

WITHIN OUR POWER

Cut Emissions Today
To Insure Tomorrow



**2024 Scorecard on insurance, climate change,
and the energy transition**

With a foreword by Dave Jones and Louise Pryor

December 2024



Insure Our Future, an international campaign calling on insurance companies to exit coal, oil and gas and accelerate a just clean energy transition – in line with a pathway limiting global warming to 1.5°C.* The organizations engaged in the campaign and co-publishers of the Scorecard include:



* 2024 will be remembered as the first calendar year to breach the danger threshold of 1.5°C global temperature rise. Every effort must be made to reduce the extent and length of any 'overshoot' beyond 1.5°C given unacceptable risks of triggering irreversible tipping points between 1.5°C and 2°C.

This is the Insure Our Future campaign's eighth annual Scorecard – on Insurance, Climate Change, and the Energy Transition – analyzing the role of the global insurance industry in fueling or averting catastrophic climate breakdown. This year's report examines what 20 years of climate attribution science reveals about today's insurance crisis, explores the status of gross direct premiums from insuring fossil fuels and renewable energy activities, and analyzes the coal, oil, and gas policies of 30 leading primary insurers and reinsurers. For the first time, Insure Our Future also offers policy recommendations for lawmakers and regulators.

Research and fact-check
 Ariel Le Bourdonnec, *Reclaim Finance*
 Dan Cohn, *IEEFA*
 Grace Cheong, Minyoung Shin,
 Rachel Mander, Robert McKay, *The Sunrise Project*
 Insuramore
 Pedro Romao, *SEO Amsterdam Economics*

Author
 Risalat Khan, *The Sunrise Project*

Editors
 Minyoung Shin, *The Sunrise Project*
 Peter Bosshard

Copyeditor
 Rich Mintz

Design
 Heather Knight & Simon Arnoldi

Printer
 The Print & Copy Shop, Sheffield

Photocredits
 Greenpeace, Adobe, Quirinale.it

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By Dave Jones and Dr Louise Pryor

The evidence is undeniable: the insurance industry faces an existential crisis driven by climate change. As a former regulator and a risk management expert from either side of the Atlantic, we have watched with growing concern as climate impacts have devastated communities worldwide and brought the world to the doorstep of irreversible tipping points.

Insurance is a crucial early warning system – shrinking coverage and rising prices signal profound danger ahead. We are now seeing this alert flash red across the globe. From Australia to Europe to North America, insurers are retreating from regions facing escalating climate risks, while in many lower-income countries across Africa, Asia and Latin America, communities have never had access to insurance protection against mounting climate disasters.

Yet insurers continue to maintain significant investments in and underwriting support for the fossil fuel expansion driving these very risks. This fundamental contradiction both threatens the industry’s long-term viability and creates an unsustainable and unjust burden on communities worldwide.



“Insurers face a clear choice: continue enabling fossil fuel expansion and watch their business model become increasingly untenable, or help drive the rapid transition necessary to make sure our future is insurable.”

The actuarial profession specializes in analyzing and quantifying projected losses from extreme risks. This expertise tells us we must fundamentally change how we assess climate risk and rigorously examine plausible worst-case scenarios driven by tipping points and cascading systemic failures. The rapidly changing risk landscape demands new approaches and a much longer-term view than traditional annual planning cycles.

Regulators must ensure insurers develop and implement credible long-term strategies with enforceable near-term science-based benchmarks to net zero emissions in both underwriting and investing, rather than making shortsighted decisions that do nothing to support the transition to net zero. The insurance industry must embrace its power to accelerate the transition to clean energy – through both its role as society’s risk manager and its influence as a major investor. Insurers face a clear choice: continue enabling fossil fuel expansion and watch their business model become increasingly untenable, or help drive the rapid transition necessary to make sure our future is insurable.

“...the physics of climate change will not wait for political convenience”

The path forward requires immediate steps: insurers must stop underwriting new fossil fuel projects and rapidly align their business with credible 1.5°C transition pathways, redirect investments to clean energy, and work with regulators to develop new frameworks for assessing and addressing climate risk. Crucially, they must also ensure their actions support a just transition that protects vulnerable communities.

These changes will not be easy, but they are essential. The insurance industry has historically played a crucial role in helping make societies more resilient by supporting the improvement of building codes and workplace safety. Now it must rise to its greatest challenge yet.

The choices made in the next few years will determine whether we preserve the possibility of an insurable future. While some may counsel delay or half-measures, the physics of climate change will not wait for political convenience. This report outlines the steps needed to align the insurance industry with climate science and protect both its business model and the communities it serves. The path to action is clear. What remains to be seen is whether we have the wisdom and courage to take it.



Dave Jones,
Former California Insurance Commissioner
and Director, Climate Risk Initiative,
UC Berkeley School of Law



Dr Louise Pryor,
Past President of the Institute
and Faculty of Actuaries

Executive summary

“Our planet’s vital signs are flashing red... we are already within the uncertainty range for **5 tipping points**. **Crossing them will lead to unprecedented and irreversible damage**, devastating major coastal cities, dieback of major forests including the Amazon, and disruption of natural rainfall cycles.”

Inaugural Planetary Health Check¹

“One thing is clear – we cannot afford inaction. Without further measures and concerted efforts... insurance against climate risks will become less affordable and available. Ultimately, we may one day go over the insurability tipping point, which will no doubt result in a **lose-lose situation for all stakeholders**.”

Bank for International Settlements,
a coordinating body of central banks²



Executive summary

The insurance crisis gripping communities worldwide today can be traced directly to climate inaction yesterday. As climate impacts reach a breaking point with 2024 set to be the first year to breach the danger threshold of 1.5°C, insurers are protecting shareholder profits by dropping coverage for at-risk communities while continuing to enable fossil fuel expansion that drives those risks higher.

This conduct reveals both the power of insurance and its perverse deployment. While insurers could trigger a crisis of confidence in fossil fuel expansion overnight, they have instead chosen to exacerbate mounting climate costs and transfer them to policyholders and the public. Lawmakers and regulators must take urgent action to address the resulting affordability challenges and protection gaps, as well as the root causes driving the crisis.

Every delay in climate action today is condemning communities – and especially children and future generations – to face irreversible harms from tipping points. It is within our power to cut greenhouse gas emissions today to keep 1.5°C within reach, and give resilience a fair chance.

Key findings:

1 Over one-third of weather-related insured losses over the last two decades, totaling \$600 billion, can be attributed to climate change.³

New analysis that applies peer-reviewed climate attribution science to industry loss data from **Aon**, **Gallagher Re**, **Munich Re**, **Swiss Re**, and **Verisk** reveals the massive scale of climate-driven costs that insurers are passing onto communities. This \$30 billion dollar average annual toll – just the tip of the iceberg of rising climate impacts – demands that insurers and their regulators confront fossil fuel emissions as a root cause of the escalating insurance crisis.

