



Insure
OUR FUTURE

2022 SCORECARD ON
**Insurance, Fossil Fuels
and the Climate Emergency**

October 2022

Publishers

Published by:

Insure Our Future, an international campaign calling on insurance companies to exit coal, oil, and gas in line with a pathway limiting global warming to 1.5°C. The organizations engaged in the Insure Our Future campaign and co-publishers of the 2022 Scorecard on Insurance, Fossil Fuels and the Climate Emergency include:

Campax (Switzerland), Coal Action Network (UK), Connecticut Citizen Action Group (USA), Fundacja “Rozwój TAK – Odkrywki NIE” (Poland), Greenpeace (international), Inclusive Development International (USA), Instituto

Internacional de Derecho y Medio Ambiente (IIDMA, Spain), Japan Center for a Sustainable Environment and Society (JACSES, Japan), Korea Sustainability Investing Forum (KoSIF, Korea), Market Forces (international), Mazaska Talks (USA), Mother’s Rise Up (United Kingdom), Public Citizen (USA), Rainforest Action Network (USA), Reclaim Finance (France), Re:Common (Italy), Re-set (Czech Republic), Sierra Club (USA), Solutions For Our Climate (Korea), Stand. earth (USA/Canada), SumOfUs (international), The Sunrise Project (international), Urgewald (Germany), Waterkeeper Alliance (international).



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Currencies: \$ refers to US dollars in this report, unless otherwise specified.

This is the sixth annual Scorecard on Insurance, Fossil Fuels and the Climate Emergency published by the Insure Our Future campaign. The Scorecard analyzes the evolving role of the global insurance industry in the fossil fuel sector and in avoiding catastrophic climate collapse. It focuses on 30 leading primary insurers and reinsurers, assessing and scoring their policies on insuring and investing in coal, oil and gas. The report highlights progress and loopholes, calls out leaders and laggards, and identifies challenges and opportunities for the year ahead.

Disclaimer: The organizations listed as publishers endorse the contents of this report as a whole, but not every organization necessarily endorses every score for every company.

October 2022

This report and further information on fossil fuel insurance are available at insure-our-future.com/scorecard



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“We need to hold fossil fuel companies and their enablers to account. That includes the banks, private equity, asset managers and other financiers that continue to invest and underwrite carbon pollution.”

UN Secretary-General António Guterres
September 2022



Executive Summary

It's now or never if we hope to limit global warming to 1.5°C and avoid catastrophic climate breakdown. Leading climate scientists say that to achieve this, we must take urgent action to end the expansion of fossil fuels and halve emissions by 2030.¹ Hoesung Lee, Chair of the Intergovernmental Panel on Climate Change (IPCC), declared 2022 “a crossroads”, where the decisions made now secure either a livable future or a disaster.²

The world has warmed by 1.2°C since 1900 and this is driving heatwaves, droughts, wildfires, storms and floods of alarming frequency and severity. This summer, China experienced the most severe heatwave ever recorded anywhere in the world, with roads buckling and birds falling from the sky,³ while Pakistan has been affected by catastrophic floods, with 33 million people displaced and more than 1,000 deaths.

Around the world, when rivers weren't flooding, they dried up: Europe experienced the worst drought in 500 years, with once mighty rivers running at record lows, reducing inland shipping, hydropower and crop yields.⁴ And in mid-July, a heatwave caused more than 10,000 excess deaths in Germany and Spain alone.⁵

The economic cost of climate inaction is increasing, too., Munich Re estimates that in 2021, natural disasters – primarily human-made climate disasters – caused losses of \$280 billion, up from \$210 billion in 2020 and \$166 billion in 2019.⁶ Those living in the worst-affected regions face an increasing risk of uninsurability. In Australia, one in 25 homes will be uninsurable by 2030,⁷ while 60% of corporate risk managers believe the impacts of the climate crisis will continue to make certain geographies uninsurable.⁸

At the heart of the crisis, says UN Secretary-General António Guterres, lies a “broken” glob-

al energy system that continues to expand fossil fuel production, despite its destructive impact.⁹ To limit global warming to 1.5°C, we must cut fossil fuel production drastically from current levels and rapidly transition to clean, affordable energy. Instead, actual production continues to increase, in what Guterres describes as “moral and economic madness”.¹⁰

Insurance companies play a crucial role in facilitating this madness. Without insurance, most new fossil fuel projects cannot proceed and existing ones must close. Insurers are keenly aware of the climate risks we're facing – next year marks the 50th anniversary of the industry's first warning about them.¹¹ But even after five decades of warning, many insurance companies are still underwriting the expansion of fossil fuel production.

Worldwide, most large insurers have now backed away from insuring new coal projects.

Worldwide, most large insurers have now backed away from insuring new coal projects. This year several important hold-outs – Japan's Sompo, AIG and Travelers from the US, as well as a few smaller insurers – joined the ranks of insurers ruling out support for new coal projects.

The key laggards that continue to underwrite new coal projects, include Starr, Liberty Mutual, Berkshire Hathaway, Allied World, and several specialty insurers on the Lloyd's market. These coal insurers of last resort can still underwrite new coal mines but are likely not able to mobilize the expertise and capacity needed to insure big, complex new coal power plants.



In the five years since the Insure Our Future campaign launched, 41 insurers have withdrawn or reduced cover for coal, representing 39.3% of the market for primary insurance and 62.1% of the market for reinsurance. This is up from 23 insurers with market shares of 26.5% and 48.3% respectively two years ago. Coal companies now face soaring premiums, reduced coverage and longer searches to access insurance.

However, only 14 of the 41 insurers have committed to phase out cover for existing coal operations, and too many still underwrite the operations of coal companies that are not aligned with a pathway to limit global warming to 1.5°C.

The momentum is only starting in the insurance industry's shift away from oil and gas. The number of tar sands exclusions has risen from 14 to 22,

and the number of restrictions on conventional oil and gas has increased from three to 13 in the last year. The quality of these restrictions is however uneven. While industry heavyweights such as Allianz, Munich Re and Swiss Re have adopted significant exclusions, other insurers including AIG, Chubb, Lloyd's of London, Tokio Marine, Zurich and AXA continue to insure new oil and gas projects in defiance of climate science and evidence.

In June, the UN's Race to Zero campaign mandated that members of net zero alliances "must phase down and out all unabated fossil fuels".^{12 13} Yet the Net-Zero Insurance Alliance (NZIA), a group of 29 supposed climate leaders, has explicitly refused to comply with this UN requirement.¹⁴ This puts in doubt the claims made by finance leaders at COP26 that the insurance industry stands ready to deliver on the transition to a 1.5°C pathway.

FIGURE 1: INSURERS ADDRESSED IN THIS REPORT



The Climate Buck Stops with the CEOs

How to respond to the climate crisis has become a defining challenge for the insurance industry. Chief Executive Officers have personal responsibility for the rapid transition of their companies from underwriting fossil fuels to renewable energy.

The experience of the Insure Our Future campaign indicates that CEOs have a direct personal influence on the fossil fuel policies of their companies. Leaders with a strong personal commitment to climate action, such as Oliver Baete and Thomas Buberl, have pushed for significant steps at **Allianz** and **AXA** respectively, even if they have met resistance within their own companies. On the other hand, former and current insurance industry stalwarts such as Brian Duperreault and Stephen Catlin have personally insisted on maintaining active fossil fuel exposure at **AIG** and **Convex**.

