to translate broader participation into substantive improvement. While individual carriers show dramatic variation, with some advancing from minimal to comprehensive reporting and others regressing from established practices, the industry as a whole failed to mature its disclosure approach. Most concerning, forward-looking disclosures, including scenario analysis, transition planning, and future risk assessment, declined even as backward-looking metrics improved modestly, suggesting carriers retreated to safer historical reporting rather than embracing the forward-looking transparency stakeholders require.

This section presents year-over-year analysis from two complementary perspectives: carrier-level trajectories and datapoint-level compliance trends. Together, these analyses reveal the complex reality behind aggregate industry statistics.

At the carrier level, our assessment of 537 insurance groups (a subset comprising those carriers that have reported across all reporting years) reveals remarkable variation in disclosure trajectories. Some carriers achieved transformational progress, rising from minimal TCFD-aligned disclosure to substantive reporting across multiple pillars within three years. Others regressed substantially by retreating from previously established disclosure practices to minimal or zero compliance. These divergent trajectories coexist within an industry whose aggregate metrics suggest barely modest progress that is disappointing after four years of reporting.

At the datapoint level, analysis of compliance rates across [TCFD-aligned criteria](#) reveals an equally stark divergence. Certain disclosures, particularly quantitative climate risk metrics, show meaningful improvement. Forward-looking commitments including transition plans and target setting show consistent declines. This pattern suggests that rising specificity requirements are outpacing industry readiness, and that carriers find it easier to report historical activities than to commit to future actions.

The Industry Baseline

Before examining individual carrier trajectories, we establish the industry-wide disclosure quality baseline. The following table captures aggregate performance across all 77 TCFD-aligned datapoints assessed from 2021 through 2024:

Figure 9 • Performance across TCFD-Aligned Datapoints

Status	2021	2022	2023	2024	Change
Fully met	10.7%	10.1%	10.5%	10.5%	-0.2% ▼
Partially met	38.2%	37.0%	36.7%	37.0%	-1.2% ▼
Not found	50.2%	52.2%	52.0%	51.7%	+1.5% ▲

Note: Columns may not sum to exactly 100% due to a small “Not applicable” category (-0.8%).

Over four years, the percentage of disclosures rated “fully met” (meaning they satisfy TCFD requirements with specificity and completeness) remained essentially flat. The disappointing rate started at 10.7% in 2021 and ended at 10.5% in 2024. During this same period, the number of assessed insurance groups grew from 431 to 537, representing a 25% increase in additional disclosure assessments for this subset.

More than 100 new insurance companies began reporting on climate risk during this period, yet the industry’s overall disclosure quality showed no improvement, with many carriers even experiencing slippage in their scoring. The “not found” category actually increased slightly over time. This pattern suggests that new reporters are entering the assessment at baseline disclosure quality rather than learning from established best practices. The synthesis of these two perspectives explains the industry’s stagnation paradox: new reporters enter the assessment at baseline disclosure quality, diluting the gains achieved by improving carriers. Meanwhile, rising assessment standards mean that carriers must continuously deepen disclosure quality to maintain their ratings, creating a treadmill effect where visible progress requires extraordinary effort. This dynamic explains why aggregate metrics show stagnation despite the individual carrier improvements documented in the following sections.

► [Filter the dashboard by year-over-year comparisons](#)

Carrier-Level Trajectories

Individual carrier trajectories reveal dramatic variation that aggregate statistics obscure. Some carriers achieved transformational progress within three to four years; others regressed substantially from previously established practices.

Top Improvers: Transformation Is Achievable

Several carriers achieved notable disclosure improvements, demonstrating that substantial progress is achievable:

✔ **Dramatic Transformation**

Security Life of Denver Insurance Co. (Life): From Zero to Comprehensive

In 2021, this life insurer provided essentially no TCFD-aligned climate disclosure. By 2024, the carrier had achieved comprehensive reporting across Governance, Strategy, and Risk Management pillars. When “partially met” datapoints are included, overall disclosure reached 72.7%, signaling comprehensive organizational commitment. This trajectory demonstrates that carriers starting from minimal disclosure can achieve substantive reporting within three years.

2021: 0% fully met ▶ 2024: 32.5% fully met

✔ **Mid-Sized Excellence**

Adirondack Insurance Exchange (P&C): Achieving Leader-Level Quality

This property and casualty carrier demonstrates that comprehensive climate disclosure does not require multinational scale. Starting from a modest baseline, the carrier now matches or exceeds the disclosure quality of organizations several times its size. Including “partially met” disclosures, the carrier reached 87% overall compliance, a rate that would be impressive for any organization, regardless of scale.

2021: 14.3% ▶ 2024: 37.7% fully met

The pattern of substantial improvement extends across different sectors and business models. DB Insurance Company, the U.S. Branch of an international operation, improved from minimal disclosure to substantive reporting. Chesapeake Employers Insurance, a workers’ compensation specialist, demonstrates that even niche, single-line writers can make major strides. Health New England, a health insurer, achieved one of the strongest improvements in its sector.

Even carriers that were already strong reporters continued deepening their disclosure. Three carriers, including Swiss Re, Greenwich Insurance, and American Guaranty & Liability started the reporting period above 25% “fully met”; all reached or exceeded 50% by 2024, demonstrating that progress is not capped once initial achievement levels are reached.

Carriers Experiencing Regression

While some carriers built sophisticated climate disclosure programs, others substantially reduced their disclosure quality:

Substantial Decline

General Security National Insurance (P&C): Regression in Qualitative Disclosure

This carrier was previously among the industry's stronger climate reporters, with more than half of its disclosures meeting TCFD requirements. Three years later, compliance fell to barely one-fifth. The regression occurred in governance detail, strategy depth, and risk management specificity, suggesting possible changes in reporting approach or resource allocation.

2021: 53.2% ▶ **2024: 22.1% fully met**

Complete Reversal

American Equity Investment Life Insurance (Life): From Established to Abandoned

This life insurer had achieved substantive climate disclosure in 2021, with more than 80% of its disclosures meeting or partially meeting TCFD requirements. By 2024, compliance had regressed to zero, with not a single disclosure rated "fully met" across all 77 criteria. This represents wholesale abandonment of previously established climate reporting practices rather than gradual decline.

