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# The insurance sector’s contribution to the Sustainable Development Goals: a story worth telling?

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## Abstract

*To remain competitive in the increasingly demanding and diverse global marketplace of the 21st century, some insurers have chosen to move away from their traditional position as mere suppliers of insurance products designed to cover insurable risks and/or provide investment opportunities, refashioning themselves as service providers in neighbouring sectors such as healthcare, and, more recently, being pushed to become what could now be described as solution seekers, creating their own ecosystems by offering customers the prospect of a strong and lasting value-creating partnership. This completely transforms their customer relationship from distant and sporadic to close and permanent in an attempt to create value, gain trust and increase customer satisfaction. This value creation could also enhance the industry’s already very significant potential to being key players in contemporary society’s global efforts to meet the United Nations’ sustainable development goals (‘SDG’).*

*The actual or potential contribution of the insurance industry to furthering the SDG is also potentially relevant to the industry’s work towards gaining trust and increasing customer satisfaction. In this paper, we look at the industry’s perceptions of, and narratives on, their actual contribution to the SDG. Our main focus is on existing reports that reflect how the industry presents itself to the world in this context. We conclude that insurers seem to be falling short when it comes to narrating their own contribution to the SDG. This appears to be, at least in part, a consequence of the industry’s widespread lack of awareness and common misperceptions about the various economic, social and governance aspects of sustainability, as well as of the industry’s actual and potential role* *in contributing to the furthering of some SDG.Our paper includes a case study of Portuguese-based insurance company Fidelidade.*

**Keywords:** Insurance Ecosystems; Sustainable Development Goals; ESG; Insurance Reputation; Corporate Narratives; P2P

## 1. Introduction

In the 20th century, as before, insurers competed with each other for a share of the insurance market. Nowadays, however, the stakes have become much higher for insurers, as for many other businesses, since they are no longer competing only with their own kind: increasingly, "any firm that customers trust with their finances" is a potential competitor. This includes "shopping sites, payments players or ride-hailing apps"[1]. Consequently, in addition to providing new opportunities for the most audacious to take advantage of this entire new world, the new globalized marketplace raises significant concerns for the insurance industry.

Customer satisfaction is now, more than ever, a key prerequisite for success[2]. Nonetheless, the relationship between insurance companies and their customers was characteristically sporadic: a contract was agreed, premiums were paid, and there was not much contact in between, until the occasional insured event occurred. Accordingly, insurers did not characteristically form a strong psychological bond with their customers. The sector has never enjoyed a good reputation: the insurance industry was never a

[1] C. Payne & J. Whyte, "Ecosystems: why they matter to insurers and the imperative for action" (2021) Available at: https://www.ey.com/en_pt/financial-services-emeia/ecosystems-why-they-matter-to-insurers-and-the-imperative-for-action (Accessed: 20 December 2022).

[2] Schanz, (2006) p. 377, refers to "the increasing relevance of reputation as one the insurance industry's key assets, offering attractive returns when properly cultivated but also threatening considerable damage if eroded or lost". "Considering the role of reputation in insurance, it is astonishing to note the relative shortage of (academic) attempts to thoroughly analyze this phenomenon and its specific ramifications for one of the world economy's most significant industries, which constitutes more than 8 per cent of global GDP. This state of affairs could arguably be viewed as a result of the industry's long tradition of operating in relative obscurity and isolation, in a heavily regulated environment characterized by limited competition and, accordingly, stakeholder interest and scrutiny" (p. 378). See also Eccles and Vollbracht (2006) pp. 395-408. Finally, see Swiss Re's "Reputation risk in the insurance industry" (2013). Available at http://www.oxfordmetrica.com/public/CMS/Files/1570/OM-report-for-Swiss-Re_2013c.pdf (Accessed: 20 December 2022).

favourite. "The overriding perception of insurance companies is that they're needed, but not liked, relied on, but not trusted"[3].

This does not place insurers in a favourable competitive position when compared with the major strongholds of the new sharing economy. As Eccles and Vollbracht affirm, "since insurance is all about trust, the media image of the insurance industry is critical to its visibility".[4] In the current digital era, customers have learnt to engage remotely and they expect a 24/7 service and easy interactions in everything they do[5]. Thus, if insurers maintain their traditional business model and fail to embrace this new trend, they face increased exposure to disintermediation, disaggregation, commoditization and invisibility[6]. What is more, as PwC has pointed out, "insurers' legacy limitations (siloed processes, lack of single customer view across units, limited external connectivity, etc.) now look increasingly out of step with post-Covid-19 buying behaviour and distribution patterns"[7].

To remain competitive in the increasingly demanding and diverse global marketplace of the 21st century, some insurers have chosen to follow a development path which has led them away from the traditional position where they presented themselves to the world as mere suppliers of products – insurance products designed to cover insurable risks and/or, more recently, to provide investment opportunities; causing them to refashion themselves as service providers in neighbouring sectors such as that of healthcare; and, even more recently, pushing them from the position of mere service providers to becoming what could now be described as solution seekers, creating their own ecosystems by offering customers the prospect of a strong and lasting partnership.

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[3] J. Eardley, "Bad reputation: Changing the perception of insurance". Available at: https://www.the-future-of-commerce.com/2021/01/28/perception-of-insurance/ (Accessed: 20 December 2022).

[4] R. G. Eccles & M. Vollbracht, "Media Reputation of the Insurance Industry: An Urgent Call for Strategic Communication Management" (2006) 31 The Geneva Papers on Risk and Insurance. Issues and Practice 397.

[5] PwC, "Top insurance industry issues in 2021" p.16. Available at: https://www.pwc.com/us/en/industries/insurance/assets/pwc-top-insurance-industry-issues-2021-compilation.pdf (Accessed: 20 December 2022).

[6] T. Catlin, J. T. Lorenz, J. Nandan, S. Sharma & A. Waschto, "Insurance beyond digital: The rise of ecosystems and platforms" (2018), p.3.

[7] EY, "COVID-19: How insurers can meet the evolving needs of their customers". Available at: https://www.ey.com/en_gl/financial-services-emeia/covid-19-how-insurers-can-meet-the-evolving-needs-of-their-customers (Accessed: 20 December 2022).

Accordingly, insurers put their knowledge of, and experience in, Big Data analytics to good use with a view to optimizing their customers' own businesses or activities. They focus on non-insurance specific value creation by helping corporate customers thrive in their various economic sectors by becoming more efficient and preventing failure, as well as helping individual make better or more informed life choices.[8]

This completely transforms their customer relationship from distant and sporadic to close and permanent in an attempt to create value, gain trust and ultimately increase customer satisfaction. Much of this is achieved through the creation of ecosystems which, according to the definition provided by EY, "are networks of companies that choose to collaborate and can collectively produce a higher level of business value than any individual collaborator can produce on its own"[9].

These ecosystems are typically composed of a single leading company, the orchestrator, which provides a platform of core capabilities, and the participants, who offer complementary services, features or functionalities[10]. Once these are functional, customers engage with the ecosystem, paying for various products and services, but also benefiting from the added value of the whole[11].