At times, changes at the top have underlined how significant the personal view of CEOs is for companies taking climate action. When Jean-Jacques Henchoz took the helm at **Hannover Re** in 2019, the German reinsurer immediately adopted a coal

exit policy. In comparison, Peter Zaffino took much more time to move forward with modest fossil fuel restrictions when he took over from Brian Duperreault at **AIG** in 2021. Tim Sweeney will have the chance to clean up **Liberty Mutual's** fossil fuel business when he takes over from David Long in January 2023.

Age evidently matters when it comes to climate action. Relatively young CEOs such as Thomas Buberl at **AXA** (49), Christian Mumenthaler at **Swiss Re** (53) and Oliver Baete at **Allianz** (57) have driven progress forward, while veterans such as Maurice Greenberg at **Starr** (97) and Warren Buffett at **Berkshire Hathaway** (93) have dismissed the serious risks of the climate emergency.

We don't have time to wait for a change of guard to accelerate climate action in the insurance industry. How they respond to the climate crisis will be the biggest legacy of insurance CEOs and their shareholders and boards should hold them to account for it.



Leaders and Laggards

The Insure Our Future Scorecard ranks 30 leading (re)insurance companies and their CEOs, based on the effectiveness of their policies to phase out the provision of insurance and investment to coal, oil and gas companies. Scores are based on insurers' responses to a survey carried out by the Insure Our Future campaign or on publicly available information in the case of non-responders.

The report's findings include the following:

Like last year, **Allianz** ranks as the insurance company with the strongest policies on fossil fuel underwriting. The German insurer, which adopted significant restrictions on oil and gas in April, is followed by **AXA**, **Aviva**, **Swiss Re**, **AXIS Capital** and **Generali** in the ranking.

Allianz, **AXA** and **AXIS Capital** tie for the highest score for their coal underwriting restrictions, while **Aviva**, **Hannover Re** and **Munich Re** lead the ranking for their oil and gas underwriting restrictions.

On average, the 30 insurers assessed for this report scored 3.3 out of 10 points for their coal underwriting policies but only 1.1 out of 10 points for their oil and gas policies. The insurance industry still has a long way to go in aligning its fossil fuel policies with the goals of the Paris Agreement.

Like last year, **SCOR** ranks highest for its fossil fuel divestment policy. The French reinsurer is followed by **AXA**, **Generali**, **Allianz**, **AXIS Capital** and **Swiss Re**. **Allianz**, **AXA** and **AXIS Capital** score highest for their coal divestment whereas **SCOR**, **Generali** and **AXA** rank highest for their divestment from the oil and gas industry.

Berkshire Hathaway, **Everest Re**, **PICC**, **Sino-sure** and **Starr** have not taken any steps to restrict their underwriting or investments in fossil fuels and rank at the bottom of the fossil fuel insurance league table. **Convex**, **Liberty Mutual** and **Lloyd's** have taken extremely weak steps to limit their fossil fuel exposure and are positioned near the bottom of the table.

FIGURE 2: COAL INSURERS OF LAST RESORT



Recommendations

The Insure Our Future campaign has called on the insurance industry to align its business with the 1.5°C target of the Paris Agreement since 2017. In March 2022, the campaign sent a letter to the 30 leading international fossil fuel insurers depicted in Figure 1 asking them to take six steps to help align with the Paris Agreement (see Insure Our Future Recommendations, below).

In April, the Insure Our Future campaign shared a questionnaire and a list of criteria with the 30 insurers, detailing how their policies would be

scored and requesting a reply by July 15 2022.¹⁵ By the end of September 2022, 20 companies had replied.¹⁶ The responses and other publicly available information were analyzed and scored by Reclaim Finance, a research and campaign organization, in collaboration with the Insure Our Future campaign. Each company received its scores before the report was published.

Further details of the scoring methodology can be found at insure-our-future.com/scorecard

Insure Our Future Recommendations

- 1** Immediately cease insuring new and expanded coal, oil and gas projects.
- 2** Phase out, in line with a credible 1.5°C pathway, insurance for coal, oil and gas companies.
- 3** Divest all assets, including assets managed for third parties, from coal, oil and gas companies that are not aligned with a 1.5°C pathway.
- 4** Bring stewardship activities, membership of trade associations and public positions as a shareholder and corporate citizen in line with a 1.5°C pathway in a transparent way.
- 5** Prepare and adopt binding targets for reducing your insured emissions which are transparent, comprehensive and aligned with a credible 1.5°C pathway.
- 6** Establish, and adopt as policy, robust due diligence and verification mechanisms to ensure clients fully respect and observe all human rights, including a requirement that they obtain and document the Free, Prior, and Informed Consent (FPIC) of impacted Indigenous Peoples as articulated in the UN Declaration on the Rights of Indigenous Peoples.¹⁷



Scoring grid

RE / INSURER NAME	COUNTRY	UNDERWRITING						INVESTMENT	
		COAL		OIL AND GAS		TOTAL		TOTAL	
		SCORE/10	RANK	SCORE/10	RANK	SCORE/10	RANK	SCORE/10	RANK
Allianz		9.0	1	2.9	4	5.3	1	4.4	4
AXA		9.0	1	1.9	7	4.8	2	4.8	2
Aviva		5.8	6	4.0	1	4.4	3	2.6	8
Swiss Re		6.0	5	2.9	4	4.2	4	3.9	6
Axis Capital		9.0	1	1.4	10	4.2	5	4.2	5
Generali		5.5	7	2.8	6	3.8	6	4.6	3
Zurich		7.0	4	1.4	10	3.8	7	3.3	7
Hannover Re		5.3	9	3.3	2	3.7	8	2.4	9
Munich Re		4.5	10	3.0	2	3.4	9	2.1	10
Mapfre		5.5	7	1.5	9	3.2	10	2.0	12
SCOR Re		4.5	10	1.3	14	2.6	11	6.4	1
QBE		4.0	12	1.4	10	2.5	12	1.6	13
HDI Global - Talanx		3.3	13	1.8	8	2.3	13	2.1	11
AIG		3.0	14	1.3	14	2.0	14	1.3	16
Sompo		2.0	18	1.4	10	1.6	15	1.4	14
Tokio Marine		2.0	18	1.3	14	1.6	16	1.0	18
The Hartford		2.0	18	1.1	17	1.5	17	1.3	15
MS&AD		3.0	14	0	19	1.5	18	0.6	19
Travelers		2.0	18	1.1	17	1.3	19	1.1	17
Samsung FM		2.5	16	0	19	1.1	20	0.5	20
Convex		2.5	16	0	19	1.0	21	0.0	25
Chubb		1.3	22	0	19	0.5	22	0.5	20
Ping An		1.3	22	0	19	0.5	22	0.5	20
Liberty Mutual		1.0	24	0	19	0.4	24	0.5	20
Lloyd's		0	25	0	19	0.2	25	0.1	24
Berkshire Hathaway		0	25	0	19	0	26	0.0	25
Everest Re		0	25	0	19	0	26	0.0	25
PICC		0	25	0	19	0	26	0.0	25
Sinosure		0	25	0	19	0	26	0.0	25
Starr		0	25	0	19	0	26	0.0	25