2021: 28.6% ▶ **2024: 0% fully met**

Multiple additional carriers showed substantial declines: Toyota Motor Insurance Company (P&C) fell from 23% to below 4%. FMH Ag Risk Insurance Company (P&C/Agriculture) declined from nearly 20% compliance to zero. Anthem Life Insurance regressed from 29.9% to 14.3%, despite its parent company's significant sustainability commitments. The pattern appears across different ownership structures, business lines, and organizational sizes.

The Significance of Disclosure Regression

Disclosure regression raises fundamental questions about the durability of climate reporting. These carriers previously demonstrated climate risk awareness through established reporting programs, then subsequently abandoned them. The causes likely vary: organizational restructuring, changes in sustainability leadership, shifting strategic priorities, or decisions to consolidate reporting at parent company levels. Regardless of cause, backsliding undermines the assumption that industry progress is cumulative. It suggests that without regulatory requirements or persistent market pressure, some carriers will retreat from climate transparency. Regulators should consider whether mechanisms to prevent backsliding, such as “comply or explain” requirements for carriers that reduce disclosure scope or quality, are needed to ensure that gains are preserved.

Divergent Trajectories: Four Datapoints Tell Different Stories

Analysis of four representative TCFD datapoints reveals sharp divergence between improving and declining disclosure areas. While backward-looking activities show net improvement despite year-to-year volatility, forward-looking commitments show consistent declines, suggesting that rising specificity requirements are outpacing industry readiness.

The following table shows compliance trends across four representative TCFD datapoints from 2021 through 2024:

Figure 10 • Improving and Declining Disclosure Areas

Datapoint	2021	2022	2023	2024
Climate risk and opportunity metrics	50.1%	46.7%	53.5%	55.5% ▲
Short-term climate time horizons	19.7%	19.0%	20.3%	22.3% ▲
Climate transition plans	12.5%	11.0%	10.0%	8.2% ▼
Climate-related targets	10.0%	8.8%	8.8%	7.3% ▼

Note: All values represent the percentage of assessments rated “Fully Met” for that datapoint.

The Standout Improver: Climate Risk and Opportunity Metrics

Climate risk and opportunity metrics, the quantitative measures carriers use to assess exposure to climate-related perils and opportunities, show the strongest net improvement, rising from 50.1% compliance in 2021 to 55.5% in 2024. However, this trajectory was not smooth: compliance dipped to 46.7% in 2022 before rebounding sharply to 53.5% in 2023 and 55.5% in 2024. More significantly,

the percentage of “partially met” responses declined substantially (from 20.0% to 14.5%), indicating that carriers are moving beyond vague qualitative statements toward precise, decision-useful quantification.

This improvement reflects growing industry capacity to quantify climate risks using metrics such as probable maximum loss (PML), average annual loss (AAL), and catastrophe modeling outputs. Property and casualty carriers, which have long employed these tools for underwriting and reinsurance purchasing, are increasingly framing them as TCFD-aligned climate risk metrics. The decline in “partially met” ratings is particularly significant, as it suggests carriers are moving from vague qualitative statements to precise, decision-useful quantification.

However, the 55.5% “fully met” rate, while the highest among assessed datapoints, still means that 44.5% of carriers either provide no climate risk metrics or disclose them in ways that fail TCFD specificity requirements. The improvement, while real, leaves substantial room for further progress.

► [Explore these trends further](#)

Modest Progress: Short-Term Climate Time Horizons

Short-term climate time horizons specifying what “short-term” means for climate planning improved from 19.7% to 22.3% “fully met” over the four-year period. While this represents the nominal improvement in the dataset, the 22.3% achievement rate means more than three-quarters of carriers still fail to provide the temporal specificity required for stakeholders to assess climate strategy timeframes.

The binary nature of this datapoint is revealing. Unlike qualitative disclosures that can achieve “partially met” status through general descriptions, time horizon definitions are inherently specific: a carrier either states that “short-term” means 1–3 years or it does not. The consistently low “partially met” rate (1.3–2.7% across all years) confirms this binary pattern. The modest improvement suggests that a growing minority of carriers recognize the importance of temporal specificity in climate planning, but the 76.4% “not found” rate in 2024 indicates this practice remains far from standard.

The Alarming Declines: Forward-Looking Commitments

While backward-looking metrics show net improvement, forward-looking commitments, including transition plans, targets, and measurement periods, are declining. This pattern suggests that rising specificity requirements are outpacing industry readiness, and that carriers find it easier to report historical activities than to commit to future actions.

Climate risk transition plans represent perhaps the most complex TCFD disclosure requirement, demanding integration of scenario analysis, capital allocation decisions, operational changes, and portfolio management strategies into a coherent, time-bound roadmap. The declining compliance rate (from 12.5% to 8.2%) reflects rising expectations: a generic statement about “supporting the transition to a low-carbon economy” no longer satisfies stakeholder or regulatory expectations. Comprehensive transition plans require quantified emissions reduction pathways, sector-specific strategies, governance accountability, and financial implications; a level of specificity that few insurers

have achieved. The 8.2% “fully met” rate in 2024, combined with a 14.5% “partially met” rate, means that 77.3% of assessed carriers provide no meaningful transition plan disclosure at all.

Climate-related targets show a concerning decline from 10.0% to 7.3% “fully met”. The relatively stable “partially met” rate (ranging from 17.9% to 19.3% across all years) combined with declining “fully met” ratings reveals a troubling pattern: carriers are setting climate targets, but those targets increasingly fail to meet specificity requirements. Targets without baseline years, absolute emissions commitments, interim milestones, or methodological transparency earn “partially met” or “not found” ratings. The persistence of the “partially met” tier at roughly 18–19% suggests a substantial group of carriers has established target-setting processes but has not yet achieved the rigor required for comprehensive disclosure. Meanwhile, the “not found” rate rose from 70.8% to 74.3%, indicating that the majority of carriers still provide inadequate target disclosure.

