

# Auto and home insurance

## Criteria 2011:3



# Bra Miljöval

## Good Environmental Choice. Swedish Society for Nature Conservation's eco-labelling.

The Swedish Society for Nature Conservation (SSNC) is a non-profit organisation that is independent of political and religious affiliations. We are driven by an ambition to preserve the environment and protect people's health. It is partially due to us that seals, sea-eagles and peregrine falcons are no longer endangered species in Sweden. We promote biological diversity, and strive to prevent climate change, acidification, over-fertilization, the spread of dangerous chemicals and much more.

However, it is not enough to protect nature in reserves or stop individual polluters. We need to reduce our total environmental impact. Companies that adapt their production methods and products to reduce the burden on the environment play a vital role in this work.

Good Environmental Choice is SSNC's own eco-label and one of the tools we use to drive development towards a sustainable society. Good Environmental Choice places high environmental demands on the products and services that it approves for labelling.

Thanks to Good Environmental Choice, hundreds of products have been reformulated and environmentally adapted. Eco-labelling has resulted in concrete results. For example, Good Environmental Choice labelling has almost completely eliminated the environmentally hazardous surfactant LAS from Swedish detergents.

Another example is that electricity labelled with Good Environmental Choice has placed demands on the water flow through hydroelectric power plants, and, through this, benefited plants and animals in the affected rivers. Where power plants run on biofuel, our requirement that ash is returned to the soil has led to a sustainable process.

Good Environmental Choice is a part of the SSNC's work on consumer power. The Green Consumerism network comprises active members who run the green consumerism work in our regional groups around the country. For example, they conduct the Green Consumer Week campaign every year. Thanks to this campaign, the range of products in most supermarkets is becoming increasingly environment friendly. In the eyes of consumers, the Good Environmental Choice label is a symbol they can trust. For licensees, the label brings competitive benefits.

Good Environmental Choice criteria currently exist for the following products and services:

- Heat energy
- Electrical energy
- Freight transport
- Passenger transport
- Grocery stores
- Paper
- Textiles
- Chemical products
- Single-family home and car insurance
- District cooling



Bra Miljöval

Read more about Good Environmental Choice at [www.bramiljoval.se](http://www.bramiljoval.se)

The criteria can be ordered via e-mail: [gbg@naturskyddsforeningen.se](mailto:gbg@naturskyddsforeningen.se) or downloaded from [www.bramiljoval.se](http://www.bramiljoval.se)

For further information, contact the Swedish Society for Nature Conservation, Box 7005, SE-402 31 Göteborg, Sweden.

e-mail: [gbg@naturskyddsforeningen.se](mailto:gbg@naturskyddsforeningen.se)

# Contents

Foreword	4
Purpose	5
The scope of the criteria	5
1 Requirements for companies	6
2 Management of insurance assets	7
3 Requirements for the insured objects and relationship to the policyholder	8
4 Requirements for claims adjustment	9

© Swedish Society for Nature Conservation 2013

Text: Caroline Hopkins

Translation: Tricia Nilsson, Americonsult.

Administration: Liv Södahl

Layout: Carina Grave-Müller

NOTE: This text is a translation. The original Swedish version always prevails.

## Foreword

Eco-labelling assists consumers and manufacturers in making eco-smart decisions both at the time of purchase and when providing products and services. If all products and services currently available were already safe for the environment and people's health, then eco-labelling would not be necessary.

The eco-label Good Environmental Choice is not meant to cover all goods and services currently available. Instead focus is placed on areas considered by the Swedish Society for Nature Conservation (SSNC) to be especially relevant to increasing the pace of development, or areas that play an important role in affecting what's available on the market.

Power over the environment resides partly in politics and partly in money. It is strategically interesting to steer financing towards companies with the potential to contribute to sustainable development. This can be done both by promoting sales at these companies and through beneficial financial investment.

The insurance industry holds a unique position since it is both a large consumer of services and products during claims adjustment for policyholders and, while awaiting any damage incidents, manages large financial resources. A large portion of economic resources work financially pending claims adjustment. How these assets are managed in turn affects the environment.

Criteria for Good Environmental Choice are meant to help consumers identify insurance products that provide claims adjustment with reduced environmental impact in the event of damage, while helping the insurance industry identify aspects of their operations which result in a better environment. We hope that consumers will soon have a variety of eco-labelled insurance products to choose from.