[8] D. Singh, "Insurers should leverage the ecosystem model to secure their future": "ecosystems will account for 30% of global revenues by 2025. Insurers agree too: 84% of insurance executives consider ecosystems an important strategy and 54% are actively seeking ecosystem capabilities". Available at: https://www.thoughtworks.com/insights/blog/platforms/insurers-should-leverage-the-ecosystem-model-to-secure-their-fut#:~:text=Insurers%20should%20leverage%20the%20ecosystem%20model%20to%20secure%20their%20future,-Blogs&text=Insurers%20need%20new%20and%20disruptive,an%20underwhelming%20global%20financial%20market (Accessed: 20 December 2022). Accenture, "The Ultimate Guide to Insurance Ecosystems" (2022). Available at: https://insuranceblog.accenture.com/the-ultimate-guide-to-insurance-ecosystems (Accessed: 20 December 2022).
[9] G. Messineo, "Ecosystem in insurance: three Steps to a winning strategy" (2020) p.2. Available at: https://www.ey.com/en_us/insurance/ecosystems-in-insurance-three-steps-to-a-winning-strategy (Accessed: 20 December 2022).
[10] Ibidem.
[11] Ibidem.

There is limited research on ecosystems and insurance aside from the contributions written by large consulting firms such as McKinsey & Company,[12] Ernst & Young,[13] PwC[14], and Accenture.[15] These contributions are not generally aimed at or even refer in passing to the industry's role in furthering sustainable development goals.

As private businesses, insurance companies are called upon to contribute to achieving the United Nations' Sustainable Development Goals ('SDG').[16] This was clearly stated in the Resolution adopted by the UN General Assembly on 25 September 2015, entitled "Transforming our world: the 2030 Agenda for Sustainable Development": Section 67 of this resolution states that "we call upon all businesses to apply their creativity and innovation to solving sustainable development challenges".

Although the issue of how insurers are creating or merging into different ecosystems as a survival strategy in the digital collaborative global economy has already been explored to some extent, no light has been shed thus far on the synergy between these ecosystems and the industry's actual or potential contribution to the SDG. In our view, such ecosystems, as well as the use of insurers' pre-existing and ever-increasing expertise in the unlocking of very large amounts of data, enhance their potential to become very significant actors in contemporary society's global efforts to meet the United Nations' sustainable development goals ('SDG'). It is also our belief that the industry's potential as SDG contributors, if adequately showcased, might also have a very positive impact on its overall reputation.

12 McKinsey & Company, "Ecosystems in insurance: The next frontier for enhancing productivity". Available at: https://www.mckinsey.com/industries/financial-services/our-insights/insurance-blog/ecosystems-in-insurance-the-next-frontier-for-enhancing-productivity (Accessed: 20 December 2022); McKinsey & Company, "Ecosystems and Platforms: How insurers can turn vision into reality". Available at: https://www.mckinsey.com/industries/financial-services/our-insights/ecosystems-and-platforms-how-insurers-can-turn-vision-into-reality (Accessed: 20 December 2022).

13 C. Payne & J. Whyte, "Ecosystems: why they matter to insurers and the imperative for action" (2021) Available at: https://www.ey.com/en_pt/financial-services-emeia/ecosystems-why-they-matter-to-insurers-and-the-imperative-for-action (Accessed: 20 December 2022).

14 PwC, "Top insurance industry issues in 2021" p.16. Available at: https://www.pwc.com/us/en/industries/insurance/assets/pwc-top-insurance-industry-issues-2021-compilation.pdf (Accessed: 20 December 2022).

15 Accenture, "The Ultimate Guide to Insurance Ecosystems" (2022). Available at: https://insuranceblog.accenture.com/the-ultimate-guide-to-insurance-ecosystems (Accessed: 20 December 2022).

16 Pérez Pérez et al. (2021) p. 3.

In this paper, we look at the insurance industry's perceptions of, and narratives on, the sector's actual contribution to the SDG. Our main focus is on existing reports which reflect how the industry presents itself to the world in this context. We aim to verify the extent to which this contribution is adequately presented and, therefore, whether, in this context, it also plays a role in the industry's effort to gain trust and increase customer satisfaction. This study includes a case study of Portuguese-based insurance company Fidelidade.

## 2. Insurance and the Sustainable Development Goals

### 2.1. The Inclusion of Insurance Companies in the UN Sustainable Development Agenda

Particular attention should be paid, in this context, to the United Nations Global Compact[17], which was launched by the former UN Secretary-General Kofi Annan in 2000 with a view to bringing businesses and the United Nations together to work towards advancing societal goals[18]. The UN Global Compact purports to be the world's largest corporate sustainability initiative. It is "[a] call to companies to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals".[19] In short: to "help us transform the world through business".[20]

According to the UN Global Compact, "[s]ustainability begins with a principled-based approach to doing business"[21]. It encourages businesses to incorporate its Ten Principles:

> *Human Rights: Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses. Labour: Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labour; Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and*

[17] UN Global Compact. Available at: https://www.unglobalcompact.org/ (Accessed: 20 December 2022).
[18] Ibidem.
[19] Ibidem.
[20] Ibidem.
[21] UN Global Compact Mission and Principles. Available at: https://www.unglobalcompact.org/what-is-gc/mission/principles (Accessed: 20 December 2022).

> *occupation. Environment: Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies. Anti-Corruption: Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery*[22].

In addition to the UN Global Compact, at the 2012 UN Conference on Sustainable Development, the UN Environment Programme Finance Initiative (UNEP FI)'s Principles for Sustainable Insurance (PSI) were launched as a global framework for the insurance industry to address environmental, social and governance (ESG) risks and opportunities[23].

In the wake of these initiatives, the Sustainable Development Goals (SDG) were adopted by the United Nations in 2015 in the UN General Assembly resolution of September 2015: "Transforming our world: the 2030 Agenda for Sustainable Development"[24]. This Agenda is "a plan of action for people, planet and prosperity". It recognizes the eradication of poverty in all its forms and dimensions as "the greatest global challenge and an indispensable requirement for sustainable development". It establishes 17 Sustainable Development Goals (SDGs) and 169 targets[25], and its mission is therefore the worthiest of all missions.

> *The SDGs are based on the concept that our social and economic development objectives must be rooted in the principles of environmental, social and economic sustainability. It is therefore important that we develop multi-disciplinary*

[22] The Ten Principles are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.
[23] UNEP FI Principles for Sustainable Insurance (PSI). Available at: https://www.unepfi.org/psi/ (Accessed: 20 December 2022).
[24] United Nations, "Transforming our world: the 2030 Agenda for Sustainable Development". Available at https://dgs.un.org/2030agenda (Accessed: 20 December 2022).
[25] (1) No Poverty, (2) Zero Hunger, (3) Good Health and Well-being, (4) Quality Education, (5) Gender Equality, (6) Clean Water and Sanitation, (7) Affordable and Clean Energy, (8) Decent Work and Economic Growth, (9) Industry, Innovation and Infrastructure, (10) Reduced Inequality, (11) Sustainable Cities and Communities, (12) Responsible Consumption and Production, (13) Climate Action, (14) Life Below Water, (15) Life On Land, (16) Peace, Justice, and Strong Institutions, (17) Partnerships for the Goals.