Two Patterns That Define the Industry

The “Partially Met” Plateau: Engagement Without Depth

Approximately 47 carriers (8.8% of the assessed population) engage with more than half of all TCFD datapoints yet rarely achieve “fully met” status on any of them. These carriers produce responses that consistently lack quantitative specificity, methodological detail, temporal precision, or accountability mechanisms.

Representative Plateau Pattern

Five Carriers across Multiple Lines of Business

- **Community Care Behavioral Health Organization (Health):** Engages with 62% of datapoints but fully meets only 9%
- **Lemonade Insurance Co. (P&C):** 57% engagement, 8% “fully met”
- **GuideOne Insurance Co. (P&C):** 54.5% engagement, 5% “fully met”
- **National Western Life Insurance (Life):** 54.5% engagement, 9% “fully met”
- **Brotherhood Mutual Insurance Co. (P&C):** 54.5% engagement, 9% “fully met”

These carriers span health, life, and property/casualty lines. They acknowledge climate risks qualitatively, describe governance structures generally, and reference scenario analysis without specifics, but consistently fail to produce quantified, decision-useful disclosures. This pattern represents the industry’s most actionable opportunity: these carriers do not need motivation to report; they need targeted guidance on what constitutes adequate specificity.

This finding challenges the binary narrative that has dominated climate disclosure discussions, e.g., reporters versus non-reporters, leaders versus laggards. A significant portion of the industry exists in this middle tier: actively engaged but not yet comprehensive; acknowledging risks but not yet quantifying them; describing processes but not yet establishing accountability.

The opportunity is substantial. These carriers have already made organizational commitments to climate reporting. They have established processes, assigned responsibilities, and allocated resources. What they lack is concrete guidance on what distinguishes “fully met” from “partially met” disclosure. Model disclosures, technical assistance, and regulatory clarity could accelerate improvement across this middle tier more effectively than broad encouragement to address climate risks.

The Distribution: Elite Versus Long Tail

The distribution of disclosure quality across all 537 subset carriers reveals an industry characterized by extremes:

Figure 11 • Carrier Distribution of Overall Disclosure Quality

Performance tier	Score range	Number of carriers	Percent of industry
The elite	>50% fully met	6	1.1%
Strong performers	20–50%	67	12.5%
The middle tier	5–20%	281	52.3%
Minimal reporters	<5%	124	23.1%
Non-reporters	0%	59	11%

Only six carriers—barely 1% of the industry—achieve comprehensive disclosure, defined as more than half of datapoints “fully met”: American Alt Insurance Corp. (57.1%), American Guaranty & Liability Insurance (55.8%), Swiss Re Corporate Solutions (54.5%), Greenwich Insurance Co. (53.2%), Samsung Fire & Marine Insurance (50.6%), and HDI Global Insurance Co. (50.6%). At the other end, 183 carriers score below 5% compliance, with 59 providing essentially no meaningful climate disclosure.

The gap between these extremes reflects not merely quantitative differences but qualitative distinctions. The “elite” carriers have embedded climate considerations into organizational DNA by shaping governance structures, informing strategic decisions, and driving capital allocation. For the long tail, climate disclosure remains a compliance exercise seemingly disconnected from core business operations.

Four critical insights emerge from analyzing both individual carriers and industry-wide trends:

First, overall industry numbers hide dramatic differences between individual companies. While industry-wide performance appears stuck at a very low 10.5% “fully met”, this average conceals a more complex reality: some carriers achieve remarkable improvements while others fall behind. The apparent stagnation actually reflects an influx of new reporters offsetting gains made by improving carriers and not genuine stagnation across the board. This wide variation proves that strong climate disclosure is achievable within reasonable timeframes when companies make it a priority.

Second, carriers find it easier to describe what they've already done than to commit to future action. Disclosures that look backward by measuring current climate risks using established tools show modest but real improvement. Commitments that look forward, including transition plans, reduction targets, and measurement frameworks, show consistent declines. This gap reveals a fundamental challenge: describing existing practices doesn't create future obligations, but committing to emissions reductions does.

Third, the bar for what counts as "comprehensive" disclosure keeps rising. Some declining scores don't reflect less effort from carriers, but rather higher expectations for what qualifies as adequate reporting. As scientific methods mature, regulations solidify, and stakeholder demands increase, disclosures that met requirements in 2021 may fall short in 2024. Carriers must continuously improve their reporting quality simply to maintain their current ratings.

Fourth, the "partially met" middle tier represents the industry's best opportunity for rapid improvement. Forty-seven carriers actively engage with climate disclosure but consistently fall short of the detail required for "fully met" status. These organizations aren't climate skeptics who need convincing to report; they're active participants who need guidance on execution. Targeted support, including model disclosures, technical workshops, and clear regulatory standards, could accelerate improvement across this middle tier more effectively than general calls to address climate risks.

These findings point toward a fundamental shift in priorities. The focus must move from expanding the number of reporters to improving what they report. Simply adding more reporters without improving disclosure quality has produced the plateauing we observe in the analysis. Progress will require targeted support for carriers in the middle tier, mechanisms to prevent backsliding among struggling carriers, and continued evolution of standards that keep pace with regulatory expectations while remaining achievable for organizations genuinely committed to transparency.

► [Explore these trends further here](#)



Pillar-by-Pillar Analysis: How Carriers Are Reporting

While the previous section established that most carriers address climate across all four TCFD pillars, participation alone reveals little about disclosure quality. This section examines how carriers are reporting by moving beyond whether they discuss climate governance, strategy, risk management, or metrics to assess whether their disclosures meet TCFD’s substantive requirements.

The analysis presents direct excerpts from a representative cross-section of U.S. insurance carriers across all four TCFD pillars. These examples illustrate the spectrum from best-in-class disclosure to the most common gaps, drawn from carriers spanning property and casualty, life, health, and title lines of business.