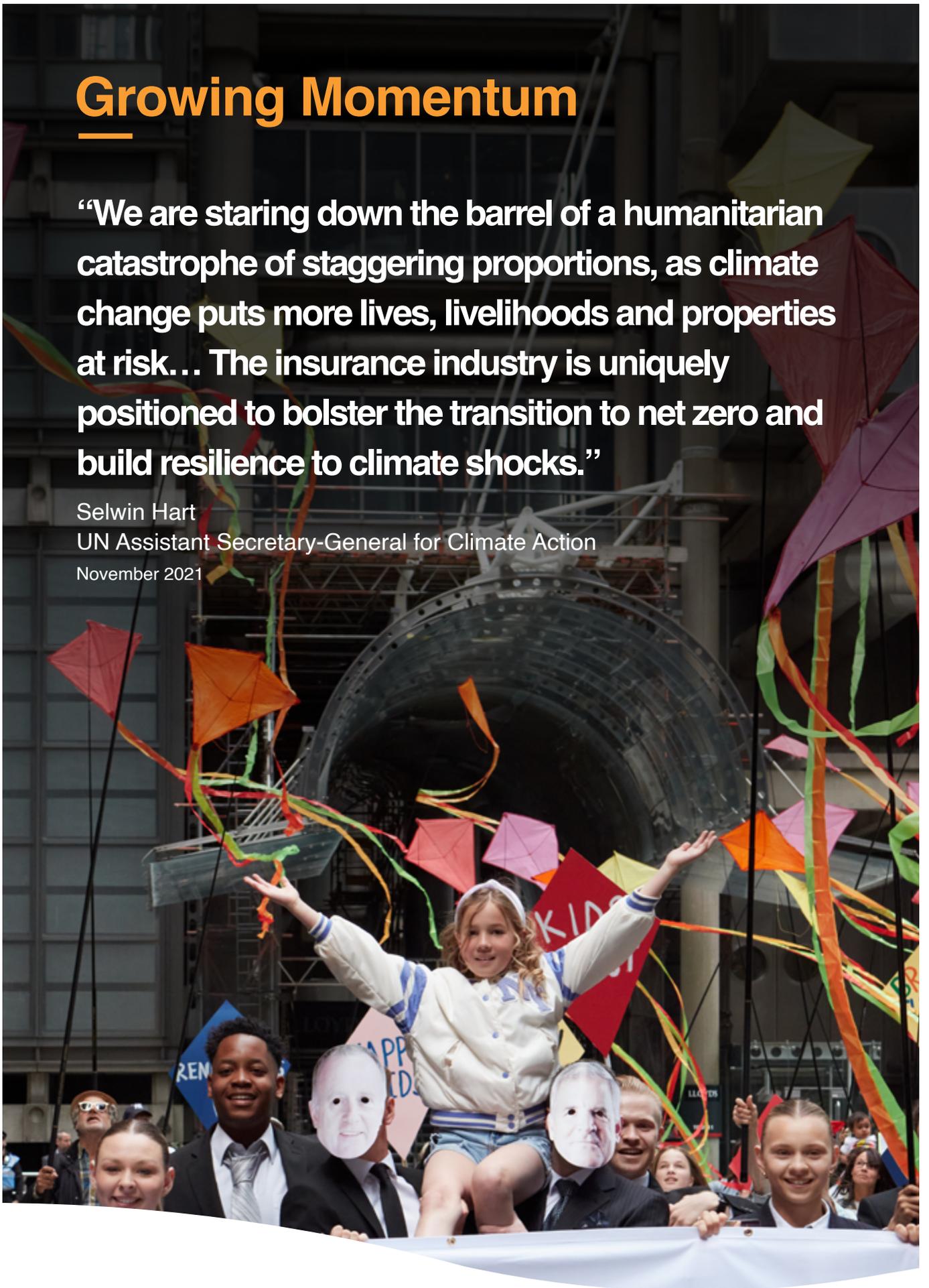
10 - 3.5 3.4 - 1.5 1.4 - 0



Growing Momentum

“We are staring down the barrel of a humanitarian catastrophe of staggering proportions, as climate change puts more lives, livelihoods and properties at risk... The insurance industry is uniquely positioned to bolster the transition to net zero and build resilience to climate shocks.”

Selwin Hart
UN Assistant Secretary-General for Climate Action
November 2021



The Time to Act is Now

The global average temperature is already at 1.2°C above pre-industrial levels,¹⁸ causing increasingly frequent extreme weather events. This year has brought deadly floods in Pakistan, South Africa and Australia, severe heatwaves in India, China, Europe, the US and East Asia, and the worst drought in the Horn of Africa in 40 years.¹⁹

The immediate fallout includes a global food crisis, with the World Food Programme warning that 49 million people across 46 countries could fall into famine or “famine-like conditions”, and the continued displacement of millions of people. In 2021, 24 million people were internally displaced by extreme weather events globally, while this year more than 33 million people have been displaced by flooding in Pakistan alone.

Those most affected by extreme weather events are society’s most marginalized, made more vulnerable to climate shocks by structural inequalities. April’s catastrophic floods in South Africa, for example, disproportionately affected marginalized communities living in informal settlements on land prone to flooding, forcibly relocated there as a legacy of Apartheid.

To prevent a deepening global climate catastrophe and limit global warming to 1.5°C, the world must halve global greenhouse gas emissions by 2030, according to the UN’s Intergovernmental Panel on Climate Change (IPCC). The detailed sectoral pathways prepared by the One Earth Climate Model have concluded that this requires annual reductions in the production of coal by 9.5%, gas by 3.5%, and oil by 8.5%.

But actual fossil fuel production is moving in the opposite direction. According to the International Energy Agency (IEA), coal production is set to reach an all-time high over the next two years,

The climate emergency doesn’t pause for military conflicts and the current crisis is no excuse for relaxing environmental standards and slowing down the transition to renewable energy.

while oil production is forecast to continue growing for at least another five years. Such a scenario will make limiting warming to 1.5°C impossible.

The war against Ukraine and the sanctions imposed on Russia have created shortages of fossil fuel energy in global markets, driving up prices and triggering a scramble for fossil fuel imports from other sources. Yet this boom will be short-lived. Decision-makers in the EU and the US have recognized that dependency on fossil fuels creates economic vulnerability and fosters geopolitical tension. The climate emergency doesn’t pause for military conflicts and the current crisis is no excuse for relaxing environmental standards and slowing down the transition to renewable energy.

The insurance industry is uniquely placed to accelerate the phase-out of fossil fuels and support a fair and just transition to a low-carbon economy. Without insurance, most new coal, oil and gas projects cannot start, and many existing ones must close. As AXA CEO Thomas Buberl commented in an interview with the *New York Times* in November 2021: *“If you don’t have the [coal] insurance, you will have no financing – whether it’s private, public, from an insurer, from an asset manager, whatever.”*



Insurance Has Dried Up for New Coal Power Plants...

Since 2017, the Insure Our Future campaign has called on the insurance industry to phase out its support for fossil fuel production and align its business with the 1.5°C target of the Paris Agreement. This year, the chorus of voices supporting the phase-out of fossil fuel insurance has continued to grow. In June, UN Secretary-General António Guterres declared that “new funding for fossil fuel exploration and production infrastructure is delusional”. Selwin Hart, his adviser on climate action, followed up and called on insurance companies to “stop underwriting the expansion of fossil fuels”.

In the US, shareholders started to engage insurers and filed resolutions asking **Chubb**, **The Hartford** and **Travelers** to stop insuring new fossil fuel projects. Though ultimately unsuccessful, these resolutions received stronger support than expected, with all three passing the threshold required for resolutions to be filed again next year. Shareholders also filed a resolution at **AIG** but were able to withdraw it after the insurer adopted fossil fuel restrictions.

This report finds that most insurance companies have accepted some responsibility to support the transition away from fossil fuels when it comes to coal, but not when it comes to oil and gas.

When the last Scorecard was published in November 2021, 35 major insurance companies had adopted coal exit policies. This year, major fossil fuel insurers **AIG** and **Travelers** from the US, **Sompo** from Japan, **Partner Re** from Bermuda, **KB Non-Life** from Korea and British specialty insurer **Canopus** followed suit, bringing the total number of coal exit policies to 41.