The Good Environmental Choice label for auto and home insurance is one of the tools provided by SSNC for steering development towards a sustainable society. These new criteria include requirements that affect four parts of the insurance industry:

- That a company selling eco-labelled insurance incorporates environmental awareness into its purchasing and operational routines.
- That claims are adjusted in a manner based on high standards of consideration for the environment
- That insurance assets are invested with an aim of promoting a high degree of consideration for the environment
- That insurance companies help their policyholders reduce their environmental impact in everyday life. Over the long term, this will also improve the environmental status of the insured object.

Criteria for the Good Environmental Choice label for auto and home insurance are determined by SSNC's Secretary General. Many people and companies have shared their valuable expertise and views and we would like to extend our thanks to them.

**Eva Eiderström**

Director for Good Environmental Choice

## Purpose

- To increase awareness of the most important environmental choices involved in non-life insurance.
- To steer claims adjustment so that:
  - emissions and the use of harmful chemicals decrease,
  - energy and resource consumption decrease both for repairs to and operation of the insured object.
- To introduce environmental/ethical principals on how insurance assets are managed and how follow-up is conducted and make it possible to evaluate the efficiency of different models in improving the environmental/ethical quality of asset management.
- To provide more information to policyholders about making lifestyle choices that benefit the environment. For example, energy smart solutions for the home and environmentally smarter mobility.
- To urge insurance companies themselves to set a good example by reducing their impact on the environment.

## The scope of the criteria

The criteria are valid from 07/04/2011 until the next version goes into effect, 07/04/2014 at the earliest. All insurance products for cars and homes may be eco-labelled according to these criteria. The insurance may not deviate from what a consumer can expect it to include. Auto insurance in this document means motor vehicle insurance for (full or partial cover car insurance) and third party liability insurance for passenger cars. Home insurance means household and holiday home insurance. Homes are here called “houses/property” or “homes”.

The criteria cover requirements on licence holder, asset management, claims adjustment, information to policyholders and loss prevention measures.

Requirements for companies and asset management apply to all insurance products. Product specific requirements also apply to each product group.

# 1 Requirements for companies

## 1.1 Office requirements

- 1.1.1 The license holder has an environmental policy that ensures that the company is constantly working to improve its environmental performance. The policy must include procurement, energy, chemicals and the principle of substitution. It must be approved by the Managing Director and policyholders must be informed about it.
- 1.1.2 When purchasing coffee, tea, soft paper, office paper and chemical products for premises for the company's business operations, purchases of eco-labelled products must comprise at least 90% (two significant digits) of expenditures.
- 1.1.3 Disposable products must be replaced by products that can be reused when that option is available. The company must take stock of the products which have recycling options and create a plan for replacement with at least one product group per year. Examples of such products include: mugs, drinking glasses, toner for printers and also tap water (instead of bottled water).
- 1.1.4 All employees must complete training about the eco-label Good Environmental Choice in areas relevant to their business area. The training must be planned and begun within one year from the day that licence is granted and reviews must be made continuously. Staff who have contact with policyholders and potential policyholders must know about the requirements of the eco-label and its purpose.

Licence holder, see definition in Licence Terms

The principle of substitution is also called the exchange principle or product choice principle and is defined in the Swedish Environmental Code. Read more under 4.1.4.

The term chemical products includes among other things; soap, detergent and dish washing liquid. This requirement applies regardless of whether the company itself purchases items or if items are purchased through, for example, an outsourced cleaning service.

Approved eco-labels: Good Environmental Choice, the EU Ecolabel, the Nordic eco-label, KRAV and the EU organic label.

Staff with policyholder contact include salespeople, claims adjusters and people providing customer support.