> *approaches with community participation for developing an effective implementation strategy*[26].

This includes the entire global community and thus the insurance sector. The latter is explicitly mentioned in target 8.10, which aims to "strengthen the capacity of domestic financial institutions to encourage and to expand access to banking, insurance and financial services for all". However, our focus in this paper is not on this particular target as the underlying assumption is that insurance companies already are – or in some cases have the potential to become – key actors in the achievement of a number of SDGs.

2.2. Reported Contribution of Insurance Companies towards the SDGs

The UN Global Compact's multi-year strategy "is to drive business awareness and action in support of achieving the Sustainable Development Goals by 2030".[27] Therefore, the following question is being asked within the reporting procedure: "Which of the following Sustainable Development Goals (SDGs) do the activities described in your COP address?". This raises questions as regards the main SDGs in which insurance companies can make their biggest contributions and the real involvement of the sector in global efforts to achieve these goals.

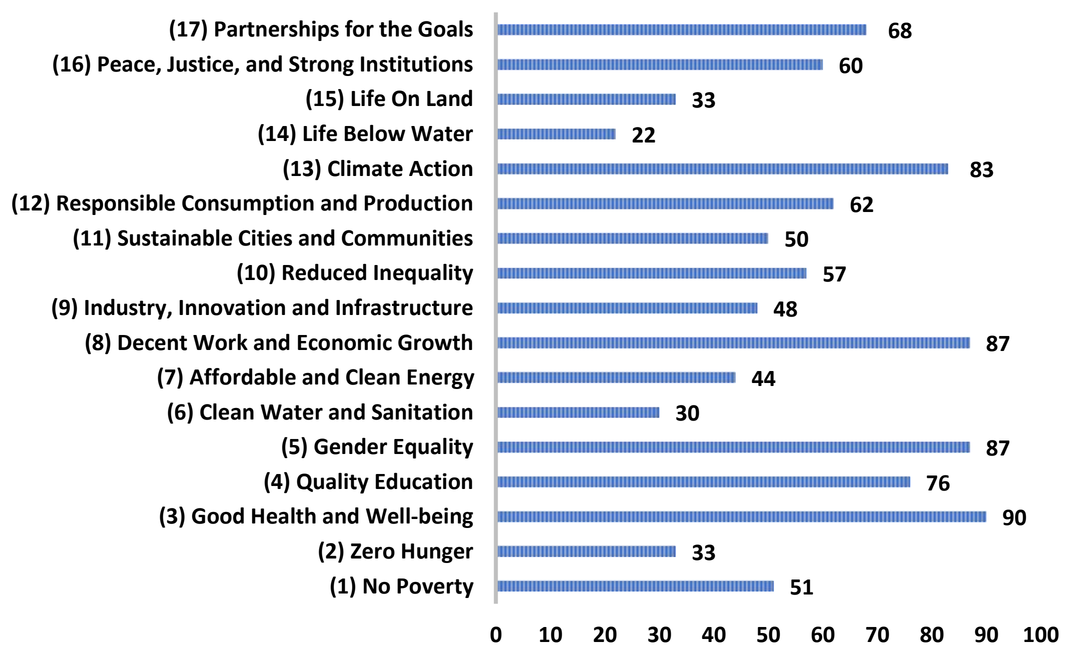
Some publications have tried to draw the lines between those SDGs where insurance companies can make a substantial contribution and those where their role is ancillary at best. There appears to be some disagreement as to which SDGs insurance companies can make their biggest contributions[28]. However, there is consensus on the crucial

[26] M. S. Swaminathan & P. C. Kesavan, "Achieving the sustainable development goals" (2016) 110 *Current Science* 127-128, at p. 127.
[27] UN Global Compact. Available at: https://www.unglobalcompact.org/ (Accessed: 20 December 2022).
[28] The German Agency for International Cooperation (GIZ) published a report called "Inclusive Insurance and the Sustainable Development Goals: How insurance contributes to the 2030 Agenda for Sustainable Development". In this document, they maintain that insurance is a primary level contributor in six SDG: (1) No Poverty, (2) Zero Hunger, (3) Good Health and Well-being, (5) Gender Equality, (8) Decent Work and Economic Growth, (13) Climate Action; and a secondary level contributor in five more SDGs; (4) Quality Education, (9) Industry, Innovation and Infrastructure, (10) Reduced Inequality, (11) Sustainable Cities and Communities, (17) Partnerships for the Goals. The World Bank Group has also developed a publication on the matter. For them, the SDG on which Insurance has a Significant Impact are: (13) Climate Action, (11) Sustainable Cities and Communities, (3) Good Health and Well-being and (10) Reduced Inequality, whereas the SDG on which Insurance has a Strong Impact are (1) No Poverty, (8) Decent Work and Economic Growth and (2) Zero Hunger. Moreover, in the PSI framework, an inquiry working paper on this issue was released in June 2015. The paper is called "Insurance 2030: Harnessing Insurance for Sustainable Development" and it highlights the possible contribution of insurance to all SDG.

contribution of the industry to SDG (13) Climate Action, and SDG (3) Good Health and Well-being.[29]

This paper's main focus is on how the insurance industry views itself in the context of SDG contributions. As mentioned above, there is a section on the UN Global Compact's website that allows us to check which sectors are reporting activities to advance the SDG. Unfortunately, we have found no information on the data collection date, or the procedures followed. Some inconsistencies are difficult to understand or explain. We collected all the answers to the question above from the Communications of Progress of the registered (life and non-life) insurance companies, - a total of 164[30]. The results can be seen in Figure 1:

FIGURE 1. REPORTED CONTRIBUTIONS TO SDG




This graph shows that insurance companies report that they are effectively contributing or making efforts to contribute to those targets in respect of which there is consensus as to the industry's key role, (13) Climate Action, and (3) Good Health and Well-being.

[29] Ibidem.
[30] As insurance companies join and leave the UN Global Compact, it should be clarified that this analysis was conducted in March 2022, and the number of companies was rechecked on March 29th. Only 126 of the 164 were considered as the remainder are new incorporations and their CoPs had not been released yet.

The number of companies that report contributing towards the achievement of targets (5) Gender Equality and (8) Decent Work and Economic Growth is similarly high. However, while the analyses we mentioned above suggested that insurance companies could have a strong impact in (1) No Poverty and (2) Zero Hunger, only 51 and 33 companies respectively believe that they are making contributions in these areas.

Moreover, it is interesting to see that none of the reports addressed the contribution of insurance companies to target numbers (12) Responsible Consumption and Production, and (16) Peace, Justice, and Strong Institutions, and almost half of the reporting companies believe that they are still working towards the achievement of those targets.