2 Climate-attributed losses have recently accounted for a growing share of insured weather losses, showing how decarbonization is crucial to contain soaring insurance costs.

The climate-attributed share of insured weather losses rose from 31% to 38% over the last decade on average, and their annual growth (6.5%) significantly outpaced the growth of the insured losses (4.9%).⁴ In 2022, \$52 billion out of \$132 billion was climate-attributed. As these mounting costs push insurance out of reach for many communities, rapid decarbonization is critical to control inflationary pressures on premiums, increase insurance access and affordability, and protect the most vulnerable people.

3 Estimated climate-attributed losses for 28 top property and casualty insurers (\$10.6B) approached the fossil fuel premiums they collected (\$11.3B) in 2023 – and for more than half the companies, they exceeded them.⁵

For 15 of the 28 companies assessed, estimated climate losses exceeded commercial fossil fuel premiums written. Furthermore, fossil fuels face structural decline while climate losses will rise. This raises serious questions about why property and casualty insurers are choosing a path of climate destruction that harms their own bottom line as well as society at large – for a revenue source that represents under 2% of their business on average – rather than redirecting focus rapidly from fossil fuel expansion to the clean energy boom.

4 The renewable energy insurance market is still under 30% of the size of the fossil fuel insurance market in 2023, threatening to be a bottleneck for investments in the climate transition.⁶

Data from Insuramore on the market size for renewables appear to support earlier findings by **Howden** that insurance capacity is threatening to bottleneck up to 10 trillion USD of investment in the climate transition by 2030.⁷ **AXIS Capital**, **Aviva**, and **Munich Re** are the only major insurers who write more direct premiums for renewable energy than fossil fuels.⁸

5 At the brink of 1.5°C, insurers are abandoning at-risk communities worldwide while enabling fossil fuel expansion that drives these risks higher – requiring immediate policy and regulatory action.

Insurers' self-reinforcing cycle of driving climate risks higher and restricting coverage for those risks is threatening the public interest and financial stability. **Generali** broke this pattern as the first and only insurer to mostly rule out oil and gas expansion across the value chain, including new methane LNG terminals – and replaced **Allianz** in the top position of Insure Our Future's scorecard of fossil fuel restriction policies for the first time.⁹ However, the window for voluntary corporate leadership is closing as irreversible tipping points loom, requiring urgent action from lawmakers and regulators.

Insure Our Future urges insurance policymakers and regulators to take ambitious, coordinated and effective measures today to keep 1.5°C within reach and insure tomorrow (see Page 34 for full recommendations).

1. Take precautionary action by integrating climate risks into the supervisory framework and capital standards for internationally-active insurance groups.

2. Oversee insurers' management of climate risks and corresponding mitigating measures to ensure their stability and ability to provide coverage, including how fossil fuel underwriting and investment exacerbate those risks.

3. Implement policies that support just allocation of climate risks and costs to protect individuals, entities, and communities from shouldering risks and costs they did not create and have limited capacity to manage.

4. Mandate data transparency by requiring insurers to disclose physical and transition risks, investment portfolios, insurance accessibility, and underwriting of fossil fuel expansion.

5. Mandate the use of scientifically robust climate scenario analysis that accounts for the full complexity of climate-related events, including tipping points.

6. Require insurers to develop, implement and disclose 1.5°C-aligned transition plans with measurable near and long-term targets that prioritize emissions reductions and demonstrate a clear shift from fossil fuels to clean energy.

7. Require higher capital requirements for fossil fuel exposure to ensure insurer's own safety and soundness and to account for risks insurers are creating for the financial system.



“The fossil fuel industry continues to pocket massive profits and subsidies. Meanwhile, everyday people bear the costs of climate catastrophe – from rising insurance premiums to lost livelihoods. Those who shoulder the blame must foot the bill.”

UN Secretary General António Guterres, Sep 2024¹⁰

The insurance crisis today is born of climate inaction yesterday

Over a third of insured weather losses this century can be climate-attributed, and rising

In a metastudy published in *Nature*, Newman and Noy analyze the extreme weather economic losses that are attributable to human-caused climate change.¹¹ Research commissioned by Insure Our Future, and carried out by SEO Amsterdam Economics, applied their findings to loss figures reported by five major companies – **Aon**, **Gallagher Re**, **Munich Re**, **Swiss Re**, and **Verisk** – to generate the first estimate of global climate-attributed insured losses.

The analysis reveals a \$475-720 billion climate price tag on insured losses between 2002-2022, corresponding to \$30 billion on average per year and rising (Figure 1). The roughly \$600 billion total represents more than a third of all weather-related insured losses over the two decades.¹²

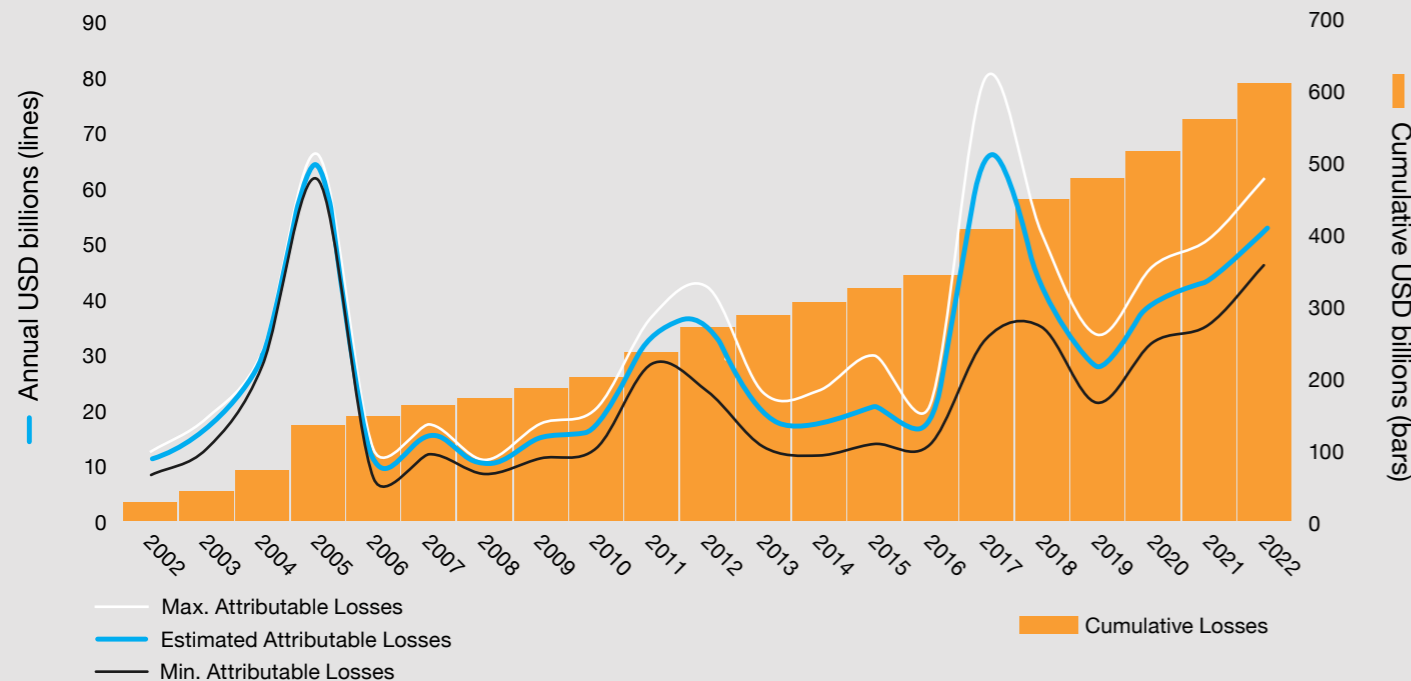
The 5-year moving average, which smooths out annual variability, shows climate-attributed losses have risen from 31% to 38% of total weather-related insured losses in the last decade – with the climate-attributed portion growing at a significantly faster rate than the total (6.5% compared to 4.9% respectively).¹³ In 2022, this represented \$52 billion out of \$132 billion.