## 1.2 Energy and transport

- 1.2.1 Use of electricity: Electricity used in the company's Swedish premises must be labelled with Good Environmental Choice. This applies to all premises directly involved in the company's business and service delivery.
- 1.2.2 Energy inventory: The license holder must report the total amount of energy used per year divided according to electricity, heat, cooling and any fuel purchased directly, as well as total office space for the premises used, including those abroad.
- 1.2.3 Energy measures: Objectives and an action plan with the aim to improve energy efficiency in the premises of the license holder must be established according to the SSNC energy template. In the application objectives are formulated and a forecast is made, the actions must be scheduled; a follow-up system in use and personnel designated responsible. The action plan must be updated every year .
- 1.2.4 All personnel who drive more than 15,000 km/year on behalf of the license holder must be trained in fuel-efficient driving. This applies to staff required to drive and people who are contracted to drive. Training must be booked and started within one year from the day that licence is granted.
- 1.2.5 For meetings and travel, the license holder must have a travel policy and an action plan, which aim to mitigate the negative effects of travel on the environment. Selecting the most environmentally efficient alternatives when trips are carried out. Journeys by plane and automobile should be avoided as much as possible.

The SSNC energy template is a separate document, which can be found on [Bramiljoval.se](http://Bramiljoval.se)

- 1.2.6 The license holder must trace deliveries of ordered goods to its offices. The aim is to ensure that the three suppliers who deliver most often to the license holder's offices will, within two years from the day that licence is granted, in 90 percent of the deliveries use vehicles rated with environmental class Euro 4 (two significant digits) or higher.

---

#### Reasons for the requirement

[1.2.1] Resources from the Good Environmental Choice labelling of electricity run a fund that among other things supports measures to reduce the damage from hydropower on biological diversity, and measures that makes energy usage more efficient.

[1.2.3] The potential of more efficient energy usage is enormous when sustainable energy systems are being developed. Good measures include smart lighting, need-based heating, ventilation, more efficient capacity usage in IT applications, and switching off computers, lights, ventilation, printers, etc. at night and on weekends.

[1.2.5] The aim is met by reducing the number of trips and planning well. Improved road safety and health often correlate with lower environmental impact.

## 2 Management of insurance assets

- 2.1 Asset management in securities (e.g. equities and interest bearing instruments for companies). Management must be conducted actively in regards to nature and environmental aspects and ethical standards by:
- applying negative and positive selection to avoid investment in the environmentally/ethically worst companies and to favour the best,
  - actively encourage companies to improve their environmental/ethical performance.

The actions above entail systematic application of policies and the monitoring of quality and performance. Systems and practices must be reported to SSNC.

Principles, organization, inspection systems and positions as well as current holdings of all securities (including for example, bonds issued by various states) must also be reported on the company website and to SSNC. The work must have been started when the license agreement is concluded. The system must be in place within a year from the day that licence is granted.

The license holder must, for investments in securities, select those issued by companies or equivalent judged to run their business, both internally and externally, in an environmentally and overall ethically sound manner. During the selection process both positive and negative criteria must be used.

Criteria for negative selection must indicate exclusion of firms which, in their business description, indicates a notable amount of manufacturing, sales, supplying to, use of or support to enterprises in the following industries: (i) weapons, (ii) alcohol (for consumption), (iii) tobacco, (iv) pornography, and (v) coal power, nuclear power and uranium. Companies that violate human rights must be excluded. This also applies to subsidiaries in which the company owns

a total of more than 50 percent of the vote at the AGM or equivalent governing body, and associated companies in which the company owns a total of more than 20 percent of the vote.

Criteria for the positive selection must favour companies that are industry leaders in environmental efforts and that demonstrate this through established certification or similar. Key areas are: (i) reuse and recycling, (ii) emissions treatment, (iii) environmental management and environmental inspection, (iv), renewable energy (including transport, excluding hydropower), and more efficient energy use. Companies that manufacture, sell or otherwise support an increased proportion of eco-labelled products (type 1) and other more sustainable products should be favoured.

When shares/ownership interest in investment companies and funds are assessed, the above requirements must be applied directly to shares included in the investment company's portfolio.

- 2.2 Asset management in real estate: To the extent that the company owns real estate, the electricity to holdings must have the Good Environmental Choice eco-label. Should the license holder own a share of a property, the electricity used in that share must be subject to the requirement.

---

#### Reasons for the requirements

[2.1] It is not entirely clear which strategies are most effective when it comes to using the ownership role to encourage companies to take responsibility for the environmental/ethical consequences of their decisions. The criterion is therefore open to different approaches, but has certain minimum levels that must be achieved.