It also appears incoherent that many insurance companies believe that they are contributing to target (13) Climate Action but fail to mention the other closely related SDG, specifically, (6) Clean Water and Sanitation, (7) Affordable and Clean Energy, (11) Sustainable Cities and Communities, (14) Life Below Water and (15) Life on Land.

If an insurer is indeed contributing to target (13) Climate Action, it is surely also contributing to (14) Life Below Water and/or (15) Life on Land. Life below water and life on land appear to be dichotomous, in the sense of being collectively exhaustive of all forms of life on the planet, albeit not mutually exclusive. In fact, none of the SDG are mutually exclusive, although some answers seem to assume that they would be. Assuming that climate action is aimed at improving the planet's liveability, then if one is contributing to climate action, by definition, one is also improving life below water and/or life on land. However, the number of times SDG (13) is mentioned is far greater than the sum total of (14) and (15) mentions. And we should bear in mind that, their not being mutually exclusive, the same insurers could refer to (13), (14) and (15). So either not all SDG received the same degree of attention in the data collection which preceded the elaboration of these reports, or at least some respondents thought that (14) and (15) should only be directly identified when their contribution was directly aimed at furthering such SDG, rather than SDG (13).

We have also concluded that the answers provided by insurance companies to the UN Global Compact on the extent of their contribution to achieving the realization of the SDG do not always fully capture the essence of the Communication on Progress and the extended documentation provided. For instance, in the documents provided to comply with their requirements under the UN Global Compact, some companies touch upon certain matters regarding the environment or gender equality, but no contributions to these targets are recorded on the webpage[31]. This comment is also true the other way around, that is to say, some companies appear to be contributing to all SDGs but, in their extended documentation, they confine their work to just a few targets[32].

Our findings confirm the general claim by Eccles and Vollbracht according to which "substantial evidence exists that companies are indeed not reporting sufficiently about value drivers that shareholders and other stakeholders – and the companies themselves – consider important in building the value of an insurance company".[33]

While their claim is of a general nature, being unrelated to sustainability, the information gaps identified by these authors make it difficult for companies and any interested stakeholders to measure their contribution to furthering SDG. If they are not properly measured and displayed, this underplays the advantages that might otherwise be drawn from this contribution, to the company itself, society or the planet[34].

The reports that we have analysed typically do not provide information on actual authorship, it being unclear which department or person is responsible, in each company, for the work of compiling and processing the data relating to the company's contributions and drafting the reports. These information gaps might be the result of the act of reporting being seen as someone's task, rather than everyone's task, and that someone not holding all the data nor the power to retrieve it without the good will of their colleagues, who may not have the incentives they would need to prioritize the identification and reporting of contributions to SDGs.

[31] Examples of this would be the companies Odessa Agente De Seguros S.A de C.V. and Peña Verde SAB with regard to (13) Climate Action, or Axis Specialty U.S Services INC with regard to (5) Gender Equality.
[32] BPI Vida e Pensões provides a good example of this statement. The company appears to be making contributions to all the SDG but in the extended documentation confines its work to eight targets (1,7,8,9,12,13,16,17). UN Global Compact Communication in Progress. Available at: https://www.unglobalcompact.org/participation/report/cop (Accessed: 20 December 2022).
[33] R. G. Eccles & M. Vollbracht, "Media Reputation of the Insurance Industry: An Urgent Call for Strategic Communication Management" (2006) 31 The Geneva Papers on Risk and Insurance. Issues and Practice p. 405.
[34] Ibidem.

## 2.3. Barriers to such Contributions Faced by Insurance Companies

The UN Environment Programme Finance Initiative (UNEP FI) aims "to raise awareness of the contribution that the insurance industry is already making to sustainability and to identify major challenges and opportunities that lie ahead" [35]. It has identified the following structural barriers to sustainable insurance:

(i) the pervasiveness of misperceptions about the relevance of economic, social and governance issues to the insurance business and/or about the apparent irreconcilability of sustainability concerns with a mind-set predominantly oriented towards the pursuit of profit;

(ii) the institutional rigidity of this heavily regulated sector, regulatory frameworks providing external barriers and the organizational structures of the insurance companies themselves providing internal barriers to these contributions, since neither has been specifically designed to encourage them;

(iii) the insurance sector's lack of capacity of in mostly developing countries where contributing would be most critical.[36]

Given our focus on the industry's perceptions, the first of these barriers – that of misperceptions - becomes especially apparent and is therefore also worthy of special note.

We believe that, to a great extent, the incongruities we have spotted in the insurance companies' reports on their contributions to the SDGs can perhaps be at least partly explained by the very different levels of awareness about the SDGs of those who prepare such reports. What we mean is the following: generally speaking, there is a much greater level of awareness that the environment and the climate crisis are a core sustainability concern than the level of awareness that sustainability concerns also include other general

[35] UNEP Finance Initiative. The inaugural report of the Insurance Working Group of the United Nations Environment Programme Finance Initiative. "Insuring for Sustainability: Why and how the leaders are doing it" (2007) p.10. Available at: https://www.unepfi.org/fileadmin/documents/insuring_for_sustainability.pdf (Accessed: 20 December 2022).

[36] UNEP Finance Initiative. The inaugural report of the Insurance Working Group of the United Nations Environment Programme Finance Initiative. "Insuring for Sustainability: Why and how the leaders are doing it" (2007) p.11. See also pp.50-52. Available at: https://www.unepfi.org/fileadmin/documents/insuring_for_sustainability.pdf (Accessed: 20 December 2022).

societal core values, such as the fight against poverty and hunger, the protection of basic human rights, justice, peace and effective institutions.

As Pfeifer and Langen highlight, "so far climate change aspects have been the dominant aspect in managing sustainability risks and opportunities (in insurance)".[37] Thus, when asked about their role in furthering the SDGs, the link between insurance and the environment is the first thing that comes to the mind of those in charge of preparing the reports sent to the UN Global Compact.

The second of these structural barriers to sustainable insurance seems to be directly linked to the information gaps identified in the previous section, at least when it comes to internal organizational barriers within insurance companies. We should look at existing law and legislative initiatives in order to understand the types of external barriers stemming from existing regulatory frameworks and whether efforts can be identified that could help to overcome such barriers. Here, our focus is on EU law, given the high degree of harmonization of insurance regulation in the European Union. Even though soft law lacks the coercive force of hard law, there is a wide range of examples that show that the former is often presented as a first step towards the achievement of a common goal that could lead to the latter on a specific matter.