\$30B

climate-attributed insured losses per year

Figure 1: Climate-attributed insured losses total \$600B, accounting for over a third of total weather-related insured losses (2002-22), and are growing at a faster rate*

(a) Annual climate-attributed insured losses for 2002-22



*Data based on reported figures from **Aon**, **Gallagher Re**, **Swiss Re**, **Munich Re**, and **Verisk**, analyzed using climate attribution methodology from Newman and Noy (2023).

“Lloyd’s and Swiss Re’s framing of the drivers behind rising insured losses show a fundamental misunderstanding of causality, and what climate attribution science has identified in the past 15 years. The impact of climate change is not just a present and future problem – it has already been driving up risks and causing major losses throughout this century. Financial regulators should ensure that independent climate science informs their view of the true costs and risks of the climate crisis – before they overwhelm insurers and economies.”

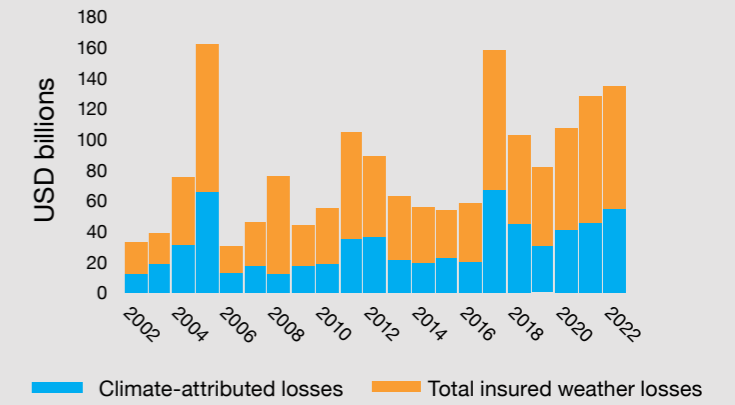
Professor Ilan Noy, Te Āwhionukurangi—The Chair in the Economics of Disasters and Climate Change, Te Herenga Waka—Victoria University of Wellington, and author of climate attribution metastudy published in *Nature*

6.5%

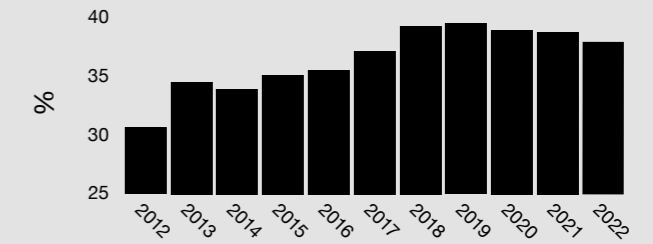
annual growth of climate-attributed losses

Figure 1 (continued)

(b) Climate-attributed share of insured weather losses by year (USD billions)



(c) Climate-attributed losses as a % of insured weather losses over the last decade (5 year moving averages)



Because these losses are usually passed on to policyholders, these findings underscore how past greenhouse gas emissions have long been acting as an inflationary pressure on premiums. These pressures have now reached a breaking point – visibly spilling over as a climate-induced insurance crisis.