### 3 Requirements for the insured object and relationship to the policyholder

- 3.1.1 Products that are eco-labelled according to these criteria and information about the eco-label must be easy to find in the license holder's information supply (web pages, by telephone, mailings, etc.)
- 3.1.2 Information to policyholders about Good Environmental Choice: The license holder must report information efforts to SSNC and compare these expenditures to the expenditures of overall information efforts.
- 3.1.3 The license holder must actively and without delay do the following for all new policyholders with an insurance labelled with Good Environmental Choice:
- explain why the insurance is eco-labelled and what that means.
  - provide concrete and tailored advice about the object insured, for instance how to be more energy efficient in their homes or while mobile. This can be done by referring to for example: Top Ten, the Swedish Energy Agency, the Swedish Transport Agency and SSNC.

Information efforts are for example mailings to policyholders, web information, and advertising/marketing.

Mobility refers to how we move in everyday life (and on vacation), for example, between home, school, work, hobbies, shops and business.



- 3.1.4 The license holder must at least once a year: proactively inform policyholders about various ways to work towards a more sustainable lifestyle in connection to the object insured, and/or pass on information from SSNC through its channels (to be listed on invoices, in mailings, and mentioned on the phone).
- 3.1.5 The license holder must assist policyholders to (systematically) reduce their energy usage. Therefore the license holder must present a plan based on SSNC energy template to collect long-term data and find effective measures. The plan must include a system showing how the policyholders might annually follow up their use of energy in housing and while mobile.
- 3.1.6 The license holder must work systematically prevent damage among its Good Environmental Choice policyholders.

Information is available at the SSNC website were extensive information about what consumers/citizens can do to contribute to sustainable development can be found. The license holder can for instance make volume purchases of, for example, solar panels for policyholders to ensure quality and get good terms, encourage fuel efficient driving, consideration of one's use of chemical products and paper at home, making demands on politicians.

The SSNC energy template is a separate document, which can be found on [Bramiljoval.se](http://Bramiljoval.se)

---

**Reasons for the requirement**

[3.1.5] The aim is to start and accelerate the processes for more efficient energy use.

[3.1.6] The aim is to establish a list of efficient measures to prevent damage that the license holder can use for all its policyholders.

## 4 Requirements for claims adjustment

### 4.1 Requirements for the license holder

- 4.1.1 The license holder must have agreements with all suppliers that carry out repairs. The agreements must include the requirements named in chapter 4 in these criteria. Each year, the license holder must submit a list of its suppliers that carry out repairs for eco-labelled insurance. SSNC can carry out unannounced checks to ensure that the criteria are met.  
Cash adjustment may be done to a certain extent if it is done for submitted receipts and if claims adjustment is carried out according to good practices that are followed up and reported.

Suppliers are all types of garages and construction companies who repair damage on behalf of the licence holder.

- 4.1.2 Inspection of damage must, within two years from the day that licence is granted, be done with green cars.

Green cars according to the Swedish government definition of green cars.

- 4.1.3 The license holder must have a system to promote reuse of materials during repairs with follow up to ensure that it takes place. On the license holder level, claims adjustment must achieve on an annual basis:

Definition of reused material:

Parts or materials that are used again maintaining the same quality without further processing other than cleaning and/or repair.

Automobiles: at least 10 percent (two significant digits) of the number of the repairs must be carried out wholly or partially by reusing used parts.

Homes: at least 3 percent of number of the repairs must be carried out wholly or partially with reused materials.

Requirements are met if materials for reuse included in these claim adjustments amount to at least 15 percent of total value, i.e. all materials need not be reused for the repair to be considered reuse

The term products means materials and products used in damage reparation, but not tools, or personal property for homes.

- 4.1.4 For claims adjustment, suppliers must use the most environmentally beneficial products and apply the principle of substitution.

For homes this applies to: floor coverings, adhesives, screed and putty, building panels, insulation, paint, caulking compound, adhesive compound and sealants and waterproofing for wall and floor tiles, timber.

For automobiles this applies to: tires and chemical products (oil, lubricants, hydraulic oil, paint, glue).

To select products, use: Clean Shipping, the BASTA database, Good Environmental Choice, Topten, the EU Ecolabel, FSC or the Nordic eco-label products, or their equivalent in other countries. Reused materials may be used.

- 4.1.5 The license holder must demonstrate four common scenarios of repairs where clear environmental gains can be made, from both repair and operation perspectives. These best practises examples must be applied.