AIG, considered the world’s leading fossil fuel insurer, adopted a coal exit policy in March in response to years of pressure from the Insure Our Future campaign. The insurance giant committed to no longer underwrite or invest in any new coal-fired power plants (not a costly decision at this point), thermal coal mines, tar sands or (undefined) Arctic energy exploration projects. It agreed to phase out existing underwriting and investment in companies that depend on coal or tar sands for at least 30% of their revenue (or in the case of coal, 30% of power generation) by January 2030. **AIG** also committed to reach net zero greenhouse gas emissions across its underwriting and investment portfolios by 2050 and to adopt science-based emissions reduction targets in line with the goals of the Paris Agreement.

Travelers quietly published similar commitments on coal and tar sands in February, and **Sompo** joined its two Japanese peers, **MS&AD** and **Tokio Marine**, by adopting a coal exit policy in May. Under the new policy **Sompo** will no longer insure new coal projects, although it includes a loophole for projects entailing carbon capture and storage or ammonia co-firing. And, in a first for Japan, **Sompo** will no longer support companies whose primary business is coal, unless they publish a greenhouse gas reduction plan by January 2025.

This report finds that most insurance companies have accepted some responsibility to support the transition away from fossil fuels when it comes to coal, but not when it comes to oil and gas.





With these new policies, the market share of companies with coal exit policies reached 39.3% in the insurance and 62.1% in the reinsurance sector. These figures certainly under-estimate the impact of the restrictions on the coal industry, since many insurers without coal exit policies are not active in this sector in the first place.

In a review of the insurance market for the power sector, Willis Towers Watson found that operators of coal power plants “experience extreme challenges” in accessing insurance and their prospect of doing so in the future “remains bleak”. The global broker estimates the insurance capacity for coal power at just \$250 million, compared to a capacity available for the power sector generally of \$1.5–\$3.5 billion.

The coal utilities that still can find insurance are facing steep rate hikes. According to the review, insurance rates typically increased by 2.5–5% for

power sector customers this year, but by up to 20% for coal power operators.

A list of all the insurance companies that have underwritten the overseas coal projects of Korea’s national power utility KEPCO became available in June 2022. This list confirms the findings of the Willis Towers Watson report. It indicates that 72% of the insurance capacity that underwrote KEPCO’s 1.3GW Nghi Son 2 plant in Vietnam in March 2018 has now been withdrawn from the market. After 2018, European insurers were largely replaced by Asian and North American carriers, but 53% of the capacity that underwrote the Vung Ang 2 project in Vietnam as recently as October 2021 has now also been withdrawn.

The few companies still prepared to insure new coal projects make up a haphazard coalition of global climate laggards, small specialty insurers and assorted companies from the Global South. The biggest laggards according to the KEPCO data are **Starr**, **Liberty Mutual** and **Berkshire Hathaway** from the US, **Allied World** from Bermuda and several specialty insurers on the **Lloyd’s** market. Other insurers such as **W.R. Berkley** and **GuideOne** in the US, and **Convex** and **Everest Re** in Bermuda, also continue to underwrite new coal power plants.

Lloyd’s of London, the world’s biggest market for energy insurance, stands out in that it adopted a coal, Arctic and tar sands exit framework for its members in December 2020, but then backtracked in October 2021, declaring the earlier commitments non-mandatory. **AXIS Capital**, **Hiscox**, **Canopus** and other **Lloyd’s** insurers have adopted their own coal restrictions while others, including **Beazley** and **Markel**, have not.

It is unlikely that the remaining coal insurers of last resort will be able to provide the vast expertise and capacity required to conduct the necessary due diligence to underwrite the complex risks of a new coal power plant outside China. The same is not necessarily true for new coal mines and associated projects.



But while new coal power plants outside China have for all practical purposes become uninsurable, many insurers continue to cover ongoing coal operations even if the respective companies have no credible phase-out plans. The insurers of KEPCO's ongoing operations, for example, include major carriers such as **Hannover Re**, **Helvetia**, **QBE** and **SCOR**. But as the KEPCO list indicates, coal companies and their brokers at this point also need to wrangle numerous smaller, inexperienced players to insure their ongoing operations.

Reinsurance companies need to play an active role in accelerating the phase-out of existing coal operations. Their coal exit policies initially only re-

stricted cover for their facultative business, which covers specific risks or defined risk packages, including typically large new power plants. **Swiss Re** committed to limit exposure to coal across all business lines also for its treaty business, which covers all risks of a certain type including typically ongoing operations, from 2023, and **Munich Re** will phase out coal from its treaties by 2040.

Hannover Re and **SCOR** have also committed to extend their coal exit policies to their treaty business, and **Fidelis** is preparing a strategy on the sector. **Berkshire Hathaway**, **Everest Re** and other reinsurers have not adopted any restrictions on underwriting coal.

FIGURE 4: NUMBER OF INSURERS WITH FOSSIL FUEL RESTRICTIONS, BY SECTOR

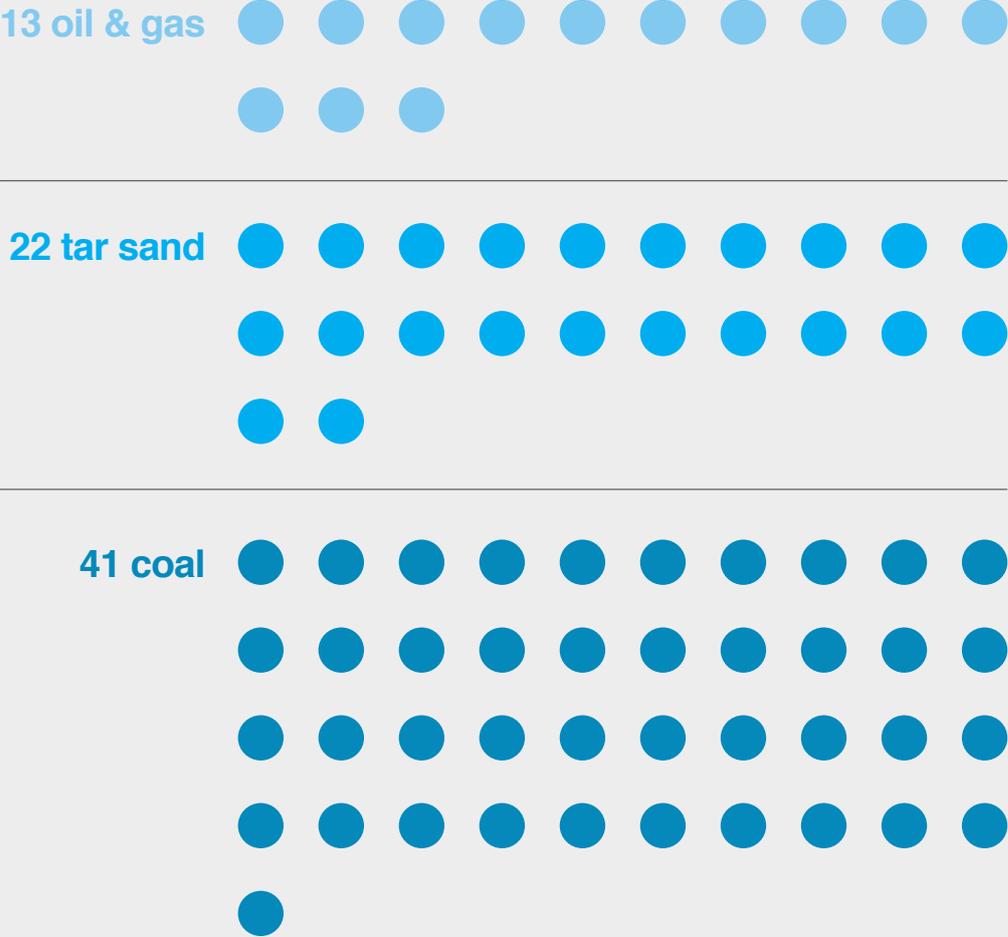


FIGURE 5: INSURERS ADOPTING OIL & GAS EXIT POLICIES, BY YEAR

2020



SUNCORP

2021



2022



...But the Shift Away From Oil and Gas is Only Starting

Be it in the IPCC's 1.5°C report, the IEA's Net Zero Roadmap or the One Earth Climate Model, climate scientists are clear that there is no space for any new coal, oil or gas projects in credible pathways to limit global warming to 1.5°C. Yet most insurance companies have not taken this scientific evidence on board and continue to offer support to projects and companies expanding oil and gas production.