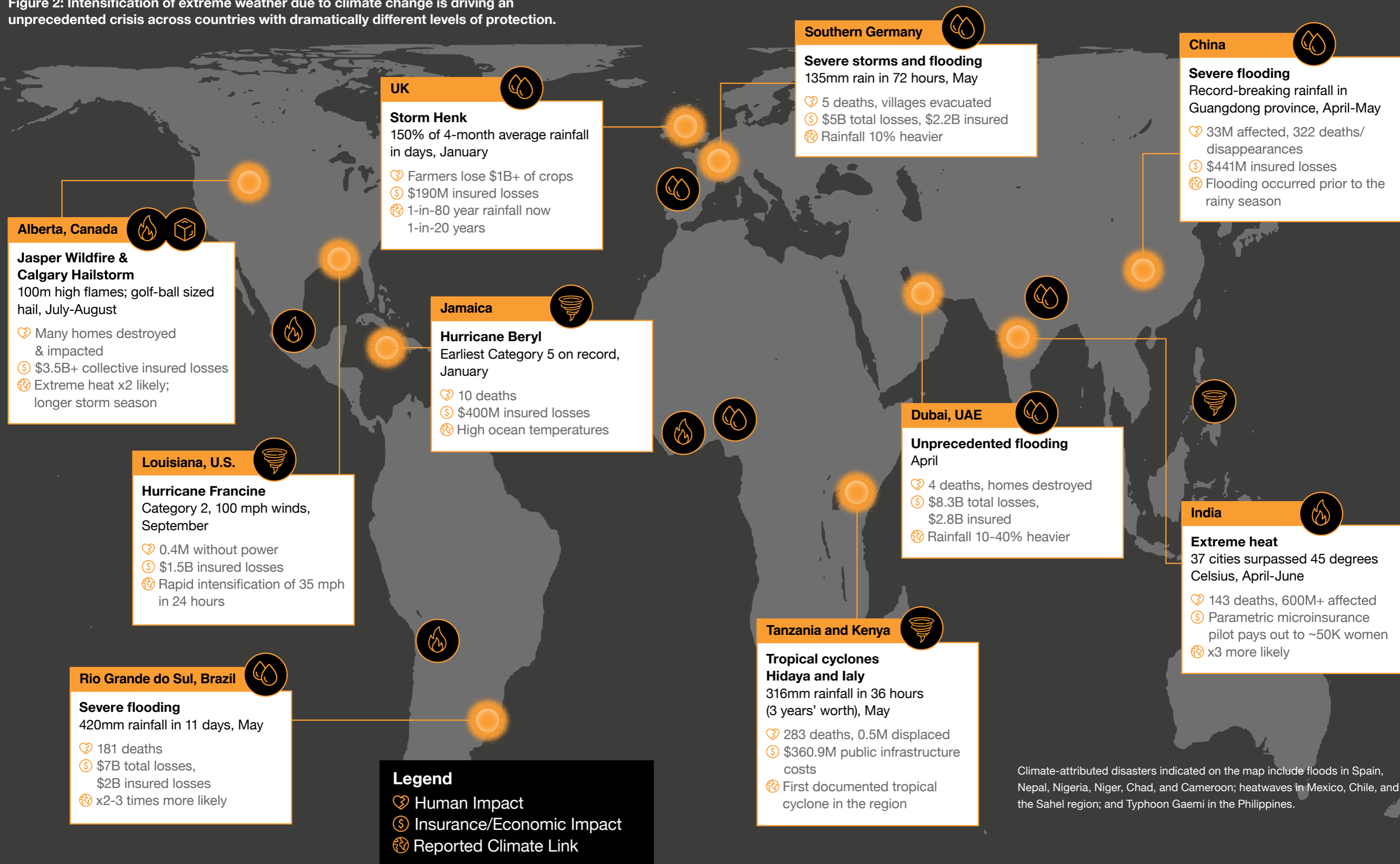
While some insurers have questioned climate change’s role in driving past losses – as evidenced in statements to Australian government inquiries earlier this year by **Allianz**, **Swiss Re**, and **Lloyd’s**¹⁴ – historical loss data alone cannot capture how climate change is transforming risk. Extreme events that were once considered rare (such as, once in 500 or 1,000 years) are becoming increasingly common and yet may not have had enough time to show up in insurers’ loss data that spans shorter periods.¹⁵ Peer-reviewed attribution science that combines historical weather records with advanced climate modeling, of which the Newman and Noy paper is the most comprehensive metastudy available, provides more reliable insights into altered and evolving probabilities.

Insurers appear to be realizing the limitations of their previous approach and have started investing heavily in predictive models. They must not ignore the fundamental and consistent prediction of climate scientists that any delay in cutting emissions drastically today will put lives, economies, and the future of humanity in unacceptable danger tomorrow.

People are already paying a steep price. Insurers are walking away from communities to protect shareholder returns from the losses, sparking the crisis of insurance affordability and access. Furthermore, **Swiss Re** estimates that only 38% of the total economic losses from extreme weather disasters in 2023 was insured,¹⁶ highlighting the unjust cost burden faced by uninsured communities, who are usually the least responsible for climate change. The next section looks at how insurance is failing to protect people worldwide as the planet overheats.

A year of climate disasters

Figure 2: Intensification of extreme weather due to climate change is driving an unprecedented crisis across countries with dramatically different levels of protection.



People worldwide pay the cost of emissions as the promise of insurance fails

5B

people faced extreme heat x 3 likelier due to climate change

With 2024 marking the hottest year on record and the first calendar year above 1.5°C global temperature rise,¹⁷ extreme heat waves – made three times more likely by climate change – affected nearly five billion people across all inhabited continents.¹⁸ The consequences were fatal. Up to 1,300 people died from heat stress during the Hajj pilgrimage in Saudi Arabia.¹⁹

In nations of all income levels, insurance is failing to protect people. Historically disadvantaged communities continue to bear the greatest harms.

At the turn of the year, over a thousand French municipalities found themselves uninsured as they face higher risk of storms and floods.²⁰ In southern Brazil, extreme rainfall made 2-3 times likelier by climate change caused severe flooding, with 181 people killed and \$7 billion in estimated total losses.²¹ Canada faced its most destructive summer with over \$5 billion in insured losses – driven by floods, hailstorms and the catastrophic Alberta wildfires in extreme heat conditions made twice as likely by climate change.²² In the UK, Storm Henk brought extreme rainfall – estimated to be four times more likely due to climate change – causing \$190 million in insured losses.²³ Hurricanes Helene and Milton, fueled by record-warm oceans, caused \$30-50 billion in insured losses alone – of which an estimated \$16 billion may be attributable to climate change according to SEO’s analysis.²⁴

As climate losses escalate, the uninsured pay directly while the insured pay via soaring premiums and uncovered damages. Home insurance rates are seeing double-digit percentage increases in the U.S., the UK, Japan, Australia, and beyond.²⁵ In Florida – often considered ground zero of the insurance crisis with some of the highest rate hikes – the state legislature banned mentions of “climate change”.²⁶

Which industry view better fits the data?

“Consumers ultimately benefit through greater availability and affordability of insurance when insurers ... are free to pursue appropriate risk based investing and underwriting strategies.”

American Property and Casualty Insurance Association²⁸

“Rising insurance premiums [are] a kind of carbon price on consumers.”

Christian Mumenthaler, former chief executive of Swiss Re, as reported in the Financial Times²⁷

\$525B

wealth lost by 55 climate-vulnerable countries

The impacts are most severe in regions where insurance protection remains minimal. 55 climate-vulnerable countries would have been 20% wealthier today if not for \$525 billion of climate loss and damage over two decades.²⁹ In India, where 93% of natural catastrophe exposures are uninsured, extreme heat affected over 600 million people.³⁰ In Tanzania and Kenya, where insurance coverage is under 3%, the first-ever recorded tropical cyclone displaced nearly half a million people.³¹

As families worldwide struggle with the soaring costs of carbon pollution – too often without a safety net – the very promise of insurance as a source of protection is failing. At the same time, re/insurers continue to enable and profit from fossil fuel expansion driving risks to new heights. According to the Wall Street Journal and the Financial Times, major insurers and reinsurers continue seeing healthy profits, enabled by rate increases and restrictions for climate risk coverage.³²



“I meet hundreds of families across rural Bangladesh who keep defying the odds to choose life and community – developing innovative local adaptation methods, installing solar home systems, rebuilding after each climate disaster. Insurance companies say they care but instead they profit from the fossil fuel expansion that is condemning these families to climate chaos, and not a penny of those profits ever reach them. This is not climate justice, this is climate colonialism.”