#### 4.2 Requirements for all suppliers that repair damage

- 4.2.1 The supplier must have an environmental binder. The supplier's contact person is responsible for keeping it updated.

- 4.2.2 All personnel at the supplier with policyholder contact and who perform tasks relating to these criteria must be trained in Good Environmental Choice labelling of auto and home insurance. The supplier must identify training needs from the requirements in chapter 4 and provide training. The license holder is responsible for the training to be completed within one year from the day that licence is granted and that reviews take place continuously.

In the training for everyone: The environmental binder, eco-driving, working routines to reduce environmental impact, what does the law say (the principle of substitution), eco-labelled insurance products, risk perspective, fire, identification and handling of hazardous waste and hazardous substances.

In the training for construction companies: renovation, development of building materials, recycling, handling of demolition waste and excavated material, methods of working, identification of hazardous waste.

In the training for garages: the environmental binder, fire, hazardous components, oil handling, methods of repair and reuse.

#### 4.3 Requirements for all suppliers that repair damage for automobiles

- 4.3.1 Drains without oil separators must be blocked. Lids are an option.

- 4.3.2 Sanding dust from paint, metal and plastic is separated and stored as hazardous waste.

- 4.3.3 Arrangement of cars, scrap metal, waste, dismantling and cleaning is done on waterproof floors with oil separators or on asphalt.

- 4.3.4 Handling of hazardous substances and components must be done in a way to avoid negative environmental impact by the following:

- Waste oil is collected and delivered to a facility approved for the destruction of environmentally hazardous substances,

The principle of substitution is defined in the Swedish Environmental code and means that harmful chemicals and products are replaced with less harmful chemicals, products or technologies when possible

The environmental binder must exist in the garage, or in the car of the entrepreneur. It can be physically present or IT-based. It must be accessible, current and updated with safety data sheets, information about eco-driving, environmental declarations of building products, paints, industry facts and invoices for shipments of waste. A list of hazardous components and substances that can cause major to the environment in the event of fire or accident, Bilskrotsförordningen (2007:186)

- when dismantling: remove everything hazardous before fragmenting,
- parts for reuse are stored in a safe way,
- storage is embanked,
- hazardous substances and components are labelled clearly,
- the risk of spillage is prevented,
- environmentally hazardous waste is not mixed with other waste,
- hazardous waste may be removed and transported only by someone with a permit to do this.

4.3.5 If conditions for replacement car are listed in the insurance, then only a green car may be provided. The equivalent monetary value must also be offered to the policyholder to be used for public transportation or a gift card for a bike shop.

Replacement car: a car provided under the insurance policy when the insured automobile is in the garage, such as rental car.

---

#### Reasons for requirements

[4.1.3] Reuse in reparation of homes must increase. Repairs must be made with used building components/materials whenever possible and does not impair environmental performance as seen from a life cycle perspective.

[4.1.3] A well functioning system for reuse is already in place for automobiles. Systems exist for building materials but there is still no systematic demand from major players. There are very large resource and energy gains to be made by connecting the eco cycle. Products and materials that require a lot of energy and products with an insulating function must be assessed to ensure the balance will weigh more towards energy savings from a life cycle perspective.

[4.1.5] When repairs are made, it benefits the environment a lot to choose actions for reduced environmental impact during operation. The aim is to provide future criteria with a list of commonly occurring and clear examples. Examples might be to choose alternatives to PVC flooring, repairing body parts rather than replacing them and reuse.

[4.3.3] The purpose is to prevent leaching into the soil.



Naturskyddsföreningen

Ge oss kraft  
att förändra  
Pg.90 1909-2

Naturskyddsföreningen. Box 4625, 11691 Stockholm.  
Phone + 46 8 702 65 00. [info@naturskyddsforeningen.se](mailto:info@naturskyddsforeningen.se)

The Swedish Society for Nature Conservation is an environmental organisation with power to bring about change. We spread knowledge, map environmental threats, create solutions, and influence politicians and public authorities, at both national and international levels. Moreover, we are behind one of the world's most challenging ecolabellings,

“Bra Miljöval”(Good Environmental Choice). Climate, the oceans, forests, environmental toxins, and agriculture are our main areas of involvement.

[www.naturskyddsforeningen.se](http://www.naturskyddsforeningen.se)



Bra Miljöval