

# Advisory

## BCFSA Launches Consultation on Natural Catastrophe and Climate-Related Risks

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**Distribution:** All Regulated Entities and Individuals  
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### PURPOSE

BCFSA has released the [Natural Catastrophes and Climate-Related Risks: Managing Uncertainty and Building Resilience in the Financial Services Sector Discussion Paper \(“Discussion Paper”\)](#) presenting its proposed approach towards natural catastrophes and climate-related risks.

The Discussion Paper outlines the material risk that natural catastrophes and climate-related risks pose to the financial services sector in B.C., with impacts to each of the segments BCFSA regulates, including: credit unions; trust companies; insurance companies; pension plans; mortgage brokers; real estate service providers; and real estate development. Following a review of the risks to the financial services sector and consumers in B.C., the Discussion Paper outlines our proposed approach to ensure financial services providers exercise prudent risk management, and that they help ensure consumers are protected and continue to be treated fairly.

In releasing the Discussion Paper, BCFSA is initiating a conversation with B.C.’s financial services sector participants and consumers about the appropriate regulatory approach to address natural catastrophes and climate-related risks in financial services. BCFSA invites regulated entities and individuals, stakeholders, and members of the public to read the paper and provide their feedback through our online Consultation Feedback Form by November 30, 2023.

### BACKGROUND

BCFSA’s role as a regulator is to conduct ongoing surveillance of the financial services sector to identify material risks and potential consumer protection issues, and to intervene as necessary with regulatory expectations to ensure safety and soundness and protect consumers.

Natural catastrophes and climate-related risks were identified as a regulatory priority by BCFSA in its [2023/2024 Regulatory Roadmap](#). The Discussion Paper outlines how natural catastrophes and climate-related risks are material and why a comprehensive approach across the financial services sector is needed.

### ADDITIONAL INFORMATION

To learn more about this consultation, and the potential impacts of climate change on B.C.’s financial services sector and consumers, [watch BCFSA’s brief video](#).

Introducing BCFSA’s Consultation on Natural Catastrophes and Climate-Related Risks

The video, which features BCFSA’s Vice President of Policy and Stakeholder Engagement, Saskia Tolsma, Manager of Policy, Rob O’Brien along with climate change experts and researchers including Kathryn Bakos of the Intact Centre on Climate Adaptation and Chris Chopik REALTOR®, Sotheby’s International Realty Canada Brokerage, provides an overview of key concepts outlined in the paper.

Classification: **Public**

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Further information about the consultation is available on [BCFSA's Consultation page](#).

### **ADDITIONAL INFORMATION**

Send us your thoughts on the concepts and proposals outlined in the Discussion Paper by responding to the questions in our online Consultation Feedback Form.

- [Natural Catastrophes and Climate-Related Risks: Managing Uncertainty and Building Resilience in the Financial Services Sector Discussion Paper](#)
- [Consultation Feedback Form](#)

The consultation is open until November 30, 2023.

BCFSA values the feedback it receives during consultations and will use the input as appropriate to inform its approach to natural catastrophes and climate-related risks, including the development of potential regulatory guidance.

BCFSA will treat submissions of feedback as confidential records and will not publish individual submissions or attribute content. However, please note that all submissions are subject to the Freedom of Information and Protection of Privacy Act.

Please contact [engage@bcfsa.ca](mailto:engage@bcfsa.ca) for more information about the consultation.