As our analysis reveals, the same carrier can demonstrate sophisticated disclosure in one pillar while showing significant gaps in another, suggesting that companies invest reporting effort unevenly across TCFD requirements. A carrier counted among the 96% reporting on Governance may provide robust board-level oversight details while offering only cursory acknowledgment of climate-related risks in its Strategy pillar, or vice versa. The examples that follow demonstrate this quality variation within the near-universal participation rates.

Governance Pillar: Board and Management Oversight

Governance disclosure quality varies widely across the assessed population. Leading reporters describe multi-layered committee structures with defined cadences and clearly delineated roles.

Governance Pillar Performance

✅ **Fully Met: 12.4%** ⚠️ **Partially Met: 54.4%** ❌ **Not Found: 33.2%**

Key Insight Most carriers have governance structures but lack climate-linked compensation mechanisms.



Best Practice: Quarterly Board Oversight with Multiple Reporting Channels

Stewart Title Guaranty Co. (Title)

The ESG Leadership Council reports to the NCG each quarter... In addition, the Enterprise Risk Committee meets quarterly (and reports to the full board) to assess the current status of all enterprise risks, including climate... Senior management charged with overseeing ESG activities also reports quarterly to NCG.

Datapoint TCFD.Gov_a)(1)(A)_2, rated "Fully Met"

This carrier demonstrates that even in sectors with lower perceived climate exposure, quarterly reporting through multiple governance channels is achievable.



Strong Management Oversight

Philadelphia Indemnity Insurance Co. (P&C)

The Enterprise Risk Management (ERM) Program, which covers climate-related and other sustainability-related risks, is managed effectively at all organizational levels including the Executive Leadership Team, with direct oversight by the Board-level Audit Committee.

Datapoint TCFD.Gov_b)(1)(A)_1, rated "Fully Met"

This carrier represents a strong example of comprehensive management-level oversight with clear board-level accountability.

Partial Compliance Examples



Common Gap: Twice-Yearly Briefings

Pacific Life & Annuity Co. (Life)

The Board is briefed at least twice per year on Corporate Social Responsibility topics, which include climate-related matters.

Datapoint TCFD.Gov_a)(1)(B)_1, rated "Partially Met"

While this carrier has defined oversight roles and regular updates, the disclosure lacks explicit processes for setting and tracking sustainability targets.

Governance without External Reporting

Sutton National Insurance Co. (P&C)

The organization has clear internal governance mechanisms in place for managing sustainability-related risks, with the Board, Audit Committee, and ERM Committee actively engaged and regularly briefed. However, there is no explicit mention of external reporting arrangements to these bodies.

Datapoint TCFD.Gov_a)(1)(A)_1, rated “Partially Met”

This carrier provides a noteworthy example of governance structures that partially bridge the gap between oversight and external transparency.

The Gap Between Governance and Target Setting

Critical Gap: No Climate Targets

Security Mutual Life Insurance Co. of New York (Life)

Does the insurer have targets to manage climate-related risks and opportunities? No.

Datapoint TCFD.Gov_b)(1)(C), rated “Not Found”

This candid response illustrates that many carriers have governance structures for discussing climate but have not yet translated that oversight into measurable targets.

Strategy Pillar: Climate Risks, Opportunities, and Resilience

Strategy disclosure is the most unevenly developed pillar. While 99% of groups address it at some level, only 6.3% of individual datapoints are rated “Fully Met.”

Strategy Pillar Performance

 **Fully Met: 6.3%**  **Partially Met: 51.8%**  **Not Found: 42.3%**

Key Insight Most carriers describe climate risks but fail to quantify financial impacts or connect to strategic planning.

✓ Best Practice: Physical and Transition Scenario Analysis

Stonington Insurance Co. / QBE (P&C, Global Reinsurer)

“To underpin our understanding of climate risks and opportunities, we have continued to undertake physical and transition scenario analysis... In 2022, we have undertaken a global, economy-wide transition scenario analysis which has highlighted the risks and opportunities associated with the pathways to achieving net-zero emissions.”

Datapoint TCFD.Strat_b)(4)_2, rated “Fully Met”

This carrier demonstrates best practice by describing both physical and transition scenario analysis with results feeding into business planning.

✓ Best Practice: Quantified Resilience Testing

Zenith Insurance Co. (Workers’ Comp/P&C)

“Periodically, as needed to address any emerging risks, we evaluate the impact of a stress scenario in which we lose 50% of our agriculture-based workers’ compensation premiums due to drought or floods at the same time as competition reduces our writings elsewhere by 20%... The last stress test scenario did not result in an adverse change in the company’s AM Best capital adequacy ratio.”

Datapoint TCFD.Strat_c)(1)_1, rated “Fully Met”

This demonstrates that climate resilience testing is achievable at any organizational scale, with specific quantified scenarios and capital adequacy benchmarks.

✓ Translating Existing Practices to TCFD

New Jersey Manufacturers Insurance Co. (P&C/Personal Lines)

The company incorporates scenario analysis through annual catastrophe modeling of climate-related events (such as hurricanes), generating probable maximum loss scenarios (1-in-100 and 1-in-250 year storms). These results inform risk assessment, identify high-impact geographies, and guide reinsurance purchasing to enhance resilience.

Datapoint TCFD.Strat_b)(4)_2, rated “Fully Met”

This example is particularly instructive because the carrier achieves full compliance by translating existing catastrophe modeling practices into TCFD-aligned language. This underscores that the gap is frequently one of documentation rather than capability.

Partial Compliance: Strong Tools, Weak Integration

Common Pattern: Tools Without Strategy Link

Stillwater Insurance Co. (P&C)

“The Company licenses its own CAT modeling software to estimate the impact of hurricane, conductive storm, storm surge, wildfire and earthquake activity... The Company also licenses ArcGIS, sophisticated mapping software, to further model its catastrophic exposure in concentration.”

Datapoint TCFD.Strat_b)(3), rated “Partially Met”

While this carrier identifies analytical tools effectively, the disclosure does not describe how these inputs connect to broader strategic decision-making.

Not Found: Missing Scenario Analysis

No Scenario Analysis Disclosed

Investors Title Insurance Co. (Title)

“Due to the size and business operations, the Company does not formally evaluate the impact of climate change on our corporate strategy.”

