

Insurers' support for oil and gas undermines climate targets

Coal industry nearly uninsurable as U.S. & Bermuda companies provide last lifeline

GLASGOW (November 3, 2021) — The global insurance industry is undermining efforts to meet climate targets by continuing to support new oil and gas production, the Insure Our Future campaign reveals today in its fifth annual scorecard on insurers' climate policies.

Only three insurers, France's **AXA**, Italy's **Generali**, and Australia's **Suncorp**, have adopted policies to stop insurance for much or all new oil and gas production projects, despite warnings from the International Energy Agency and Intergovernmental Panel on Climate Change that the planet cannot afford any fossil fuel expansion if it is to meet the 1.5°C Paris target.

The industry is now coming under growing pressure to act. **UN Secretary General Antonio Guterres** told the Insurance Development Forum in September: "We need net zero commitments to cover your underwriting portfolios, and this should include the underwriting of coal – and all fossil fuels!"

While most insurers are stalling on oil and gas, the industry's exit from the coal sector continues at a rapid pace, with tangible results. Since 2017, 35 insurers have withdrawn cover from coal, up from 23 a year ago, including over 50% of the global reinsurance market. Coal companies now face soaring premiums, reduced coverage and longer searches to find insurance. U.S. and Bermuda insurers provide the last lifeline to an increasingly un-insurable industry.

Peter Bosshard, Global Coordinator of the Insure Our Future campaign, said: "The insurance industry is abandoning climate leadership by continuing to underwrite new oil and gas projects. The scientific consensus is clear: we cannot avoid a climate catastrophe if we expand fossil fuel production. Insurance companies need to follow the science and stop insuring all new coal, oil and gas projects if they want to regain their credibility as climate leaders."

U.S. Senator of Rhode Island, Sheldon Whitehouse said: "U.S. insurers continue to underwrite new oil and gas projects and invest in fossil fuel assets that pose a massive risk to the future of the planet, as well as to the insurance industry itself. Insurers hold a lot of influence over the future of fossil fuels, and they have an opportunity to help lead the planet to safety."

The insurance industry has a unique power to drive the transition to a low-carbon economy by aligning its business with a pathway to prevent a rise in global temperature above 1.5°C. *Insuring Our Future: The [2021 Scorecard on Insurance, Fossil Fuels and Climate Change](#)*, focuses on 30 of the world's top insurers. It is published by 26 organizations from 14 countries and will be launched today at the COP26 UN Climate Summit in Glasgow.

Continued Industry Support for Oil and Gas Expansion

While 14 insurers have tar sands exit policies, only 3 insurers have made moves on all oil and gas, despite scientific consensus on the need to end all fossil fuel expansion.

Four founding members of the Net-Zero Insurance Alliance (NZIA) — AXA, **Allianz**, **Munich Re**, and **Zurich** — provide more than 20% of all oil and gas insurance despite committing to align their

underwriting portfolios with a 1.5°C pathway. AXA's new policy allows it to continue insuring more than half of planned oil and gas expansion.

Lucie Pinson, Executive Director of Reclaim Finance, said: "It's a mark of shame that none of the members of the Net Zero Insurers Alliance have heeded the call from climate scientists and the IEA to end insurance for new oil, gas and coal projects. Even the new policy from its chair, AXA remains a long way from what science demands, despite constituting a step in the right direction. NZIA members have a special responsibility to lead from the front on climate - we call on them and all other insurers to match and exceed AXA's commitment by ending support for the expansion of all fossil fuel production."

Just [10 insurers](#) control about 70% of the global oil and gas insurance market. **AIG, Travelers, Zurich, Allianz, Chubb** and **Liberty Mutual** could together end more than half the underwriting of the industry.

The 18.5 billion USD insurers receive in annual premiums from oil and gas is only a drop in the bucket compared to their overall revenue, and there are growing financial incentives to act. French bank Société Générale has reported that insurers with strong coal and ESG policies are adding billions to their value, and that "reducing exposure to oil and gas" could "unlock an additional '[green premium](#)' for the sector."