An Insure Our Future report published in January demonstrated how insurance companies with strong rhetorical climate commitments continue to recklessly insure the exploration and production of oil and gas off the shores of Brazil. The report found that **Chubb, Mapfre** and **Tokio Marine** insure the majority of Brazil's exploratory and operational oil drilling in some of the world's most sensitive marine habitats, with **Liberty Mutual, AXA, Fairfax, Argo** and several Brazilian insurers also offering cover. As a result, according to the IEA Brazil will contribute 12–24% of the increase in global oil production between 2020 and 2026.

At the time of last year's COP, only **Suncorp, Generali** and **AXA** had adopted oil and gas restrictions beyond tar sands and Arctic oil. In the past year, the shift away from oil and gas has gathered momentum. **Allianz, Aviva, Fidelis, Hannover Re, KBC, Mapfre, Munich Re, SCOR, Swiss Re** and **Zurich** followed suit, bringing the total number of policies to 13. The market share of insurers with oil and gas restrictions has grown from 5.0% to 14.9% among primary insurers and from 3.1% to 37.6% among reinsurers this past year.

The quality of these oil and gas policies is, however, very uneven. **AXA** and **Zurich**, two major oil and gas insurers, committed to ending insurance for new "greenfield" oil exploration projects but left loopholes for companies with credible transition plans. This is a contradiction in terms; no credible transition plan would include new oil exploration. The two insurers did not adopt any restrictions on new oil production, or on gas exploration and production.



On the other hand, **Swiss Re**, **Allianz** and **Munich Re** this year adopted policies ruling out insurance support for any new oil and gas exploration and production (albeit with a slight exception in the case of **Swiss Re**). **Swiss Re** and **Allianz** committed to phasing out support for oil and gas companies without credible transition plans. Unlike **Swiss Re**, **Allianz** and **Munich Re** will also end their support for the construction of new mid-stream infrastructure and power plants in the oil (but not the gas) sector. **Swiss Re** has in turn committed to developing an approach for oil and gas in treaty reinsurance by 2023.

Aviva, **Fidelis**, **Generali**, **Hannover Re**, **KBC** and **Suncorp** also adopted relatively strong policies, but they are not major players in the oil and gas sector.

Meanwhile, leading oil and gas insurers such as **AIG**, **Chubb**, **Lloyd's** and **Tokio Marine** have not yet adopted any restrictions on conventional oil and gas companies or their projects. **Munich Re's** Lloyd's syndicate has however committed to stop underwriting all oil and gas business from 2023 and has started a race to the top within the London market.

The defiance of climate science by leading oil and gas insurers is reflected in the positions of leading representatives of the Net-Zero Insurance Alliance (NZIA). On several occasions **AXA's** Renaud Guidée, Chair of the NZIA, has expressed support for exclusion policies for coal but argued that insurers needed to engage with oil and gas companies in a dialogue on the low-carbon transition rather than turning into an “exclusion machine”.

Many insurance companies are regularly engaging fossil fuel companies both as investors and as risk managers. A survey carried out by the Insure Our Future campaign among 20 major insurers found that leading insurers use elaborate processes to engage clients in the fossil fuel industry, but that such engagement has so far had very little impact.

Clearly, the insurance industry's engagement of their oil and gas customers has not had the positive impact that their exclusion policies have had in accelerating the transition away from coal.

According to the IEA, oil companies worldwide still only invest about 5% of their capital expenditure into clean energy projects. The main example for successful engagement that insurers mentioned was the willingness by Canadian tar sands producers to reduce the emissions of their operations – but not of the oil they produce – through a government-sponsored process.

Clearly, the insurance industry's engagement of their oil and gas customers has not had the positive impact that their exclusion policies have had in accelerating the transition away from coal. **Allianz**, **Munich Re**, **Swiss Re** and a few other insurers have started to align their services for the oil and gas industry with their 1.5°C commitments, but other major insurers from Europe, North America and Asia are missing in action. The laggards seem to value the premium revenues from the oil and gas industry more than the credibility of their own climate commitments.

While **Allianz** and **Swiss Re** mention of the right to Free Prior Informed Consent (FPIC) in their policies, **AXIS Capital** was the first insurer to adopt an explicit policy “to not provide insurance coverage on projects undertaken on indigenous territories without FPIC” in accordance with the United Nations Declaration on the Rights of Indigenous Peoples. The policy marks an important breakthrough for the recognition of Indigenous rights and other insurers should emulate it.



The Unfulfilled Promise of the Net-Zero Insurance Alliance

The Net-Zero Insurance Alliance (NZIA) was launched in June 2021 and currently counts 29 members from every continent (but none yet from the USA). NZIA members have committed to transition their insurance portfolios to net zero emissions by 2050, consistent with maximum global warming of 1.5°C. As members of the UN Race to Zero campaign, they have also committed to halving their insured emissions by 2030.

Working with the Partnership for Carbon Accounting Financials (PCAF), NZIA members are currently drafting a protocol for measuring and disclosing insured emissions and will prepare a separate protocol for setting emission reduction targets by January 2023. Such protocols will be important to facilitate the reduction of emissions from the grey sectors of the economy that cannot be addressed through exclusion criteria.

But the draft protocol that PCAF published in July 2022 has serious weaknesses. It tries to minimize the responsibility of insurance companies for the emissions which they underwrite, no longer referring to them as “insured emissions” but rather as “insurance-associated emissions”. PCAF relied on Guidehouse for coordinating the protocol process, a consultancy that has also produced a report on how the coal companies of North Dakota can continue to find cover despite the environmental restrictions of their insurers.

The PCAF draft doesn’t require insurers to measure and disclose the Scope 3 emissions of the companies they insure. In other words, insurers would only have to measure the emissions produced from the operation of an oil well they insure, not those produced when the oil is burned. Such an approach would allow insurers to claim emis-

sions reductions even as they facilitate the continued growth in real-world emissions. A protocol that omits the Scope 3 emissions of insurers’ clients is neither useful nor credible.

The UN Race to Zero campaign updated its membership criteria for net zero alliances and their members in June 2022. The updated minimum (or “starting line”) criteria require members to “phase down and out unabated fossil fuels as part of a global just transition”. The criteria’s Interpretation Guide clarifies that “each Race to Zero member shall phase out its development, financing and facilitation of new unabated fossil fuel assets, including coal, in line with appropriate global, science-based scenarios”.

The new criteria must be fulfilled by new alliance members immediately, while existing members are asked to do so by June 2023. They offer opportunities for urgent, bold climate action at a time when climate emergencies remind us of the need for such efforts on an almost daily basis. The criteria will also help distinguish credible actors from institutions that use their net zero commitments to greenwash business as usual.