Datapoint TCFD.Strat_b)(4)_2, rated “Not Found”

This carrier represents the most common gap: carriers that have not disclosed any climate scenario analysis.

Sophisticated Tools, Missing TCFD Framework

1842 Insurance Co. (P&C)

No information found. The disclosure describes using RMS and AIR catastrophe models and reinsurance buying to manage climate risks, but it does not mention conducting climate scenario analysis or incorporating scenarios into a resilience assessment.

Datapoint TCFD.Strat_b)(4)_2, rated “Not Found”

This carrier illustrates the most profound gap: carriers that employ sophisticated risk tools but have not connected them to formal scenario analysis.

Risk Management Pillar: Enterprise Risk Integration

Risk Management is the strongest pillar across all measures, with 26.7% of datapoints rated “fully met” and a notably low “not found” rate of just 7.5%.

Risk Management Pillar Performance

✓ **Fully Met: 26.7%** ⚠ **Partially Met: 65.8%** ✗ **Not Found: 7.5%**

Key Insight Strongest pillar by a wide margin, as 92.5 % of datapoints achieve at least partial compliance. Most carriers integrate climate into ERM but lack the formal sustainability materiality assessment framing required for full compliance.

✓ **Best Practice: Comprehensive Integration**

Swiss Re (Global Reinsurer)

The identification, assessment, and management of climate-related risks is integrated into Swiss Re’s overall Risk Management Framework... The EDG Risk Framework applies to all business activities, including underwriting and investments.

Datapoint TCFD.RM_b)(1)_1, rated “Fully Met”

This carrier demonstrates comprehensive enterprise integration across business functions.

✓ **Life Insurer Three-Tier Approach**

Pacific Life & Annuity Co. (Life)

Climate risks are integrated within the broader risk management framework... Business Continuity Management and the Business Impact Analysis process help inform risks considered by ERM. ERM is responsible for identifying, assessing, and working to mitigate risks... The Enterprise Risk Committee is responsible for overseeing all risks present to the company.

Datapoint TCFD.RM_c), rated “Fully Met”

This carrier demonstrates that life insurers can achieve strong risk management integration through a three-tier approach: BCM / BIA to ERM to Enterprise Risk Committee.

✔ Insurtech Full Integration

Lemonade Insurance Co. (Insurtech/P&C)

They integrate sustainability-related (climate) risks into enterprise-wide risk management. Climate risks are identified, assessed, and managed within the ERM framework overseen by Internal Audit, with risk-owner self-assessments, mitigation plans, and Audit Committee reporting.

Datapoint TCFD.RM_b)(1)_1, rated “Fully Met”

This carrier demonstrates that full enterprise risk integration is achievable even for technology-driven entrants.

Partial Compliance: Practice Outpacing Documentation

⊖ Strong Practices, Missing TCFD Framing

Sutton National Insurance Co. (P&C)

The Company employs a dedicated CRO to oversee the ERM Department and prepare a risk register. The risk register contains more than 50 risks including Climate Risk. Each risk is ranked quarterly to identify elevated risks and appropriate mitigants.

Datapoint TCFD.RM_b)(1)_3, rated “Partially Met”

This carrier maintains strong ERM practices but lacks the formal sustainability “materiality assessment” framing that TCFD requires. The 65.8% “partially met” rate in this pillar reflects exactly this pattern: carriers with robust risk management processes that fall short on TCFD-specific documentation rather than on substance.

Physical Risks Covered, Transition Risks Gaps

Western Reserve Mutual Casualty Co. (P&C/Mutual)

The Organization outlines several internal practices, such as ERM reporting, catastrophe modeling, and risk ranking, to assess physical risks. However, its disclosures do not comprehensively cover processes for transition risks, value chain assessments, or identifying hazards based on different emissions scenarios.

Datapoint TCFD.RM_b)(2), rated “Partially Met”

This example illustrates a common pattern among smaller mutual carriers: strong physical risk assessment but gaps in transition risk processes. Notably, the very low “not found” rate (7.5%) in this pillar indicates that nearly all carriers have at least begun integrating climate into their risk management. The challenge is deepening that integration from partial to full compliance.

Metrics and Targets Pillar: Measurement and Goal-Setting

The Metrics and Targets pillar continues to display alarmingly deficient disclosure levels, with only 8.1% of datapoints “fully met” and 81.9% “not found”.

Metrics and Targets Pillar Performance

 **Fully Met: 8.1%**  **Partially Met: 10.0%**  **Not Found: 81.9%**

Key Insight Weakest pillar by far as most carriers lack emissions data, targets, and climate-linked compensation

✔ Best Practice: Time-Bound Net-Zero Commitment

Principal Life Insurance Co. (Life)

“Starting from a 2019 baseline, we aim for a 65% reduction in our global scope 1 and market-based scope 2 GHG emissions by 2034 and to achieve net-zero GHG emissions by 2050. Our 65% reduction target over a 15-year period aligns with SBTi’s 1.5°C scenario.”

Datapoint TCFD.MT_c)(1)_1, rated “Fully Met”

This carrier demonstrates time-bound target setting explicitly tied to the SBTi pathway, a useful example highlighting science-based credibility.

✔ CAT Modeling as Climate Metrics

Penn America Insurance Co. (P&C)

“The Property Exposure and CAT Management team through our reinsurance intermediary utilizes reputable vendor CAT models to quantify aggregate probable maximum loss (PML) potential from such catastrophes... Specifically, the company evaluates at the 1 in 250 return period as part of its risk tolerance. The Company also tracks additional return period metrics... Quarterly analysis is performed to compare modeled results to predefined risk tolerance thresholds.”

Datapoint TCFD.MT_a)(1)_1, rated “Fully Met”

This carrier shows that P&C carriers can satisfy climate metrics requirements through catastrophe modeling outputs: PML, AAL, and scenario-based loss projections.