Sohanur Rahman
Executive Coordinator, YouthNet Global

WHO WILL INSURE SOUTH ASIA IF HEAT IS UNLIVABLE?



Uninsured future

Insured future



Rapid decarbonization needed to insure communities and prevent irreversible harms

Insurers' approach to climate risk is a vicious cycle: enabling fossil fuel expansion that causes ever-worse climate impacts while retreating from communities facing those impacts. This self-reinforcing cycle threatens affordable insurance access as well as financial stability.

The breakdown of insurance markets in nations like the U.S. and Australia suggests that climate-driven financial pressures have reached unprecedented scale. Bigger risks loom. Long-term mortgages that were predicated on continued insurance protection are now met with that coverage drying up from one year to the next. This is already challenging housing markets, and has potentially severe implications for the mortgage lending portfolios of banks and other lenders.³⁴ A tenth of the world's residential property value – worth \$25 trillion – is at risk from climate change, underscoring the profound economic consequences of further delays in rapid emissions reductions.³⁵

\$25T

residential property value at risk from climate change

“Insurers’ approach to underwriting and pricing climate-related risks may have negative implications for financial stability. There could also be spillovers to other financial sectors – including the banking sector – if insurance is no longer available.”

Bank for International Settlements,
Nov 2023, a coordinating body of central banks³³

Adaptation and resilience are urgent, and must be paired with decarbonization to succeed. The Intergovernmental Panel on Climate Change warns that adaptation and resilience become increasingly ineffective with higher warming, and some ecosystems have already hit hard limits of adaptability.³⁶ Even wealthy communities investing heavily in climate resilience are hitting limits. Hurricane Helene’s devastation of Asheville, North Carolina – chosen by many as a “climate haven” – shows that wealth or preparation cannot assure safety in an overheating world.³⁷

Beyond 1.5°C, the risk of triggering irreversible climate tipping points rises dramatically.³⁸ These non-linear changes in Earth systems – from collapse of ocean currents and coral reefs to Arctic ice melt and Amazon dieback – can unleash cascading damages that could prove impossible to adapt to or insure against.

Already measurable feedback loops risk careening out of control: hotter and drier conditions are driving bigger wildfires, releasing more carbon, and making heat and fires worse.³⁹ A recent actuarial report warns of “planetary insolvency”, the equivalent of bankruptcy on a civilizational scale – except without the prospect of a bailout.⁴⁰

5

tipping points within uncertainty range at current warming

7%

emissions cuts per year needed this decade

This grim future is still within our power to prevent. Rapid decarbonization is the most effective global insurance policy. Past climate inaction has brought the world to the brink, and now we face the steep but possible task of cutting emissions by more than 7% per year this decade.⁴¹ The first step is to end fossil fuel expansion immediately and manage energy demands equitably with solar and wind energy deployment and energy efficiency measures.⁴²

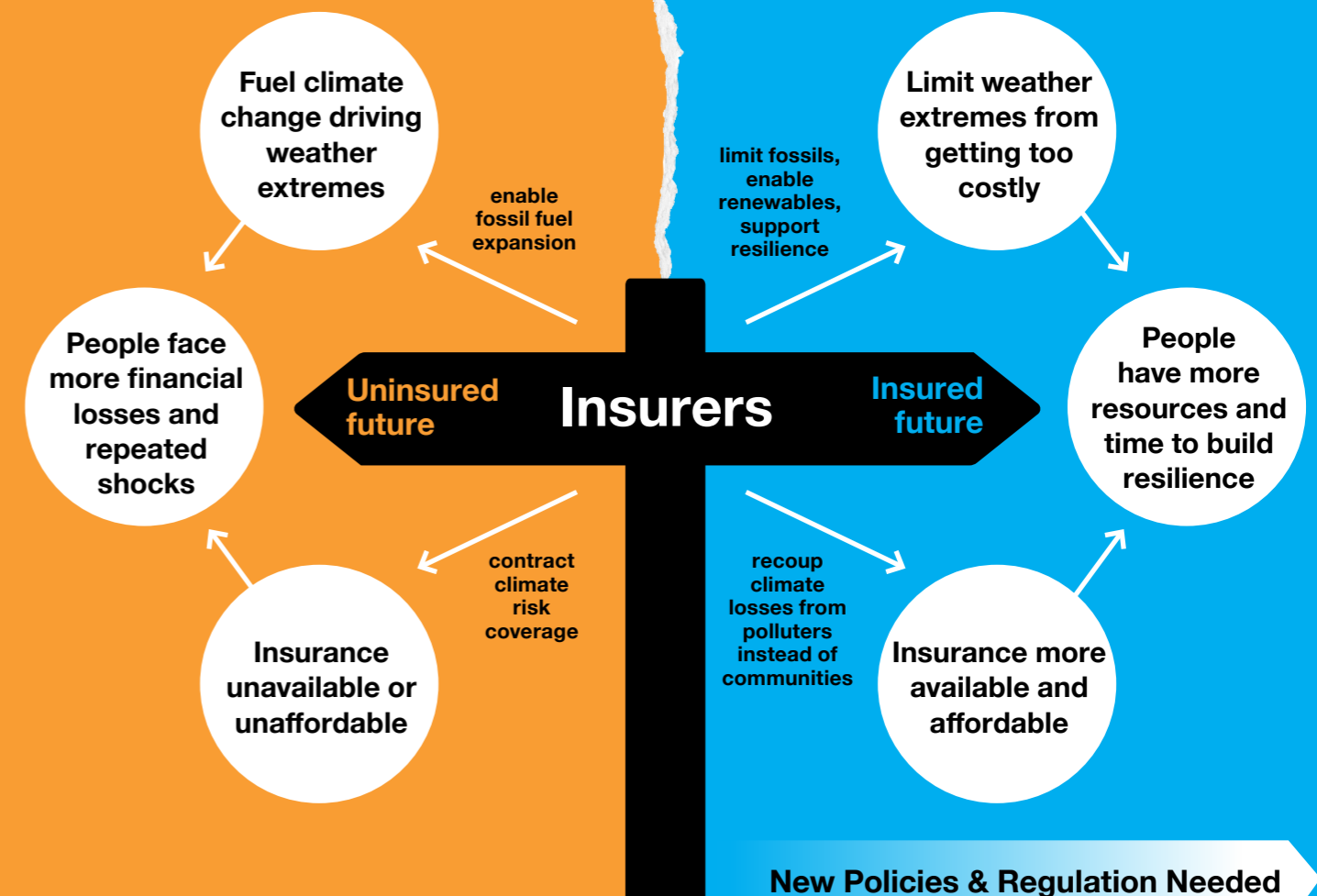
Insurance companies stand at a crossroads with a crucial role to play. To choose an insured future, they must stop fueling climate risks and catalyze a rapid and just climate transition to prevent catastrophic tipping points in nature and society.⁴³



“This past Hurricane season in Florida, we saw how hurricanes have increased in strength and frequency. Insurers like to talk about mitigating risk. They tell people they need a certain type of roof to be insured or to fix various items in the home before they can provide insurance. However, mitigating risk must also come with mitigating the root cause of the uptick in hurricane disasters in Florida, which is fossil fuels. So far, insurers have been unwilling to do that.”