But, in an interview with the *Financial Times*, NZIA Chair Renaud Guidée said that despite the new UN criteria, he had no plans to require members to exclude coverage of fossil fuel projects. The NZIA Chair argued that such coordinated climate action could contravene competition laws. Maurits Dolman, an antitrust expert with a big international law firm, dismissed this position as a “conservative”, “knee-jerk reaction” and argued that companies should request individual exemptions from anti-trust authorities.





The UN Race to Zero campaign considered the compliance of its new criteria with competition law as well and asks that member companies phase out unabated fossil fuels “independently”, “based in the best available science”, and “in compliance with all legal and professional obligations”. The NZIA is currently preparing a paper on how it can achieve net zero emissions within the global regulatory environment.

When the Insure Our Future campaign surveyed 28 members of the NZIA on their plans to implement the new UN criteria, only 14 companies responded substantively. Of these, most said that they would await further guidance about the criteria from the NZIA. Only **Allianz** stated that it is “strongly supporting the new Race to Zero criteria, as they raise the ambition level significantly while carbon budgets are shrinking, and climate action is getting more urgent”. The other insurers missed an opportunity to clearly commit to stronger climate action at a time when the planet faces unprecedented floods and droughts.

“The world is in a race against time,” UN Secretary-General António Guterres warned in April, adding, “We cannot afford slow movers, fake movers or any form of greenwashing.” Given the urgency, the UN’s Race to Zero campaign should terminate the membership of insurers and other financial institutions that are not prepared to follow through on their net zero pledges.

Insurance companies are unlikely to cut their insured emissions by 50% by 2030 on their own. The lack of coordination within the NZIA suggests that regulators need to step in to safeguard the public good. In June, as part of its sanctions on Russia, the EU prohibited the provision of insurance and other financial services for the transportation of Russian crude oil above a certain price cap, effective from December 2022. This demonstrates that regulators can act quickly and effectively in crisis situations.

The climate emergency is the defining crisis of the 21st century and regulators should act as decisively as they have in response to the Ukraine war. They should force insurers to align their businesses with 1.5°C pathways if the companies and their alliances are not prepared to do this on their own.

The climate emergency is the defining crisis of the 21st century and regulators should act as decisively as they have in response to the Ukraine war.



Can insurers make polluters pay for climate disasters?

We know that if average temperatures increased by 2°C the world may still be insurable,” AXA’s then CEO Henri de Castries noted in 2015. “But it’s very clear that at +4°C it would not.”

The costs of human-made climate disasters have been steadily growing and there are already signs that climate risks may become uninsurable over time. **Munich Re** estimates that in 2021, natural disasters caused losses of \$280 billion, up from \$166 billion in 2019, while the Climate Council predicts that one in 25 Australian properties will be uninsurable by 2030.

Insurance companies typically take out reinsurance to cover the massive risks of natural disasters. Due to increasing losses from climate disasters, several mid-sized reinsurers such as **AXIS Capital** and **Everest Re** have however decided to reduce their exposure to natural disasters or withdraw from the sector altogether.

The largest reinsurers – particularly **Munich, Swiss** and **Hannover Re** – view climate risks as a business opportunity and have expanded their role in the sector, but have massively increased their rates for natural catastrophes this year. Insurance companies are passing these premium hikes on to their customers and withdrawing from certain areas that are highly exposed to climate risks altogether.

This crisis of uninsurability (termed “the protection gap” by the insurance industry) will only grow as the climate emergency escalates. According to an **AXA** survey, 60% of company risk managers fear that certain geographies or activities will in the future become uninsurable due to the impacts of climate change.

Rather than passing these costs on to their consumers, insurers should take fossil fuel companies to court and force them to pay up for the losses they are creating.

Hurricane Ian, whose insured losses were estimated at almost \$63 billion at the end of September 2022, is the latest example for this trend. Tom Larsen, an Associate Vice President at CoreLogic, has warned that because of the hurricane, “insurers will go into bankruptcy, homeowners will be forced into delinquency and insurance will become less accessible in regions like Florida”.

Insurance companies can’t be expected to absorb the growing costs of climate disasters alone, but it is unacceptable that they abandon climate-affected communities while continuing to fuel the climate emergency by underwriting the expansion of fossil fuel production.

Moreover, climate disasters are not true ‘natural’ disasters but are human made. As attribution science improves, insurance companies can determine which fossil fuel companies are contributing to their growing losses for such disasters, and how much. Rather than passing these costs on to their consumers, insurers should take fossil fuel companies to court and force them to pay up for the losses they are creating. Such legal action would make polluters pay, help to keep the insurance of climate risks affordable and force fossil fuel companies to reconsider the expansion of production.



Insurance Giant Marsh is Organizing Coverage for Disastrous East African Oil Pipeline (EACOP)

The world's biggest insurance broker, **Marsh** – previously the broker for Australia's climate-wrecking Adani Carmichael coal mine, which it eventually abandoned – has reportedly accepted a contract to arrange insurance for the controversial East African Crude Oil Pipeline (EACOP). French oil giant TotalEnergies and the China National Offshore Oil Corporation plan to build the world's longest heated oil pipeline through Uganda and Tanzania, two countries already severely affected by the climate crisis.

EACOP is expected to generate an additional 34 million tonnes of CO₂ per year at peak production. This flies in the face of climate scientists' warning that we cannot expand oil and gas production within a 1.5°C pathway, and the fact that similar oil projects have left a sorry record of impoverishment, corruption and conflict in Africa and beyond. In addition to being a climate bomb, EACOP and its associated oil fields would:

- uproot thousands of villagers in Uganda and Tanzania;
- take land relied on for farming from 100,000 people;

- run along Africa's largest lake, Lake Victoria, which more than 40 million people depend on for water and food production;
- risk oil spills and leaks across several major rivers and thousands of farms; and
- threaten Uganda's oldest and largest national park, Murchison Falls, home to iconic and endangered animals and one of the world's most ecologically diverse and wildlife-rich regions.

Construction has not yet begun, but already serious human rights violations have been inflicted on local communities in its name. Those who have spoken out have faced threats and intimidation, including unlawful arrest and since 2018, villagers have faced severe restrictions on how they can use their lands.

Already, 24 banks, 18 insurers, and four export credit agencies have denied support for EACOP, including Germany's **Allianz**, **Hannover Re** and **Munich Re**, France's **SCOR**, and **Swiss Re**. Even **Marsh McLennan's** own employees have written to the company's leadership urging them to steer clear of EACOP. But thus far, **Marsh McLennan's** outgoing CEO Daniel Glaser has failed to listen.



Pressure Grows on Lloyd’s and Liberty Mutual to Drop Trans Mountain

The Trans Mountain pipeline plans to triple the amount of tar sands oil – one of the dirtiest fossil fuels – it transports across Western Canada and is a litmus test for insurers’ commitment to net zero goals. The proposed pipeline expansion, owned by the Canadian government, would flood the market with an extra 590,000 barrels of oil per day and contribute to an additional 152 million tonnes of CO2 annually. The planned new route also poses a grave threat to Indigenous rights, with Trans Mountain failing to obtain the Free, Prior and Informed Consent of all Indigenous communities impacted.

The 69-year-old existing pipeline has spilled 85 times in its history and the projected cost of the expansion has quadrupled to around CA\$21.4

billion, according to recent figures from the Canadian Ministry of Finance. Trans Mountain experienced first-hand the impacts of climate chaos in 2021, when historic wildfires, extreme flooding and mudslides shut down the existing pipeline for three weeks and displaced more than 18,000 people from their homes.