✔ Climate-Specific KPIs

Utica First Insurance Co. (P&C)

“Cat Modeled Probable Maximum Losses (PML’s) are monitored and controlled on an annual basis to ensure Value to Risk at 95 (1 in 20-year storm), 99 (1 in 100-year storm), 99.5 (1 in 200-year storm), 99.6 (1 in 250-year storm) are sufficient to maintain an AM Best ‘A’ rating... Controlled Management of Cat Modeled Average Annual Losses with $\leq 30\%$ premium share cap for key lines, plus Scope 1–3 GHG emissions controls covering operations, energy sourcing, and value-chain impacts.”

Datapoint TCFD.MT_a)(1)_1, rated “Fully Met”

This carrier offers an encouraging example of climate-specific performance metrics with clear targets for portfolio risk management.

The Most Common Gap: Climate-Linked Compensation

No Climate Performance in Remuneration

Cumberland Mutual Fire Insurance Co. (P&C)

The disclosure does not provide any details linking climate or sustainability performance with the remuneration of the organization's governing bodies. No evidence was found regarding compensation strategies, incentives, or benchmarks that consider climate risks or sustainability metrics.

Datapoint TCFD.MT_a)(2)_1, rated "Not Found"

This carrier illustrates the most universally "not found" datapoint across the assessment.

Format Matters: The Granularity Gap

Combined Reporting Fails Specificity Test

Knights of Columbus (Fraternal/Life)

"The Society conducted a limited, preliminary calculation of its Scope 1 and Scope 2 greenhouse gas emissions using a calculator provided by the EPA. The results showed that the Society's GHG emissions related to stationary combustion (i.e., natural gas) and purchased energy (i.e., electricity) produced a total of approximately 1,300 metric tons of carbon dioxide equivalent emissions for the 2024 reporting period."

Datapoint TCFD.MT_b)(1)_1, rated "Not Found"

This carrier demonstrates that even sophisticated reporters can fail datapoints due to format. TCFD requires separate scope 1 and scope 2 figures, not combined totals.

Missing Climate Opportunities

Guarantee Trust Life Insurance Co. (Life)

The information provided shows that there are no details on expected cost savings, changes in revenue, market potential for low-carbon or adaptation solutions, or identification of climate-related opportunities.

Datapoint TCFD.MT_a)(3)_3, rated "Not Found"

This carrier reveals the pervasive absence of climate opportunity identification, as carriers focus on risk disclosure but rarely articulate business opportunities.

Cross-Cutting Observations

Several themes emerge from this carrier-level analysis that cut across all four TCFD pillars:

The Same Carrier Can Be “Fully Met” in One Pillar and “Not Found” in Another

Some carriers achieve full marks for governance reporting frequency but score “not found” on scenario analysis. Other carriers demonstrate strong risk management integration but lack climate targets entirely. This inconsistency suggests that companies invest reporting effort unevenly across TCFD requirements.

Practice Outpaces Documentation

Many carriers have effective climate risk processes such as catastrophe modeling, reinsurance strategies, and ERM integration but fail TCFD datapoints because they do not frame or document these activities using TCFD terminology. Bridging this “documentation gap” is likely the fastest path to improving scores. The Risk Management pillar illustrates this most clearly: with 92.5% of datapoints achieving at least partial compliance, the substance is there; it is the framing that needs work.

Line of Business Matters Less Than Expected

A striking finding emerges from the cross-sectional analysis: disclosure quality does not correlate strongly with line of business. Best practices appear across all lines, from P&C to life to title to global reinsurers. The primary differentiator is not sector but organizational commitment to structured disclosure.

These findings challenge conventional assumptions about climate disclosure readiness. Property and casualty insurers face the most direct physical risk exposure through catastrophe losses and geographic concentrations, while life insurers confront transition risks through investment portfolios spanning decades. One might expect P&C carriers to demonstrate systematically stronger disclosure given their acute exposure, or conversely, that global reinsurers with sophisticated risk modeling capabilities would lead across all pillars.

Yet the evidence reveals no such pattern. High-quality governance structures appear in life insurers and title companies alongside P&C carriers. Robust scenario analysis emerges from health insurers as readily as from catastrophe-exposed property writers. Conversely, gaps in metrics disclosure and transition risk assessment appear uniformly across all lines.

The “Partially Met” Middle Is Where the Industry Lives

Although 83% of carriers address all four TCFD pillars, only 10.5% of applicable datapoints are “fully met” while 37% sit in the “partially met” middle. Engagement is broad; depth is rare. The gap is typically one of quantification, financial specificity, or formal target setting—precisely the areas where targeted guidance could accelerate improvement. This pattern is most pronounced in Risk Management, where 66.0% of datapoints are “partially met,” indicating widespread engagement that has not yet reached full TCFD specificity.

► [Filter the dashboard by company, line of business, NAIC region, and responses](#)

Metrics and Targets Deep Dive: The Scope 3 Measurement Gap

Ceres' 2025 companion report to the that year's analysis, [The Measurement Gap: A Deep Dive into Climate Risk Reporting in the U.S. Insurance Sector](#), examined the persistent underperformance in the Metrics and Targets pillar across the insurance industry. That analysis, which focused on the 45 insurance groups that provided information across all three TCFD Metrics and Targets recommendations, revealed what we termed “The Great Measurement Gap”: while 87% of these leading reporters established comprehensive climate targets, none provided the absolute emissions targets necessary to track progress towards those goals.

That binary analysis revealed a persistent 29% plateau, with only 29% of insurers providing any information under the Metrics and Targets pillar using the prior methodology's yes/no classifier, unchanged for three consecutive years of Survey reporting. This year's granular qualitative assessment reveals a more nuanced picture: while approximately 85% of insurance groups engage with at least one Metrics and Targets datapoint at some level, the quality of that engagement remains critically poor, with 81.6% of the assessed Metric and Target datapoints across all assessment years rated “not found”. The plateau, in other words, is not one of engagement but of substance. Ceres' deep dive report identified critical gaps across target setting, progress tracking, and analytical capabilities, with particular emphasis on the near-complete absence of scope 3 emissions reporting beyond financed emissions; findings that this year's quality-focused methodology confirms and deepens.