Global Progress on Coal

European insurers continue to lead the way on coal. Lloyd's of London, the last major European insurer to cover new coal projects, adopted a climate policy in December 2020, although it [allows for continued](#) coverage of existing coal, tar sands and Arctic projects until 2030.

Japanese and Korean insurers are starting to follow Europe's lead and have stronger policies than most U.S. insurers. **MS&AD** and **Tokio Marine** are the first Japanese insurers to end underwriting for most new coal projects. Six Korean insurers have ended insurance for coal plants, following **Samsung Fire and Marine's** action last year.

Chinese insurers remain laggards, but the Chinese government's decision to stop building coal power plants overseas likely spelled the end of their support for new coal projects outside China.

This retreat is having a significant impact on coal companies worldwide. For example:

- In Europe, France's biggest insurer AXA has dropped German energy giant RWE AG as a client because of its coal operations – even refusing to insure its renewables.
- In Australia, 40 insurers have [ruled out](#) covering Adani Group's controversial Carmichael coal mine. One of the project's suppliers was [unable to obtain insurance at all](#).
- In the U.S., access to insurance and finance has become the [number one issue](#) facing coal plants in North Dakota. Premiums have soared up to 100% as fewer insurers are willing to cover the industry.

Treaty reinsurance - a \$500 billion-plus global market - remains a major loophole in reinsurers' exit from coal. While many reinsurers have adopted policies to stop direct coal coverage, only **Swiss Re** and **SCOR** have published plans to phase out coal from their treaty reinsurance business while

Munich Re and **Hannover Re** have announced plans but have yet to share any details. Without treaty reinsurance, many of the remaining coal underwriters will likely hesitate to cover the industry.

U.S. and Bermuda Insurers Lagging Behind Foreign Peers with Continued Support for Coal

Insurers giving a lifeline to coal are increasingly isolated. **AIG**, **Travelers**, **Berkshire Hathaway** and **W.R. Berkeley** in the U.S., and **Convex** and **Everest Re** in Bermuda, have no restrictions on coal whatsoever. **AIG** calls itself “an environmental steward” but remains the largest coal insurer outside of China. It is one of the only companies still willing and able to insure multi-billion-dollar projects, despite coal accounting for less than 0.3% of its 2020 premiums.

U.S. companies which have previously taken action on coal, like **Liberty Mutual**, have also failed to close the remaining loopholes in their policies, and none of these insurers have ruled out covering the Adani coal mine in Australia or the Trans Mountain tar sands pipeline in Canada.

Ginger Cassady, Executive Director of Rainforest Action Network, said: “As the global climate crisis escalates rapidly, U.S. insurers have fallen starkly behind their global peers when it comes to taking responsibility for their central role in the fossil fuel economy. While leading global peers are exiting the coal sector and starting to restrict oil and gas business, **AIG**, **Liberty Mutual**, **Travelers**, and other U.S. companies continue to prop up the struggling coal industry and support the reckless expansion of oil and gas infrastructure.”

Leader and Laggards: How Did the Companies Stack Up?

The scorecard ranks 30 leading insurers on their fossil fuel underwriting, investing, and other climate leadership. It is based on responses to a survey from 17 of the companies and on publicly available information where insurers failed to reply. [Full methodology is available here](#). It finds that:

- **Underwriting:** **Allianz** is leading on ending fossil fuel insurance, with **AXA** in second and **AXIS Capital** in third, although only **AXA** and **Generali** have adopted restrictions on conventional oil and gas. **AIG**, **Berkshire Hathaway**, **Convex**, **Everest Re**, **PICC**, **Sinosure**, **Travelers** and **W.R. Berkley** have no fossil fuel underwriting restrictions, but **PICC** and **Sinosure** may be constrained by the Chinese government’s new commitments, which is not currently reflected in their scores.
- **Investing:** **SCOR** and **AXA** rank highest on fossil fuel divestment, followed by **Allianz**. **Swiss Re**, **Zurich**, **AXIS Capital** and **Generali** also score well. Of the 30 companies, 19 have coal divestment policies. While 14 had some oil and gas restrictions, most were restricted to tar sands. Ten insurers have no fossil fuel divestment policies.
- **Other Climate Leadership:** **Aviva**, **Allianz** and **AXA** score highest, respectively. They are among the eight founding members of the Net-Zero Insurance Alliance that have committed to align their underwriting and investments with a 1.5°C pathway. Twenty insurers scored no points, including all US and Asian insurers and **Lloyd’s of London**.

































Once the embargo lifts, the report will be available for download here: <http://insure-our-future.com/scorecard>.

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Peter Bosshard, Senator Sheldon Whitehouse, and Lucie Pinson will attend COP26.

INSURER	COUNTRY	Fossil Fuel Insurance		Fossil Fuel Investment		Other Climate Leadership	
		RANK	SCORE (0-10)	RANK	SCORE (0-10)	RANK	SCORE (0-10)
Allianz		1	4.7	3	4.4	2	4.5
AXA		2	4.6	1	5.4	3	4.0
AXIS Capital		3	3.9	4	3.5	11	0.0
Swiss Re		4	3.6	4	3.5	4	3.8
Zurich		5	3.2	6	3.3	5	3.5
Hannover Re		6	3.2	12	1.1	11	0.0
Mapfre		7	2.8	8	1.7	10	0.7
Generali		8	2.6	7	2.9	7	3.3
SCOR Re		9	2.1	1	5.4	8	3.1
QBE		10	2.1	13	1.0	9	2.2
Aviva		11	1.8	23	0.1	1	5.0
Munich Re		12	1.8	9	1.6	6	3.5
HDI Global		13	1.3	9	1.6	11	0.0
The Hartford		13	1.3	11	1.5	11	0.0
Tokio Marine		15	1.2	16	0.4	11	0.0
Lloyd's		16	0.9	16	0.4	11	0.0
MS&AD		17	0.8	16	0.4	11	0.0
Samsung FM		17	0.8	16	0.4	11	0.0
Chubb		19	0.7	15	0.6	11	0.0
Liberty Mutual		20	0.4	14	0.8	11	0.0
Ping An		21	0.2	16	0.4	11	0.0
Sompo		21	0.2	16	0.4	11	0.0
W.R. Berkley		23	0.0	16	0.4	11	0.0
AIG		23	0.0	24	0.0	11	0.0
Berkshire Hathaway		23	0.0	24	0.0	11	0.0
Convex		23	0.0	24	0.0	11	0.0
Everest Re		23	0.0	24	0.0	11	0.0
PICC		23	0.0	24	0.0	11	0.0
Sinosure		23	0.0	24	0.0	11	0.0
Travelers		23	0.0	24	0.0	11	0.0

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About Insure Our Future

The Insure Our Future campaign brings together a global network of NGOs and social movements calling for insurance companies to divest from and cease insuring coal, tar sands, oil and gas, and support the transition to clean energy. The campaign is supported by #aufstehn (Austria), Campax (Switzerland), Client Earth, Coal Action Network (UK), Connecticut Citizen Action Group (USA), Europe Beyond Coal, Fundacja “Rozwój TAK – Odkrywki NIE” (Poland), Future Coalition (USA), Indigenous Environmental Network, Instituto Internacional de Derecho y Medio Ambiente (IIDMA, Spain), Japan Center for a Sustainable Environment and Society (JACSES, Japan), Mazaska Talks (USA), Mother's Rise Up, Public Citizen (USA), Rainforest Action Network (USA), Reclaim Finance (France), ReCommon (Italy), Reset (Czech Republic), Sierra Club (USA), Solutions For Our Climate (Korea), Stand.earth (USA/Canada), SumOfUs, The Sunrise Project, Urgewald (Germany), and Waterkeeper Alliance.