The existing EU legal framework is not yet in tune with sustainability concerns. Currently, the major piece on this matter is Commission Delegated Regulation (EU) 2021/1256 of 21 April 2021 amending Delegated Regulation (EU) 2015/35 as regards the integration of sustainability risks in the governance of insurance and reinsurance undertakings. [38] In addition, the European Commission has put forward some proposals relating to insurance and sustainability in the Solvency II Directive,[39] i.e., a Proposal for a Directive of the European Parliament and of the Council amending Directive 2009/138/EC as regards proportionality, quality of supervision, reporting, long-term guarantee measures, macro-prudential tools, sustainability risks, group and cross-border

[37] Pfeifer and Langen (2021).
[38] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32021R1256 (Accessed: 20 December 2022).
[39] EIOPA, "EIOPA welcomes Solvency II proposals from the European Commission on sustainability" (2021). Available at: https://www.eiopa.europa.eu/media/news/eiopa-welcomes-solvency-ii-proposals-european-commission-sustainability_en (Accessed: 20 December 2022).

supervision[40], and a Proposal for a Directive of the European Parliament and of the Council establishing a framework for the recovery and resolution of insurance and reinsurance undertakings and amending Directives 2002/47/EC, 2004/25/EC, 2009/138/EC, (EU) 2017/1132 and Regulations (EU) No 1094/2010 and (EU) No 648/2012.[41]

This comprehensive 'review package' was created bearing in mind that insurance "is a prerequisite for many activities regularly carried out by businesses, financial market participants and in individual households" and that the sector "offers solutions for retirement income and helps channel savings into financial markets and the real economy". Thus, the aim of the previous legislative instruments is to "ensure that insurers and reinsurers in the EU keep investing, and support the political priorities of the EU", such as post-Covid recovery and channelling funds to implement the European green deal.[42]

Aside from the insurance-specific legislation, the EU has two main Directives that should be mentioned: Council Directive 2004/113/EC of 13 December 2004 implementing the principle of equal treatment between men and women in the access to and supply of goods and services[43] and Council Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin. In addition, there is a Proposal for a Council Directive on implementing the principle of equal treatment between persons irrespective of religion or belief, disability, age or sexual orientation. All these laws may have a direct impact on the SDG as they seek to guarantee the right to equality and non-discrimination. Although the last proposal might seem old

[40] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021PC0581 (Accessed: 20 December 2022).
[41] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021PC0582 (Accessed: 20 December 2022).
[42] European Commission, "Insurance rules' review: encouraging solid and reliable insurers to invest in Europe's recovery". Available at: https://ec.europa.eu/info/publications/210922-solvency-2-communication_en (Accessed: 20 December 2022).
[43] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32004L0113 (Accessed: 20 December 2022).

(2008), it is still very much alive, there having been multiple efforts of reaching an agreement to approve it, some of which recent.[44]

The Proposal for a Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937,[45] according to the explanatory text, aims to fulfil the European Union objective of delivering on the SDG by implementing "comprehensive mitigation processes for adverse human rights and environmental impacts in their value chains, integrating sustainability into corporate governance and management systems, and framing business decisions in terms of human rights, climate and environmental impact, as well as in terms of the company's resilience in the longer term".

EIOPA is also pursuing some activities on sustainable finance with the aim of reflecting "the need for global action to enable decisive progress on the transition to a more sustainable economy".[46] Moreover, "sustainable finance is a strategic priority area in EIOPA's work programme 2022-2024, and the Commission's Strategy for financing the transition to a sustainable economy encapsulates work by EIOPA in delivering on the Green Deal".[47]

EIOPA's seven key areas of activity on sustainable finance for 2022-2024 are the following:[48] integrating ESG risks in the prudential framework of insurers and pension funds, consolidating the macro/microprudential risk assessment of ESG risks, promoting sustainability disclosures and a sustainable conduct of business framework, supporting supervision of ESG risks and supervisory convergence in the EU, addressing protection gaps, promoting the use of open source modelling and data for climate change risks and contributing to international convergence for the assessment and management of sustainability risks.

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[44] Consejo, 'Outcome of the 3625th Council meeting Employment, Social Policy, Health and Consumer Affairs Employment, Social Policy and Health issues Luxembourg, 21 and 22 June 2018'. https://www.consilium.europa.eu/media/35974/st10202-en18.pdf (Accessed: 20 December 2022).

[45] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52022PC0071 (Accessed: 20 December 2022).

[46] EIOPA, Sustainable finance. Available at: https://www.eiopa.europa.eu/browse/sustainable-finance_en?field_term_topic_type_tid%5B%5D=218 (Accessed: 20 December 2022).

[47] Ibidem.

[48] Ibidem.

These topics have great potential indeed to contribute to the SDGs, but there is no mention of these goals in the report on sustainable finance activities for the period 2022-2024.[49] We do not mean to imply that EIOPA's choice not to use the UN classification of 17 SDGs should necessarily be directly categorised as a problem. However, it might suggest a different approach towards established priorities in the field of sustainability. Given the relevance of misperception as a barrier to furthering the SDGs, having different standards might generate further confusion among insurers and other stakeholders and that would consequently lead to underperformance in the sector's contribution to the achievement of the SDGs.

In conclusion, while the European Commission's reflection paper entitled "Towards a Sustainable Europe by 2030"[50] states that "[t]he EU is leading a comprehensive shift of the financial system to a sustainable path", it is quite clear from the brief overview above that much remains to be done. This includes enacting the above-mentioned legislative proposals, some of which have been pending for a long time, clarifying priorities, and generally improving awareness of all aspects of the SDGs.

### 2.4. Reputation: A great incentive to overcome the barriers to contributing to the SDGs

In addition to the more obvious benefits of doing good by making things better for the people and for the planet, assuming that a company's contribution to that collective effort is viewed positively by society, what follows if this contribution is adequately made known to the public is an improvement in the company's reputation.

It is undisputed among scholars that a good digital reputation positively impacts a company's financial and non-financial performance.[51] Moreover, Barta, Balanche, Flavian and Terre contend that "implementing the SDGs (stimulus) increases users' intentions to remain loyal to the organization (response) (…)". In fact, some authors argue that "in terms of strategies to improve the firm's financial and nonfinancial performance,

[49] EIOPA, Sustainable Finance Activities 2022-2024. Available at: https://www.eiopa.europa.eu/sites/default/files/publications/other_documents/eiopa-sustainable-finance-activities-2022-2024.pdf (Accessed: 20 December 2022).

[50] European Commission, Directorate-General for Communication, Towards a sustainable Europe by 2030 : reflection paper, Publications Office, 2019, https://data.europa.eu/doi/10.2775/676251.

[51] Schena et al. (2022) pp. 315-325. Available at: https://www.sciencedirect.com/science/article/abs/pii/S0148296322006294 (Accessed: 20 December 2022). Ramos and Casado-Molina (2021) pp. 121-130.

the variety of SDG-related themes covered (breadth) and the distribution of non-financial disclosure among the SDGs (concentration) appear to be determining factors for improving the effectiveness of digital reputation for the performance of the company".[52] There is evidence that "social influencer CEOs are extensively posting on SDGs; which is subsequently leading in leveraging their corporate reputation and organizational identity within the society".[53]

Assuming that individual insurance companies and the industry as a whole would benefit from adequately displaying the sector's contribution to society's efforts to meet the SDG, then it is in their best interest to showcase all their individual and collective achievements. The absence of an integrated perception of such achievements and their inadequate or incomplete reporting, perhaps due to the insufficient awareness of each company and their staff of some SDG and, consequently, of their actual contribution to meeting these goals, appear to be hindering the industry in its efforts to showcase this contribution. In other words, insurers are currently not taking full advantage of their actual contribution to the SDGs.

