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# Can Sustainability be a Source of Competitive Advantage in the Insurance Industry?

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## EXECUTIVE SUMMARY

*We wish to determine if insurers can acquire a competitive advantage if they integrate insureds' sustainability performance into their underwriting models. Such a finding has profound implications for the insurance industry and the greater social and economic activity it drives. Our statistical analysis of 437 insureds across 136 industries over six years indicates sustainability performance does reduce the amount of unpredictable change in U.S. workers' compensation experience modifiers. Although the size of the effect is relatively small, it is larger and more statistically significant than other established determinants of the insureds' risk.*

**Keywords:** Sustainability, Insurance industry, Underwriting, Corporate resilience, Workers' compensation