This year's assessment builds on that foundation with significantly enhanced analytical rigor. The shift from binary yes/no assessment to a qualitative framework enables us to examine not just whether insurers report on scope 3 emissions, but how they report: whether disclosures include specific methodologies, category-level breakdowns, data quality assessments, verification protocols, and year-over-year comparability. This enhanced methodology, applied consistently across assessment years 2021–2024, provides the first comprehensive view of scope 3 reporting evolution and quality across the U.S. insurance sector.

What follows is a detailed examination of scope 3 reporting practices across 537 insurance groups that reported across all reporting years. The analysis reveals that the challenges identified in last year's deep dive, including limited adoption, methodological inconsistency, and critical coverage gaps, persist and intensify when examined through a quality lens. Yet it also identifies pockets of excellence and a clear roadmap for industry-wide improvement.

Why Scope 3 Matters for Insurers

[Scope 3](#) greenhouse gas emissions for insurers represent the indirect emissions that occur throughout their value chain but that the insurer does not directly control. For insurance companies, these emissions are particularly significant, as they include [insurance-associated emissions](#) and [financed emissions](#) from the activities and companies they underwrite and invest in.

Unlike many industries where scope 3 is an important but supplementary metric, for insurers it usually represents over 90% of their carbon footprint. This is many times more significant than their

[scope 1 and scope 2 emissions](#) by orders of magnitude. Disclosure of these emissions is crucial since they reveal an insurer's true climate risk exposure.

The TCFD framework recommends that organizations disclose “scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas emissions, and the related risks.” For insurers, the question of appropriateness is unambiguous: the underwriting and investment portfolios that define their business model are precisely the activities that generate the most material scope 3 emissions.



The Current State: A Three-Part Problem

Our analysis of 537 insurance groups reveals that scope 3 reporting faces three distinct but interrelated challenges:

The Aggregation Problem: Incomplete Totals and Boundary Variation

Even among the most sophisticated reporters, total aggregation of scope 3 emissions remains elusive, with zero carriers reporting across all 15 scope 3 categories. The carriers that do report scope 3 reveal striking variation in both scale and scope:

- **Swiss Re (Global Reinsurer)** reports three distinct emission categories—operational, insurance-associated, and financed emissions—but does not provide a consolidated scope 3 total.
- **Samsung Fire & Marine Insurance (International P&C)** provides a consolidated total with nearly all emissions (over 99%) attributable to Category 15 investments, illustrating the dominance of portfolio emissions for insurers with significant asset management operations.
- **Allstate (P&C)** discloses a total scope 3 figure spanning multiple categories.
- **Equitable Financial Life (Life)** reports only operational scope 3 from business travel; a single category representing a tiny fraction of what a comprehensive assessment would reveal.

These disparities reflect fundamentally different interpretations of disclosure standards. Swiss Re’s explicit rationale for non-aggregation illustrates the challenge: “As per the [Global GHG Accounting & Reporting Standard Part C for IAE](#) by the [PCAF](#), financed and insurance-associated emissions must not be aggregated, due to their different nature and to avoid double counting. Scope 3 - Indirect is therefore reported as n/a.”

This interpretation reflects a common interpretation of PCAF’s Insurance-Associated Emissions standard. PCAF Part C specifies that insurance-associated emissions should not be aggregated with financed emissions within Category 15 to avoid double-counting, but this does not preclude reporting total scope 3 emissions. Rather, PCAF recommends “insurance-associated emissions should be reported as a supplementary note to scope 3 category 15 (Investment) emissions for accounting purposes.”

The variation in carrier disclosure approaches, from comprehensive aggregation to selective category reporting to declining aggregation altogether, reflects not technical or methodological barriers but rather inconsistent interpretation and implementation of disclosure standards. The industry possesses the data and the frameworks to report comprehensively; what remains absent is consistent execution.

This carrier's year-over-year trajectory also reveals important dynamics. Financed emissions increased nearly eight-fold between 2023 and 2024. This is not because of portfolio changes, but because the carrier expanded its measurement scope to include sovereign bond holdings. This illustrates a fundamental challenge: as methodologies improve and coverage expands, reported scope 3 figures can appear to increase even as actual emissions decrease.

The Methodology Gap: Competing Standards and Estimation Approaches

Carriers that do report scope 3 emissions employ diverse methodologies that make cross-industry comparison extremely difficult:

- **The Hartford (P&C)** presents a complex emissions trajectory: a sharp decline from baseline to a pandemic-era low (representing a 95% reduction), followed by gradual increases as operations resumed, culminating in 2024 figures approaching original baseline levels. This pattern reflects both temporary operational disruptions and expanding measurement boundaries rather than sustained emissions reductions.
- **Auto Club Group Insurance (P&C)** discloses substantial scope 3 emissions but explicitly limits its boundary to specific operational categories: roadside assistance vehicle fuel, work-from-home emissions, employee commuting, and paper consumption. It omits all portfolio-related emissions despite managing significant investment assets.
- **Thrivent Financial (Life/Fraternal)** reports only Category 15 financed emissions, reflecting the massive scale of its investment portfolio as a fraternal benefit society. The carrier tracks emissions across thousands of unique portfolio holdings, demonstrating the feasibility of granular investment emissions measurement.
- **American Income Life Insurance (Life)** discloses emissions covering five scope 3 categories but explicitly excludes Category 15 (Investments), an important transparency practice that clarifies boundary decisions even when comprehensive coverage is not yet achieved.

These boundary decisions mean that scope 3 figures across companies are not comparable even when both report in [tCO₂e](#).

The Omission Problem: The Silent Majority

The most pervasive issue is far more basic: the vast majority of U.S. insurance carriers provide no scope 3 data at all, with 91% of carriers rated “not found” on Scope 3 emissions disclosure specifically. More broadly, 81.9% of all assessed Metrics and Targets datapoints are “not found,” making this the weakest TCFD pillar by a wide margin.