To date, 18 insurers have ruled out cover for the proposed expansion, after **Lloyd’s of London** syndicates **Arch Insurance** and **Aspen** committed to drop Trans Mountain this year. But companies named on previous insurance certificates that have yet to rule out continued support for the project or the tar sands sector include **Energy Insurance Limited**, **Liberty Mutual**, various **Lloyd’s of London** syndicates, **Starr**, **Stewart Specialty Risk Underwriting**, and **W.R. Berkley**.



The Worst Place in the World to Drill for Oil

In July 2022, the Democratic Republic of Congo (DRC) opened an auction for the exploration rights for 30 oil and gas blocks, some of which overlap with protected areas including Virunga National Park. Others are in the peatlands of the DRC's Cuvette Centrale, a biodiversity hotspot containing about 30 gigatons of carbon, equivalent to three years of global emissions from fossil fuels.

Simon Lewis, Professor of Global Change Science at University College London and the University of Leeds, has called the DRC auction “the worst place in the world to drill for oil”. Lewis claims there may not be substantial oil deposits beneath the Congo forests and if there are, getting the oil from extremely remote areas to global markets may not be economically viable.

Even if exploration reveals no commercial-scale oil fields, it will seriously damage the rainforest's biodiversity. Oil exploration for multiple blocks would require cutting thousands of kilometers of corridors to transport survey equipment. These corridors would open the forests to hunters and illegal loggers. “Once accessible and degraded,” Lewis writes, “the rainforests would most likely succumb to rampant deforestation, increasing carbon emissions.”

Greenpeace notes that at least 13 of the oil and gas blocks overlap with protected areas. The exploration also lacks the Free, Prior and Informed Consent of local communities inhabiting the DRC rainforest. Greenpeace Africa's forest campaigners visited four of the oil blocks. They found that local communities “were all shocked about the prospective auction of their lands to oil companies”.

Rainforest Foundation UK, Rainforest Rescue, Greenpeace Africa, 350.org and Congolese civil society groups have launched a petition calling on the DRC government to stop the development of new oil fields. Greenpeace has also written to oil and gas companies and insurance companies warning them not to underwrite oil blocks overlapping peatlands.

Destroying tropical forests and exploring for new oil and gas as the climate catastrophe unfolds is something no insurance nor reinsurance company should be associated with. Yet so far only **Generali** has ruled out involvement in the projects.



Insurers' Fossil Fuel Policies

“The insurance industry has a hugely important role to play in holding companies to account and making change happen – but nothing changes unless we are prepared to walk away from activities that are harmful to the environment, people, society and animals.”

Richard Brindle, Chairman, Fidelis Insurance – September 2022



The following elements make up strong and comprehensive fossil fuel policies aligned with the Paris Agreement objective of limiting global warming to 1.5°C and were used in this report as the criteria for scoring insurers' policies. Our full methodology for scoring can be found at insure-our-future.com/scorecard.

Underwriting Policies

SCOPE:

Policies should rule out insurance for all types of new coal infrastructure (for example, mines and power plants as well as transport facilities); extreme fossil fuels such as tar sands, associated pipelines, Arctic and ultra-deep water drilling; and any oil and gas expansion projects that drive increased production.

COVERAGE TYPES:

Policies should apply to all lines of business for new and existing projects and companies, except for coverage for protecting workers and existing mine reclamation surety bonds. Reinsurers' policies should apply to treaty as well as facultative reinsurance.

FOSSIL FUEL COMPANIES:

Policies should apply comprehensive criteria to define companies operating in coal, oil and gas, and tighten them over time in line with the need to phase out these fossil fuels completely. Policies should also exclude all fossil fuel companies that are not aligned with a 1.5°C pathway. Companies increasing their fossil fuel production and developing any kind of new fossil fuel project should not be considered aligned. Policies should include a clear, time-bound engagement process to escalate sanctions against non-compliant companies, culminating in the termination of insurance cover.

Divestment Policies

SCOPE:

Policies should cover all types of coal, oil and gas that are not consistent with a 1.5°C pathway, and companies providing pipelines and other transportation infrastructure.

TYPES OF ASSETS:

Policies should cover equities and bonds; actively and passively managed funds; insurers' proprietary assets; and assets they manage for third parties.

FOSSIL FUEL COMPANIES:

See above under Underwriting Policies.



Progress on Underwriting

This year we have witnessed further progress on insurance companies' policies on fossil fuels, though the quantity and quality of oil and gas policies lags those on coal. Like last year, **Allianz** achieved the highest score for its fossil fuel underwriting policies ahead of **AXA**, while **Aviva** and **Swiss Re** surpassed **AXIS Capital** to take the third and fourth spots, respectively.

The number of coal exit policies increased from 35 to 41 and from 22 to 24 among the top-30 fossil fuel insurers covered in this report. Chinese insurers **PICC** and **Sinosure** have not adopted any restrictions on coal but will have to follow President Xi's pledge to stop building coal power plants overseas. This leaves **Berkshire Hathaway**, **Everest Re**, **Lloyd's** and **Starr** as the coal insurers of last resort among the biggest companies.

Twenty-three of the 30 companies covered in this report have policies ruling out support for new coal projects, including for the first time this year **AIG**, **Sompo** and **Travelers**. But only **Allianz**, **Aviva**,

AXA, **AXIS Capital**, **Generali**, **Hannover Re**, **HDI Global**, **Mapfre**, **Munich Re**, **SCOR**, **Swiss Re** and **Zurich** have committed to phase out support for existing coal operations over time.

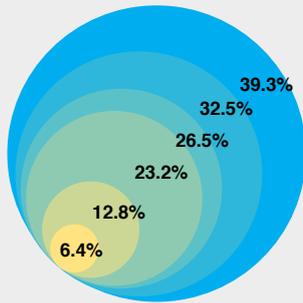
The 24th company, **Liberty Mutual**, has had a coal policy since 2019 but still allows support for new coal projects under it. **Lloyd's** adopted a coal exit framework in 2020 but in October 2021 it walked back its commitment and declared that the framework was not mandatory for its members.

Most insurance companies have had coal exit policies for several years now, and so companies that strengthened their oil and gas policies improved their scores the most this year. This is particularly true for **Allianz**, **Aviva**, **Munich Re** and **Swiss Re**.

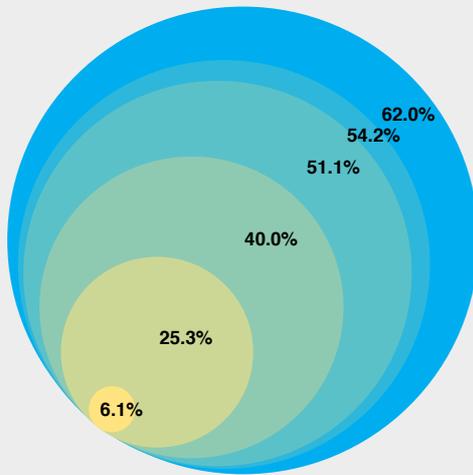
The number of oil and gas policies increased from three to 13 globally last year, and from two to 10 among the biggest fossil fuel insurers. If policies restricting cover for tar sands and Arctic oil are included, the number increased from 14 to 22, including 19 among the top-30 fossil fuel insurers.