Some studies have shown that a failure to align one's interests and values with those of one's customer base may lead to loss of market share: insurance customers may jump ship in search of providers that are perceived to be better at understanding their needs[54] or at furthering their shared values, which is one of the strongest points of many companies created under the umbrella of the collaborative platform economy, where data shows a growing appetite for business models that exploit the shared-interests-and-values psyche.[55]

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[52] Online corporate…Ibidem.

[53] Grover et al. (2019) pp. 39-52. Available at: https://www.sciencedirect.com/science/article/abs/pii/S0268401218312428 (Accessed: 20 December 2022).

[54] J. Kawohl, J. Lange, M. Rosenbaum & H. Nguyen, "Successfully shaping insurance ecosystems": "Insurers need to better understand the needs of their customers. Thus, they need to create intelligent ecosystem offerings. Besides, they must be perceived as preferred partners in relevant ecosystems to complement them with their offerings. In other words, insurers need to become "ecosystem-capable"." Available at: https://www.ecosystemizer.com/blog/successfully-shaping-insurance-ecosystems (Accessed: 20 December 2022).

[55] Lima Rego and Campos Carvalho (2020).

There is a growing emergence of technology-based peer-to-peer (P2P) insurance models. [56] These can pose a risk to traditional business for consumer (B2C) insurance companies like Fidelidade, because insured persons can "pool their risk and capital, self-organize and self-administer so as to minimize their losses and maximize their gains" with these new models[57]. The issue is that at least part of the reason insurance customers use these models is because of their sense of community. This part is sometimes so important that it even overrides the financial reasons for choosing one product over another. For instance, customers can choose a model that donates excess funds to an NGO pursuing a cause that is deemed fair by all the members within a given risk pool but, other than by donating to someone who does contribute to the cause, in this example, platform economy is not contributing in any particularly significant way to furthering the SDG.

Morell, Espelt and Senabre Hidalgo have argued that the "limited digital perspective of the SDGs in its own definition (…) and the current stage of the platform economy, still expanding, do not cover all the challenges defined in the SDGs".[58] Conversely, some insurance companies are not only contributing to the SDGs, but their potential to work between traditional and digital methods is indeed an advantage to their potential contribution to the achievement of a set of goals aimed at all, even those without access to digital technologies.

Insurance companies are expected to excel when using blockchain technology, due to their innate capacity to manage large amounts of data.[59] Some examples for health and life insurance companies are: the development of interoperable and comprehensive health records, supporting administrative and strategic imperatives with smart contracts, detecting fraud more effectively, improving provider directory accuracy, simplifying the application process by making it more client-centric and facilitating a dynamic insurer/client relationship.[60] Such recent developments offer many opportunities to furthering the sector's contribution to the SDGs, as some authors have highlighted.[61] One

[56] Ibidem; Zornoza (2016).
[57] Ibidem, p.30.
[58] Fuster Morell et al. (2021) p.10.
[59] Amponsah et al. (2021).
[60] Deloitte, Blockchain in health and life insurance Turning a buzzword into a breakthrough. https://www2.deloitte.com/us/en/pages/life-sciences-and-health-care/articles/blockchain-in-insurance.html (Accessed: 20 December 2022).
[61] Parmentola et al. (2022) pp. 194-217.

clear example is provided by the development of interoperable and comprehensive health records, which is set to have a direct, substantial impact on SDG (3) Good Health and Well Being. The expectation is that such records will allow earlier detection and treatment of diseases. From a public health perspective, in addition to improving individual healthcare, the applicability of these techniques on developing countries may also allow for very significant advances in the tracking of diseases, thereby providing a much better basis for achieving global solutions to global health threats.

This brings us to a paradox: while insurance companies might be better positioned than some of their current competitors to develop significant contributions to the achievement of the SDGs, they might be losing ground to those competitors precisely due to their perceived weaker performance in this area because they are not adequately communicating their contributions, which is key to their success, in clear terms even to the UN Global Compact.[62]

Some palpable improvement in the current state of affairs could be achieved if, every time an insurance company believes that it is contributing to achieving a single SDG, it were to further analyse the repercussion of that contribution on other SDGs. This idea includes reflecting on the people in charge of those reports and the role that SDGs have in the company's corporative values. By doing so, it will be conveying a more integrated vision of its contribution to achieving the SDGs. For instance, when a company reports on a contribution to target (13) Climate Action, further analysis should be carried out to determine whether it is contributing to more than one environmental target. This would naturally require specific training for those in charge of drafting SDG-related reports, but the message would then be clear and transparent.[63]

## 3. Fidelidade as a Case Study

[62] S. Barta, D. Belanche, M. Flavian & M.C. Terré, "How the Implementation of Sustainable Development Goals Affects Customers' Perceptions and Loyalty Towards Organisations" (2022) 26th Corporate and Marketing Communications Conference: CONFERENCE PROCEEDINGS, pp. 209-211. Available at: https://www.unic.ac.cy/cmc2022/wp-content/uploads/sites/33/2022/05/Book-of-Proceedings-CMC2022.pdf (Accessed: 20 December 2022).
[63] R. G. Eccles & M. Vollbracht, "Media Reputation of the Insurance Industry: An Urgent Call for Strategic Communication Management" (2006) 31 The Geneva Papers on Risk and Insurance. Issues and Practice, pp. 395-408.

The earliest origins of Fidelidade date back to 1808, when insurer Bonança was founded[64]. The company operated like every other traditional insurance company for a long period of time: there was an initial contact with the potential customer, but no further communications or exchanges took place after the policy was finalised, other than those revolving around the payment of the premium, until an insured event happened and a claim was made. Fidelidade no longer purports to be a mere supplier of products or even a multiservice provider, but positions itself as a solution seeker, playing the role of orchestrator in different ecosystems that bring together multiple actors in order to generate added value for their customers. These ecosystems are now reputed to be key to its success.