MacKenzie Marcelin,
Florida resident and Climate Justice Director at Florida Rising

Figure 3:
Insurance at a crossroads



“We are hearing over and over again that the next big shock that will clobber the economy will be related to climate change. The first thing to go will be the insurance market. First it becomes unaffordable, then it becomes unavailable. Because if an insurer cannot understand the rising extreme weather risks to a property, they cannot insure it.

As the insurance market goes into crisis, the next thing it cascades into is the mortgage market going into crisis. Because if a property is uninsurable, that property is unmortgageable. And then that mortgage crisis cascades into a crash of property values. Because when you don't have buyers able to get mortgages, then sellers have a really difficult market to sell into.

The chief economist for Freddie Mac – the national mortgage giant in the U.S. – is worried that it will be like 2008, when the harm was not limited to where the bad mortgages were. Everybody suffered.

The simplest message is that when that big new bill or non-renewal notice from the insurance company comes in the mail, that is climate denial coming into your home. Renters face the costs of this climate denial too.

This problem cannot be solved in the insurance market – it has to be solved with the cause. And the cause is fossil fuel emissions, driving climate change, raising sea levels, causing worse storms, and making insurance so costly and unpredictable that the market goes into distress.

Take the analogy of a tap, running into a sink. The sink is overflowing onto the floor. Now we have to run in with towels to try to mop up. And of course, if it is done right, we're also shutting off the tap.

We have let that tap of fossil fuel emissions continue to pour. Not only that, we subsidize it to the tune of hundreds of billions of dollars every year. We have to mop up this mess, and we have to keep fighting hard to turn off the tap of fossil fuel emissions.”

Senator Sheldon Whitehouse,
U.S. Senate Budget Committee Chairman



Insurers must cut emissions today to insure communities tomorrow

Generali's bold move caps year of stalled underwriting progress

In a landmark move, Italy's largest insurer **Generali** announced in October 2024 it would stop insuring oil and gas expansion, including new methane LNG terminals and gas-fired power plants. While its ban on new oil and gas fields applies universally, restrictions on midstream/downstream infrastructure only target "transition laggards" based on their climate performance.⁴⁴

This made **Generali** the first insurer globally to adopt restrictions covering the entire oil and gas value chain, ahead of European and global peers like **Allianz**, **AXA**, **Chubb**, and **Sompo** who missed the opportunity to be the first to walk away from dangerous methane LNG expansion, despite repeated requests from communities facing its direct harms.

Earlier in the year, following weeks of peaceful protests, **Zurich** announced it will stop underwriting new oil and gas extraction and metallurgical coal projects⁴⁵ – meaning all major European insurers except **Lloyd's** market have now ruled out new oil and gas extraction. However, **Zurich's** September 2024 transition plan set weak emission reduction targets that failed to address customers' scope 3 emissions – leaving out most insured emissions.⁴⁶

Looking ahead to the new year, **Allianz** and **Munich Re** face a critical test to enforce their January 1 deadline to restrict coverage for and/or investments in oil and gas companies that are not aligned with a credible 1.5°C pathway to net zero emissions by 2050.⁴⁷ As 96% of oil and gas companies are exploring and developing new reserves and none have adopted a credible 1.5°C-aligned plan,⁴⁸ both insurers must follow through and drop non-compliant oil and gas clients to maintain credibility.

96%

oil and gas companies planning expansion

WHO WILL INSURE 1 BILLION PEOPLE COUNTING ON COLLAPSING REEFS?

Uninsured future

Insured future

0

major insurers aligned with a 1.5°C pathway

Japanese insurers make incremental moves

Tokio Marine adopted an engagement policy requiring high-emissions clients to have decarbonization plans by 2030, though it still permits new oil and gas project insurance.⁴⁹ **MS&AD** became the first Asian insurer to set an absolute target to reduce insured emissions, aiming for a 37% cut in domestic corporate portfolio emissions by 2030 - a target that needs strengthening to 43% to align with 1.5°C pathways.⁵⁰

U.S. insurers continue fossil fuel business-as-usual

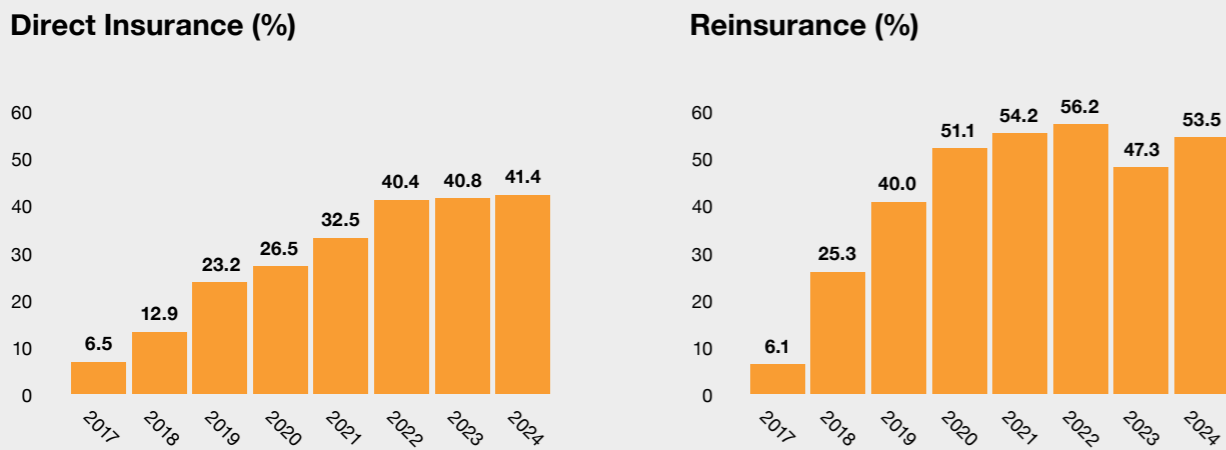
In the same year that insurers withdrew from communities and failed to offer affordable coverage, U.S. insurers like **AIG**, **Liberty Mutual**, and **Travelers** continued underwriting fossil fuel expansion with no meaningful progress.⁵¹ **Chubb** proved to be the only exception, introducing new midstream conservation standards and methane criteria, though with significant loopholes. **Chubb** also dropped the Rio Grande LNG project in a welcome move following sustained protests by the Carrizo/Comecrudo Tribe of Texas.⁵²