FIGURE 6: COAL IS BECOMING UNINSURABLE



Market share of coal restrictions
(Direct Insurance)



Market share of coal restrictions
(Reinsurance)

However, the quality of many of the oil and gas restrictions is much poorer than that of the coal exit policies. Several policies only restrict the exploration but not the development of oil and gas reserves. **Allianz**, **AXA** and **AXIS Capital** all scored nine out of 10 possible points for their coal exit policies, while the strongest oil and gas policy – **Aviva's** – only scored four out of 10 points this year. On average, the 30 companies covered in this report scored 3.3 out of 10 points for their coal and a mere 1.1 out of 10 points for their oil and gas policies.

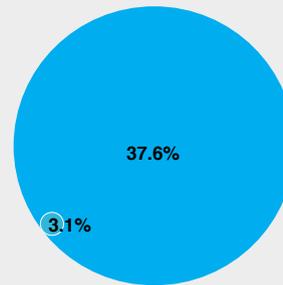
Among the companies covered in this report, **Allianz**, **Generali**, **Hannover**, **Munich** and **Swiss Re** have adopted restrictions on all new upstream oil and gas projects, albeit with loopholes in some cases. **Allianz** and **Swiss Re** have also committed to phase out support for oil and gas companies without science-based transition plans over time. **Allianz** and **Munich Re** will stop underwriting new mid- and downstream oil (but not gas) infrastructure.

Aviva excludes all cover for new fossil fuel projects and for companies that rely on fossil fuel extraction for more than 5% of their revenues. It doesn't explicitly rule out cover for companies still developing new fossil fuel projects and in practice, its 5% threshold excludes most but not all new fossil fuel developers.

FIGURE 7: INSURERS MOVING AWAY FROM OIL AND GAS



Market share of oil and gas restrictions
(Direct Insurance)



Market share of oil and gas restrictions
(Reinsurance)



Progress on Divestment



Of the 30 insurers assessed in this report, 23 have coal divestment and 19 have oil and gas divestment policies, up from 19 and 12 one year ago, respectively. Again, policies are typically stronger on divestment from coal than from oil and gas, with average scores of 2.7 and 1.1 out of 10, respectively.

Like last year, **SCOR** ranks top of the fossil fuel divestment league table - and by a large margin. **Generali**, **AXA**, **Allianz**, **AXIS Capital** and **Swiss Re** also scored well.

Allianz, **AXA** and **AXIS Capital** scored highest for their coal divestment policies. Along with **Generali**, **Mapfre**, **SCOR**, **Swiss Re** and **Zurich**, they will no longer invest in companies developing new coal power plants. **AXA**, **AXIS Capital**, **Generali**, **SCOR** and **Swiss Re** have committed to completely phasing out their investments in coal by

2030 in OECD countries and Europe and by 2040 in the rest of the world.

SCOR, **Generali** and **AXA** scored highest for their oil and gas divestment policies. While 19 companies have adopted some kind of oil and gas divestment policy, almost all their restrictions are limited to extreme forms of oil and gas extraction (tar sands, shale oil, Arctic drilling etc.).

SCOR has adopted an ambitious policy on extreme oil and gas, and only **Swiss Re** has taken some minimal steps to limit its investments in conventional oil and gas companies. **Aviva** has made an ambitious general commitment to reduce the emissions from its portfolio by 25% by 2025 and 60% by 2030. By contrast, **Berkshire Hathaway**, **Convex**, **Everest Re**, **PICC**, **Sinosure** and **Starr** have not taken any steps to divest from fossil fuel companies at all.



The Insure Our Future Campaign

Insure Our Future is an international campaign of NGOs and social movements that hold the insurance industry to account for its role in the climate crisis. We call on insurance companies to immediately stop insuring new fossil fuel projects and phase out support for existing coal, oil and gas operations in line with a pathway limiting global warming to 1.5°C. The organizations engaged in the campaign include:

International

Greenpeace; Market Forces; SumOfUs, Sunrise Project, Waterkeeper Alliance.

Asia

Korea Sustainability Investing Forum (KoSIF); Japan Center for a Sustainable Environment and Society; Solutions for Our Climate (Korea).

Europe

Campax (Switzerland); Coal Action Network (UK); Fundacja “Rozwój TAK – Odkrywki NIE” (Poland); the Instituto Internacional de Derecho y Medio Ambiente (Spain); Mothers Rise Up (UK); Reclaim Finance (France); Re:Common (Italy); Re-set (Czech Republic); Urgewald (Germany).

North America

Connecticut Citizen Action Group; Mazaska Talks; Public Citizen; Rainforest Action Network, Sierra Club, Stand.earth.

Combining engagement and public pressure, the campaign undertakes a variety of activities to reach its goals:

- It conducts research on insurance companies' support for fossil fuel projects and publishes case studies and briefing papers.
- It shares its critique and recommendations with the insurance industry through letters, presentations at conferences, and roundtable discussions. Many groups also engage insurers in an ongoing dialogue and raise their demands at shareholder meetings.
- With protests at companies such as **Liberty Mutual** and **Lloyd's** it puts pressure on individual insurers that are lagging on climate action.
- It supports frontline communities in their campaigns against insurers' involvement in major projects that have no place in a low-carbon world. Examples include Adani Group's Carmichael coal mine in Australia, the Canadian Government's Trans Mountain tar sands expansion pipeline and the East African Crude Oil Pipeline.
- It draws attention to fossil fuel insurers' responsibilities by staging protests at industry events.
- It generates public interest in the insurance industry's role in the climate crisis through articles and comments in mainstream media, trade journals and social media.



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New or expanded coal, oil, and gas projects are defined as new coal, oil and gas extraction projects, power plants, transport facilities and other infrastructure (such as LNG terminals) that drive expanded extraction. This includes, but is not limited to, all oil and gas projects which have not yet received a Final Investment Decision (FID).

In accordance with the Global Coal Exit List, **coal companies** are defined as those that generate at least 20% of their revenue from mining and transporting coal or at least 20% of their electricity from burning coal; or produce at least 10 million tonnes of coal per year or operate at least 5GW of coal-fired power stations; or are planning new coal mining, power or infrastructure projects.

Oil and gas companies are defined as oil and gas producers, oil service and equipment companies, companies involved in transporting oil, oil traders, companies refining and processing oil, companies involved in the production and transport of LNG and power utilities which depend on oil and gas for more than 20% of their revenue. The Global Oil and Gas Exit List offers a list of companies in the upstream and midstream sectors.

Credible 1.5°C pathways need to give a higher than 50% chance of limiting global warming to 1.5°C and only rely on negative emissions to a minimal degree, as reflected in the IPCC’s Pathway 1 and the One Earth Climate Model. Any company that is building new coal, oil or gas expansion projects is not aligned with 1.5°C. All coal-related assets need to be closed by 2030 in European and OECD countries and by 2040 globally.

Workers’ compensation policies, which directly benefit workers in the coal, oil and gas industry, and existing mine reclamation surety bonds should be **exempt from this policy**.

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- 59 Facultative insurance covers a specific risk or defined package of risks; treaty insurance covers all risk of a certain type.
- 60 Insure Our Future defines tar sands companies as those holding at least 20% of their oil reserves in tar sands. See endnote xx for coal company definition.







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2022 SCORECARD ON **Insurance, Fossil Fuels and the Climate Emergency**

Next year marks the 50th anniversary of the insurance industry's first warning about climate risks. Forty one big insurers now have coal exit policies, and new coal power plants outside China have for all practical purposes become uninsurable. Yet despite their rhetorical commitments to achieving net-zero emissions by 2050, only 13 insurers have started to restrict their cover for conventional oil and gas projects and many continue to underwrite the expansion of the oil and gas industry. This report summarizes recent trends in fossil fuel insurance, rates the climate policies of 30 leading insurers and their CEOs, and identifies leaders and laggards in the industry.