### 3.1. Fidelidade's Deep-Dive into Ecosystems

According to Fidelidade, the shift towards ecosystems is interlinked with the digitalization of its business, a process in which it created a substantial portfolio of digital assets and best practices along the insurance value chain.[65] An accelerator mode was activated to drive the change, aimed at increasing efficiency and enhancing the overall customer experience through the creation of a transformational environment.[66] An innovation hub was created to improve and enhance the group's capacity to implement transformational projects. Bearing this in mind and following its own value chain, Fidelidade deep dived into five ecosystems: mobility, home, health, aging and lifestyle.[67]

A clearer picture of what is at stake comes from looking at some of the digital products launched to achieve this goal, according to the literal descriptions provided by Fidelidade: the company launched an app aimed at helping users to improve some aspects of their driving while earning points which can then be exchanged for vouchers with partners that are suppliers of products or services in sectors that are unrelated to insurance, such as food and drinks, energy, entertainment; another app was launched combining travel

[64] The company's official denomination is Fidelidade - Companhia de Seguros, S.A. Although Bonança, its predecessor, was founded in 1808, the name Fidelidade only appeared on the market in 1835. After a succession of mergers and acquisitions, Fidelidade is currently the result of a merger in 2012 of insurers Fidelidade Mundial and Império Bonança. At that time, the company was owned by the State-owned Caixa Geral de Depósitos Group. Today, it is no longer a State-owned insurer, having been acquired by the Fosun International Limited Group in 2014.
[65] Center for Transformation: Fidelidade, "Innovation: Imagining the Future" p.16.
[66] Ibidem, p.17
[67] Ibidem, p.18

insurance with some travel preparation assistance using devices such as an intelligent travel shareable checklist; a healthcare app was launched to allow remote consultation with a team of specialist doctors, including videocalls with the doctors, as well as the possibility of attaching or sharing exams or images with them; another app was launched which suggests challenges that help users to adopt a healthy lifestyle, awarding prizes when users overcome the challenges; yet another app was launched to link users with all sorts of home service providers, including, among others, cleaning and maintenance workers, plumbers and electricians; another app was launched to cater to the needs of the elderly, linking them with caregivers and home help services; another app was launched to assist pet owners; and yet another "integrates an individual life insurance product with savings solutions that allow customers to define and achieve their life goals in a simple and fun way" [68].

3.2. Reported Integration of the SDG into Fidelidade's Ecosystems

According to Fidelidade, its contribution to the SDG is focused on the following goals: (3) Good Health and Well-being, (8) Decent Work and Economic Growth, (10) Reduced Inequality, (11) Sustainable Cities and Communities, (13) Climate Action and (17) Partnerships for the Goals.[69] While some of the measures taken in this regard are not industry-specific, such as creating an award to support the good work carried out by the third sector, many of them bear clear links to insurance.

Fidelidade's contribution to SDG (3), as per its own account, has been built around investment in new applied technology innovations as well as in innovative products and services[70]. It is based on the two pillars of longevity and prevention. The company aims to accompany the scientific and technological research on longevity, strengthen the social

[68] All the products have been described as stated in: Ibidem, p.28-35.

[69] This section reflects the information provided by Fidelidade in the following documents. Translations are by the authors': Fidelidade Insurance Group, "2020 sustainability report". Available at: https://www.fidelidade.pt/PT/a-fidelidade/QuemSomos/QuemSomos/Documents/Sustainability%20Report%202020.pdf (Accessed: 20 December 2022); Fidelidade, "2021 Annual Report". Available at: https://www.fidelidade.pt/EN/fidelidade/investor-relations/financial-information/Documents/200_Fidelidade_Annual_Report_EN_2021_v2.pdf (Accessed: 20 December 2022); Fidelidade, "Estrategia". Available at: https://www.fidelidadecomunidade.pt/estrategia/ (Accessed: 20 December 2022).

[70] In addition, in 2014 the Group acquired one of the largest healthcare providers in Portugal: Espísito Santo Saúde, owner of the brand Luz Saúde, who runs a chain of private hospitals and clinics in Portugal.

protection of its customers, and contribute to mitigating the vulnerability and social exclusion linked to the aging process. Fidelidade also aims to be a key player in the field of prevention by designing new products and services and fostering healthy behaviour. The actions taken involved providing remote access to primary health care, ensuring national coverage and the high quality of the providers, reducing the grace period for preventive medicine coverage, promoting healthy living through such initiatives as the healthy habits test, nutritional guidance and the get-fit programme, and launching a health protection programme for people aged 60+.

With respect to SDG (8), Fidelidade's reported actions on the area of decent work and economic growth foster balance between working time-personal life and quality of life, reflection on the development of an integration policy for people with disabilities, and the creation of a feedback culture and investment in rejuvenating the teams. Its intention is to build trust among all the people that make up the ecosystem.

SDG (10) is focused on reducing inequalities and the company reports that it contributes to this goal with the Fidelidade Community Award. This prize aims to strengthen the social sector, contributing to the mitigation of inequalities in the area of health and ageing for people with disabilities or permanent impairments. Fidelidade also highlights the importance of aligning its investment policy with the Principles of Sustainable Insurance.

According to the Group, it contributes to SDG (11) through its "work in product and service innovation, digitalization and promoting the improvement of service quality" because this "keeps pace with the trends in the development of technology and capitalizes on its potential for the positive transformation of some of the main societal challenges".

As regards SDG (13), Fidelidade also states that it has "been working on the problem of climate change, both in the careful assessment of customers' risk, in order to be able to propose more adequate coverage, and in the management of processes related to climate events in Portugal, as in 2018 during storm Leslie. Products and services that contribute to minimizing environmental impacts are also being developed and predictive models are being developed to improve risk management".[71]

[71] Fidelidade, "Estrategia". Available at: https://www.fidelidadecomunidade.pt/estrategia/ (Accessed: 20 December 2022).

Regarding the partnerships for SDG (17), Fidelidade explains that the "internationalization is a strategic priority for diversification and the creation of synergies and transfer of innovation between companies and, above all, between markets. But it is also a commitment to the development of the markets where the Group decides to operate, whether in the development of people, the creation of infrastructures or the provision of services and solutions to the population".[72]

These are the company's contributions as reported by Fidelidade. Some data can be easily verified, such as the creation of the Fidelidade Community Award, but some other information, for instance, its contributions in the SDG (13), are more difficult to track. Factchecking these reports is beyond the scope of this paper. We should, however, point out that such reports would have much to gain if companies were to enrich them by providing references to external, verifiable sources corroborating their contributions.

### 3.3. Towards a Greater Integration of SDG into Ecosystems

Fidelidade's annual report 2020 reads as follows:

> *The Group's human resources are evenly distributed between the genders. The recruitment and selection process fully respects the equal opportunities principle, and selection is according to the curriculum and skills profile of each candidate. Thus, when recruiting the Group does not discriminate based on gender/ethnicity/nationality or any other factors.* [73]

The group clarifies that even in areas where most managerial positions are held by men, there has been an increase in the number of women in these posts.[74] This is an effort that

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[72] Ibidem.

[73] Fidelidade. "Annual Report 2020": In 2020, 38.0% of "Senior Management" and "Line Management" positions were held by women (69 employees), compared to 36.3% in the previous year, which is equivalent to 3 more women occupying positions of greater responsibility. Available at: https://www.fidelidade.pt/PT/a-fidelidade/informacoes_legais/informlegais/Documents/RC_Fidelidade_2020_EN.pdf (Accessed: 20 December 2022).

[74] Fidelidade. "Annual Report 2020": In 2020, 38.0% of "Senior Management" and "Line Management" positions were held by women (69 employees), compared to 36.3% in the previous year, which is equivalent to 3 more women occupying positions of greater responsibility. Available at: https://www.fidelidade.pt/PT/a-fidelidade/informacoes_legais/informlegais/Documents/RC_Fidelidade_2020_EN.pdf (Accessed: 20 December 2022).

aligns with SDG (5), but the company does not mention any work done on this matter in its report to the UN Global Compact. This might mislead customers and lead them to opt for a company that more openly defends gender equality.