AIG stepped in to insure the dangerous project. The insurer faces mounting pressure to be designated as “systemically important” due to the financial stability risks it poses — as the largest insurer of U.S. coal, estimated to collect over \$500 million annually in fossil fuel premiums while withdrawing insurance coverage from communities due to climate risks.⁵³

“As an underwriter, I understand fire risks more than most people and took protective measures for my home. That didn’t stop my former employer Liberty Mutual from not renewing my insurance coverage — and I’m paying more as a result. I’m alarmed to learn that they are simultaneously supporting fossil fuel expansion — they should know better.”

Sabreena, insurance industry professional

Figure 4: Market share of action takers on coal restrictions, 2017-2024



Sources: IOF (2017 - 2019), Insuramore (2020 - 2023)

The reduced reinsurance market share in 2023 and 2024 relates to a revised methodology for calculating market size and share. The number of reinsurers with restrictions did not decrease.

Figure 5: Market share of action takers on oil and gas restrictions, 2021-2024



The reduced reinsurance market share in 2023 and 2024 relates to a revised methodology for calculating market size and share. The number of reinsurers with restrictions did not decrease.

29

insurers have ruled out EACOP - who's next?

EACOP risks mount

Six more insurers – **Probitas1492**, **SiriusPoint**, **Enstar Group**, **Riverstone International**, **Blenheim** and **SA Meacock** – ruled out involvement in the controversial East African Crude Oil Pipeline (EACOP) this year, bringing the total number of insurers refusing to cover EACOP to 29.⁵⁴ Major holdouts including **AIG**, **Tokio Marine**, **Chubb**, **Chaucer**, and **Hiscox** face mounting pressure to follow suit. **Probitas1492** also ruled out the West Cumbria Coal Mine following a global week of protests.⁵⁵

The vanishing window for voluntary corporate leadership

The number of insurers with coal, oil, and gas restrictions barely increased this year. The stalled underwriting progress represents a significant slowdown the world cannot afford. As climate impacts escalate and insurance moves out of reach for more communities, even the top-ranked insurers in Insure Our Future’s scorecard are still falling significantly short of true climate leadership.

WHO WILL INSURE THE FIRST CATEGORY 6 SUPERSTORM?



Scoring grid

(Re)insurer	Country	Relative strength of re/insurers' fossil fuel policies among overall industry weakness							
		Underwriting						Investment	
		Oil and Gas		Coal		Total		Total	
		Score	Rank	Score	Rank	Score	Rank	Score	Rank
Generali	Italy	7.3	1	6.7	3	6.4	1	6.4	2
Allianz	Germany	4.6	2	7.6	1	6.2	2	4.3	9
Zurich	Switzerland	3.7	4	7.4	2	5.4	3	5.8	4
Swiss Re	Switzerland	3.5	5	6.2	5	5.1	4	5.7	5
Aviva	United Kingdom	3.8	3	5.6	7	4.1	5	5.1	7
AXA	France	2.2	10	6.4	4	3.9	6	6.3	3
Hannover Re	Germany	3.2	6	4.3	9	3.7	7	3.4	13
Axis Capital	United Kingdom	1.3	15	6.2	5	3.4	8	5.1	8
Munich Re	Germany	2.8	7	4.2	10	3.1	9	4.1	11
HDI Global – Talanx	Germany	2.6	8	3.2	12	3.0	10	3.5	12
SCOR	France	1.9	11	4.6	8	2.9	11	9.7	1
Mapfre	Spain	2.2	9	3.9	11	2.7	12	4.3	9
AIG	USA	1.3	12	1.8	14	1.6	13	2.1	16
QBE	Australia	1.1	17	2.1	13	1.5	14	5.5	6
Tokio Marine	Japan	1.3	14	1.5	15	1.4	15	2.0	18
MS&AD	Japan	1.1	18	1.2	17	1.4	15	2.0	18
Sompo	Japan	1.3	13	1.2	17	1.3	17	2.6	15
Chubb	USA	1.2	16	1.2	17	1.2	18	0.9	21
Samsung FM	South Korea	1.1	18	1.4	16	1.2	19	2.0	18
The Hartford	USA	0.9	20	1.2	17	1.1	20	2.6	14
Travelers	USA	0.9	20	1.2	17	0.9	21	2.1	16
Fairfax Financial	Canada	0.4	22	0.8	22	0.5	22	0.0	26
Ping An	China	0.0	24	0.6	23	0.4	23	0.9	21
Liberty Mutual	USA	0.0	24	0.6	23	0.2	24	0.9	21
Lloyd's	United Kingdom	0.1	23	0.1	25	0.1	25	0.2	25
WR Berkley	USA	0.0	24	0.0	26	0.0	26	0.9	21
Berkshire Hathaway	USA	0.0	24	0.0	26	0.0	26	0.0	26
Everest Group	USA	0.0	24	0.0	26	0.0	26	0.0	26
PICC	China	0.0	24	0.0	26	0.0	26	0.0	26
Starr	USA	0.0	24	0.0	26	0.0	26	0.0	26

Scoring Key



At a glance

Notable First Movers

- **Generali** adopted restrictions across the oil and gas value chain, including for new LNG terminals developed by 'transition laggards'
- **Zurich** defined a policy on metallurgical coal, excluding both new mines and their developers
- **MS&AD** set an absolute target to reduce a portfolio of insured emissions – a first in Asia
- **Chubb** dropped Rio Grande LNG, after protests by the Carrizo/Comecrudo Tribe of Texas

Ranking Change Highlights

- **Generali** overtook **Allianz** for the strongest policies overall
- **Zurich** jumped to top 3 and overtook **AXA** and **Swiss Re**
- **Tokio Marine** and **MS&AD** gained two spots in the ranking
- Most scores and rankings changed little – a worrying picture of an industry slowing down its action on fossil fuels as climate damages barrel towards non-linear thresholds

State of Fossil Fuel Restrictions

Coal:

- 25 out of 30 re/insurers assessed have restrictions on coal underwriting (24 last year)
- 18 re/insurers exclude new coal mines and power plants
- Only 6 exclude companies developing new coal projects
- 8 re/insurers plan a coal phase-out by 2030 in OECD/Europe and 2040 globally: **Allianz, AXA, Axis Capital, Generali, Mapfre, SCOR, Swiss Re, and Zurich**
- 4 reinsurers (**Hannover Re, Munich Re, SCOR, Swiss Re**) plan to drop coal from treaty reinsurance⁵⁶ by these deadlines, though policies remain vague
- 25 re/insurers out of 30 have some coal investment restrictions. Only 11 (up from 10, with a policy by **Munich Re**) refuse to invest in coal companies not aligned with a 1.5°C pathway.