Even among carriers that do report [scope 3 emissions](#), the focus is overwhelmingly narrow. Category 15 (financed emissions) dominates disclosure, while the other remain virtually unreported across the industry. Categories that insurers have direct operational control over including business travel (Category 6), employee commuting (Category 7), and purchased goods and services (Category 1), show near-zero reporting despite established measurement methodologies and material emissions impacts.

This pattern reveals a troubling selectivity: carriers measure what is most complex (financed emissions from investment portfolios) while omitting what is most manageable (operational emissions from business travel, supply chains, and employee activities). A significant portion of carriers across all lines of business show particularly limited scope 3 disclosure, with many providing no quantified emissions data whatsoever

Beyond the 15 standard scope 3 categories lies an emissions source uniquely material to insurers: insurance-associated emissions (IAE) for underwriting activities. Measured under PCAF’s Part C methodology, IAE captures the greenhouse gas footprint of the economic activities that insurers enable through their core business of risk transfer. Yet disclosure of these underwriting-related emissions remains virtually absent across the industry, with few exceptions. While some carriers have been disclosing financed emissions from their portfolio investments, almost none quantify or disclose the emissions associated with those they insure.

This gap is especially striking, given that underwriting represents insurers’ primary value proposition and their most direct lever for influencing economy-wide decarbonization. When insurers measure their investment portfolios but not their underwriting books, they are essentially accounting for their side business while ignoring the climate impacts of their core operations. The systemic absence of IAE disclosure means that stakeholders cannot assess whether insurers are using their underwriting power to accelerate or constrain the transition to a low-carbon economy; arguably the most consequential question facing the sector.

Recommendations for Advancing Scope 3 Reporting

Adopt the PCAF framework for portfolio emissions. The [Global GHG Accounting Standard Part C](#) provides a standardized approach to measuring insurance-associated emissions.

Disclose component-level scope 3 data where aggregation is not yet feasible. Even partial disclosure, such as one carrier’s roadside and commuting categories or another carrier’s business travel data, provides stakeholders with a meaningful signal.

Invest in data infrastructure. Leverage datasets and support industry initiatives to improve emissions data across the value chain. Thrivent Financial’s measurement of thousands of unique portfolio holdings demonstrates the feasibility of granular investment emissions tracking.

Set scope 3 reduction targets. Align with science-based frameworks such as the [SBTi](#). Swiss Re’s expanded its measurement scope from operational categories to insurance-associated and financed emissions while maintaining an internal carbon price rising from \$100 to \$134 per tCO₂e, demonstrates that systematic, science-aligned scope 3 target setting is achievable. Another carrier’s comprehensive disclosure of all scope 3 categories with third-party verification further illustrates that full-spectrum scope 3 accountability, while complex, is within reach for carriers willing to invest in measurement infrastructure.

The path forward for scope 3 reporting is clear, even if the journey will be complex. By disclosing component-level emissions, adopting standardized frameworks, and setting science-aligned targets, insurers can provide stakeholders with the transparency needed to assess their true climate risk exposure, and strengthen the industry’s capacity to navigate the transition to a low-carbon economy.



Looking Ahead

As we look toward the next assessment year, the key question is whether the industry will accelerate the transition to quantified, decision-useful disclosure. The tools, frameworks, and best practices exist, and leading reporters have demonstrated the path.

Climate disclosure is not an end in itself. It is a means to effective climate-related financial risk management. Until insurers move from describing risks to quantifying them, disclosure will remain a compliance exercise rather than a strategic imperative.

The choice facing the U.S. insurance industry is clear: continue mastering the appearance of climate disclosure or commit to its substance. Four years of data suggest which path the industry has chosen; the fifth year will reveal whether that choice changes.



Methodology

Manifest Climate uses advanced machine learning coupled with proprietary modeling to assess organizational alignment to different disclosure frameworks and standards. Based on these assessments, Manifest Climate can recommend 77 specific datapoints that an organization can address to improve its overall climate response. The current models deliver better performance and accuracy than previous versions, reflecting continued investment in model development and training.

Manifest Climate’s alignment model examines whether an organization’s disclosures broadly address the information needed to demonstrate alignment with each datapoint. It can then overlay those findings against selected frameworks and standards.

For Ceres, the model was trained to identify whether an organization’s disclosures generally trend toward alignment with the recommended disclosures of the TCFD, first by assessing disclosures against Manifest Climate’s 77 datapoints, and then by mapping those findings onto the 11 recommended disclosures of the TCFD across its four pillars: Governance, Strategy, Risk Management, and Metrics and Targets.

Manifest Climate’s newest models take advantage of layers of LLMs to scan the Climate Risk Disclosure Survey responses (in this case) to determine if the reviewed organization was aligning to each of the 77 datapoints, and by extension, the 11 recommended disclosures of the TCFD framework. In addition to analyzing text, the model now evaluates images, graphics, and tables within disclosures, enabling a more comprehensive assessment of an organization’s climate-related reporting, taking all available information in the document into account. The algorithm replicates expert labeling by cross-referencing during training against pre-labelled datasets by climate risk professionals. The result of the alignment model is a one (or a zero) for each of the 11 TCFD recommendations depending upon whether the report does (or does not) include information related to that recommendation. As valuable as the machine learning process is, Ceres recommends that this analysis be supplemented by human review of key documents.

As an example, 1 below would be labeled “1” or “yes” for a description of board oversight, but “0” or “no” for outlining management’s role. And 2 would be labeled “0” or “no” for board oversight and “1” or “yes” for management’s role.

1. The Board of Directors reviews the Group Sustainability performance and programs twice annually as a minimum, in addition to any specific review related to a Sustainability topic that falls within the remit of each of the Committees (i.e., the Nomination Committee’s review of

diversity and inclusion performance, the Audit Committee's of climate-related risks factors, and the Strategic Committee orientation and monitoring of the SustainAgility program).

2. Through the CCT, I am overseeing the implementation of the climate strategy we introduced in December 2020, and monitoring the Group's progress against the seven pathways to delivering our targets and net zero ambition.

[A comprehensive breakdown of all 77 datapoints organized by TCFD pillar and recommendation is available here.](#)