In another example, launching health insurance for people aged 60+ is indeed an action that works towards SDG (3), but its major contribution is to target 8.10, which, as the only one of the 169 targets explicitly mentioning insurance, refers to the expansion of access to insurance for all. Nevertheless, this is not mentioned in Fidelidade's materiality matrix and related documentation.

Target 8.10 can be the cornerstone for a more thorough integration of the SDGs into insurance ecosystems, if one considers the remote villages in developing countries whose risks might be largely uninsurable due to the lack of publicly available data. The Fidelidade Group operates not only in Portugal but also in Peru, Bolivia, France, Angola, Macao, Chile, Spain, Cabo Verde, Paraguay and Mozambique. If we follow the UN data[75], Angola, Cabo Verde and Mozambique are among the least developed countries in the world. According to the UN Conference on Trade and Development, "at least eighteen of the 169 Sustainable Development Goal targets refer explicitly to the least developed countries, and dozens more are of central importance to their development success (…) This is why UNCTAD argues that the LDCs is the battleground where the Sustainable Development Goals will be won or lost".[76]

Bearing in mind that poor data affects the possibility of offering insurance and that the lack of insurance makes it impossible to develop businesses that could help to feed the population in some of the places where famine is most widespread, it is not difficult to identify windows of opportunity for Fidelidade to carry on ground-breaking work to further some key SDGs. It is not the aim of this paper to comment on whether or to what extent such work has already been carried out. Our point is simply that, for the most part, this is absent from the company's sustainability reports. Thus, one may safely conclude

[75] UN Department of Economic and Social Affairs Economic Analysis, "LDCs at a Glance". Available at: https://www.un.org/development/desa/dpad/least-developed-country-category/ldcs-at-a-glance.html (Accessed: 20 December 2022).
[76] Achieving the Sustainable Development Goals in the Least Developed Countries. Available at: https://unctad.org/publication/achieving-sustainable-development-goals-least-developed-countries (Accessed: 20 December 2022).

that Fidelidade has yet to acknowledge and showcase its full potential as a key player in furthering SDGs.

In this example alone, working towards better access to insurance for all could trigger a contribution to the following goals: (1) No Poverty, (2) Zero Hunger, (3) Good Health and Well-being, (4) Quality Education, (6) Clean Water and Sanitation, (7) Affordable and Clean Energy, (8) Decent Work and Economic Growth, (9) Industry, Innovation and Infrastructure, (10) Reduced Inequality, (11) Sustainable Cities and Communities, (12) Responsible Consumption and Production, (13) Climate Action, (15) Life On Land, and (17) Partnerships for the Goals.

In another example, the COVID-19 outbreak of forced more than 70% of Fidelidade's workforce in Cabo Verde to switch to teleworking. As some people did not have the equipment and infrastructure to be remotely connected, Fidelidade decided to make a significant investment in improving these connections. This is a direct contribution to SDG (9) Industry, Innovation and Infrastructure, but, if correctly articulated, can also have a broad impact in the community. For instance, if the new internet connection can be used for children to get a better education, there is an impact on SDG (4) Quality Education; if it allows others to set up their own new small businesses, it can have an impact on SDG (8) Decent Work and Economic Growth. Fidelidade can also look at these infrastructures as a potential touching point to open new markets in Cabo Verde and make further contributions to the development of the country, as in the example provided above.

Fidelidade has the knowledge and the financial capacity to trigger changes that positively affect the sustainable development of the world. These actions will trigger a constructive financial impact for those countries and the company itself. However, the most important consideration is that, as we live in a globalized world where each country is in constant contact with the others, it will be building the global trust that is needed to stay relevant in today's insurance market– if its actions are adequately integrated into the company's corporate narrative when reporting on its contributions to achieving the SDGs.

### 3.4. Lessons that Arose from Fidelidade as a Case Study

Following on from the previous section, we can conclude that insurance companies could tap into their own, as well as the sector's, contributions to furthering the SDGs as a means to survive in the midst of the new business models, just as much as the SDGs need the sector's contribution to be successfully achieved. If insurance companies wish to compete against new business models in this new global arena, they first need to structure their vision and correctly articulate all the work that they already carry out and optimize their potential in planning more work that they can also undertake to achieve the SDGs. They then need to align the narrative so that all this work is more visible to the world. This also happens to be the key to a successful ecosystem, because a process cannot work properly if any of its parts are missing. Understanding this is crucial, but communicating how insurers can and do use their expertise to build a better world is no less important.

Adequate communication of the sector's key contribution to achieving the SDGs will enhance the reputation of insurance companies, thereby increasing society's trust in the sector. Insurers who are successful at this will be better equipped to compete with the new business models for a market share and make the world a better place at the same time.

## 4. Conclusions

The survival of traditional insurance companies has been threatened by the advent of digitalization,[77] the emergence of P2P business models and the sharing economy, and the ever-increasing competition from non-insurance specific global players. To remain competitive in the increasingly demanding and diverse global marketplace of the 21st century, some insurers have reacted by creating and merging into ecosystems.

Within these ecosystems, communication with insurance customers is constant and both parties reap benefits from their close interaction. For instance, accidents are less likely to happen when rewards for good drivers are provided through an app, thus insurers will receive fewer claims and will be able to assess the risk more accurately, while customers will reduce the possibility of suffering injuries and will get vouchers for things they like.

The non-insurance specific value creation enabled by the new insurance-based ecosystems also enhances the industry's already very significant potential to being key players in contemporary society's global efforts to meet the United Nations' sustainable development goals. In its turn, the actual or potential contribution of the insurance

[77] J. Struve, "Harnessing network effects: A Web 2.0 primer for the insurance industry" (2009). Available at: https://www.perrknight.com/2009/10/01/harnessing-network-effects-web-2-0-primer-insurance-industry/ (Accessed: 20 December 2022).

industry to furthering the SDGs is also potentially relevant to the industry's work towards creating value, gaining trust and increasing customer satisfaction. This is not only good in itself, as insurers who choose to do this will be working towards a better world, but it might also be of strategic importance, as it could help to improve the individual reputation of each insurer and the collective reputation of the industry in the current, digital era and to combat the loss of customers tempted by more recent business models with better communication skills.

We do not dispute that the insurance industry can and already does contribute significantly to the achievement of SDGs, but we have found that this contribution is not yet adequately displayed in sustainability reports. Discrepancies, inconsistencies and information gaps were found to be the norm in such reports. This appears to be, at least in part, a consequence of the industry's widespread lack of awareness and misperception about the various economic, social and governance aspects of sustainability, as well as of the industry's actual and potential role in contributing to some SDGs.

Fidelidade has proven to be a very fertile source of information for our case study by providing a good illustration of what we perceive to be a more general trend among some of the most dynamic, innovative insurance companies which already contribute in different ways to furthering the SDGs and yet do not have a complete, coherent, clear and accessible narrative that adequately showcases all the different aspects of their current work in furthering the SDGs.

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