Oil & Gas:

- 23 out of 30 re/insurers now have some oil and gas restrictions (22 last year)
- 11 European re/insurers exclude new upstream oil and gas projects – up from 10 last year with **Zurich's** new policy,⁵⁷ leaving **Lloyd's** as the ultimate climate laggard in Europe
- 15 re/insurers (14 last year) exclude coverage for companies heavily involved in tar sands, and 7 do so for Arctic oil and gas
- 8 re/insurers (up from 6) have begun building oil and gas phase-out strategies, which need strengthening⁵⁸
- 2 reinsurers, **Hannover Re** and **Swiss Re**, have some guidelines scrutinizing their oil and gas treaty business⁵⁹
- 21 insurers out of 30 have some oil and gas investment restrictions – but only **SCOR** excludes companies expanding upstream oil and gas

Human Rights and Indigenous Rights

- 6 re/insurers now have commitments to Free, Prior, and Informed Consent, with **Hannover Re, HDI Global** and **Zurich** joining **Allianz, AXIS Capital** and **Swiss Re**
- 29 re/insurers now exclude coverage for the East African Crude Oil Pipeline (EACOP), with six additions this year

Opportunities For Progress In 2025:

- Policies ruling out all fossil fuel expansion, incl. methane LNG and metallurgical coal
- Coal, oil and gas restrictions to treaty reinsurance
- Free, Prior, and Informed Consent policies and effective implementation
- Rule outs of projects with documented human rights harms

Insurers enable dangerous methane LNG buildout while abandoning frontline communities

New evidence reinforces why insurers must stop supporting LNG expansion, one of the biggest risks of global fossil fuel lock-in, with \$220 billion of import capacity expansion planned in Southeast Asia and the largest supply expansions planned by Qatar and the U.S.⁶⁰ In April, the U.S. Senate Budget Committee exposed a decades-long campaign by the fossil fuel industry that misled the public about methane gas as a “bridge fuel” while internally acknowledging serious climate risks.⁶¹ Then in October, peer-reviewed research found U.S. LNG exports worsen climate change at least as much (or even more) than coal, completely undermining LNG’s role in a rapid climate transition.⁶²

A report by Public Citizen and Rainforest Action Network exposed at least 35 insurance companies that were enabling a massive buildout of LNG export terminals along the U.S. Gulf Coast, despite threats to communities and sacred Indigenous lands.⁶³

“In Louisiana, our insurance keeps going up and that’s if you’re lucky enough to find coverage at all. The same climate risks that insurance companies use to justify my rate hikes are made worse by the methane bombs they quietly insure in our neighborhoods. It’s nonsense! Forcing families like mine to pay more so that a toxic industry can make billions is flat out wrong and it must stop.”



Roishetta Sibley Ozane,
resident of Lake Charles and
founder of the Vessel Project of Louisiana



60

documented releases
of hazardous
pollutants for
Cameron LNG

Through over 50 Freedom of Information Act requests – necessary because companies systematically hide their involvement from affected communities – the report revealed insurers’ roles in seven major LNG projects including:

- Freeport LNG (Texas): Insured by **AIG, Allianz, AXA, Chubb, Liberty Mutual, QBE, Starr, SCOR, W.R. Berkley** and others – a facility with a history of fires, safety incidents, and regulatory violations that experienced a major explosion in 2022.
- Rio Grande LNG (Texas): Insured by **Chubb** who dropped it after protests by the Carrizo/Comecrudo Tribe of Texas, whose sacred sites face threats. **AIG** stepped in without securing Free, Prior and Informed Consent from the tribe.
- Cameron LNG (Louisiana): Insured by **AIG, Allianz, AXA, Chubb, Liberty Mutual, Munich Re, The Hartford, Tokio Marine, SCOR, Starr, Swiss Re, W. R. Berkley, and Zurich** - a facility with over 60 documented releases of hazardous air pollutants including cancer-causing benzene.

Frontline communities, particularly Black and Brown communities, are experiencing disproportionate pollution impacts from these terminals while also being hit with rapidly increasing insurance rates and decreasing availability of coverage. Despite the fact that communities within three miles of proposed terminals are exposed to more dangerous particulate matter than 80% of U.S. residents, their rights to consultation and consent are routinely ignored.⁶⁴

The frenzy of LNG supply expansion, trampling on human rights, is expected to face a demand mismatch within the next two years as imports fall in Japan, South Korea, and Europe – that collectively account for half of all LNG demand.⁶⁵ Other countries planning to import more LNG, such as Vietnam, the Philippines, and Thailand, can meet most of their energy demand growth by deploying solar and wind energy.⁶⁶

With solar and wind energy already cheaper than fossil fuel alternatives and able to provide over a third of needed emissions reductions by 2030 for a 1.5°C pathway,⁶⁷ insurers must urgently redirect their focus from risky LNG expansion to accelerating clean energy buildout, with strong human rights safeguards.



Renewable energy premiums under 30% of fossil fuel premiums, threatening to bottleneck transition

Insurance capacity must rapidly expand to enable \$10 trillion of committed climate transition investment by 2030, according to **Howden**.⁶⁸ Despite clean investments set to be twice as high as fossil fuels globally this year,⁶⁹ data from market intelligence firm Insuram reveals a stark mismatch – direct premiums written for renewable energy activities total \$6.5 billion, making the aggregate renewable energy insurance market less than 30% the size of the aggregate commercial fossil fuel insurance market in 2023.⁷⁰ This disparity risks creating a bottleneck for the energy transition, with climate impacts already straining insurance accessibility.

The fossil fuel insurance market reached \$22 billion in 2023, growing marginally in the last two years in nominal terms (\$21.3B in 2022 and \$20B in 2021). Captive insurance capacity (insurers owned by the insured) made up another \$10 billion. This growth persists even as scientists warn emissions must decrease by over 7% annually to avoid the worst climate impacts.⁷¹

The top 30 fossil fuel insurers each underwrote between \$0.22 to \$0.75 billion of direct premiums in 2023 for commercial fossil fuel clients, with Bermuda-based **AEGIS** and Chinese insurer **PICC** in their own league at \$1.78 and \$1.25 billion respectively.⁷²

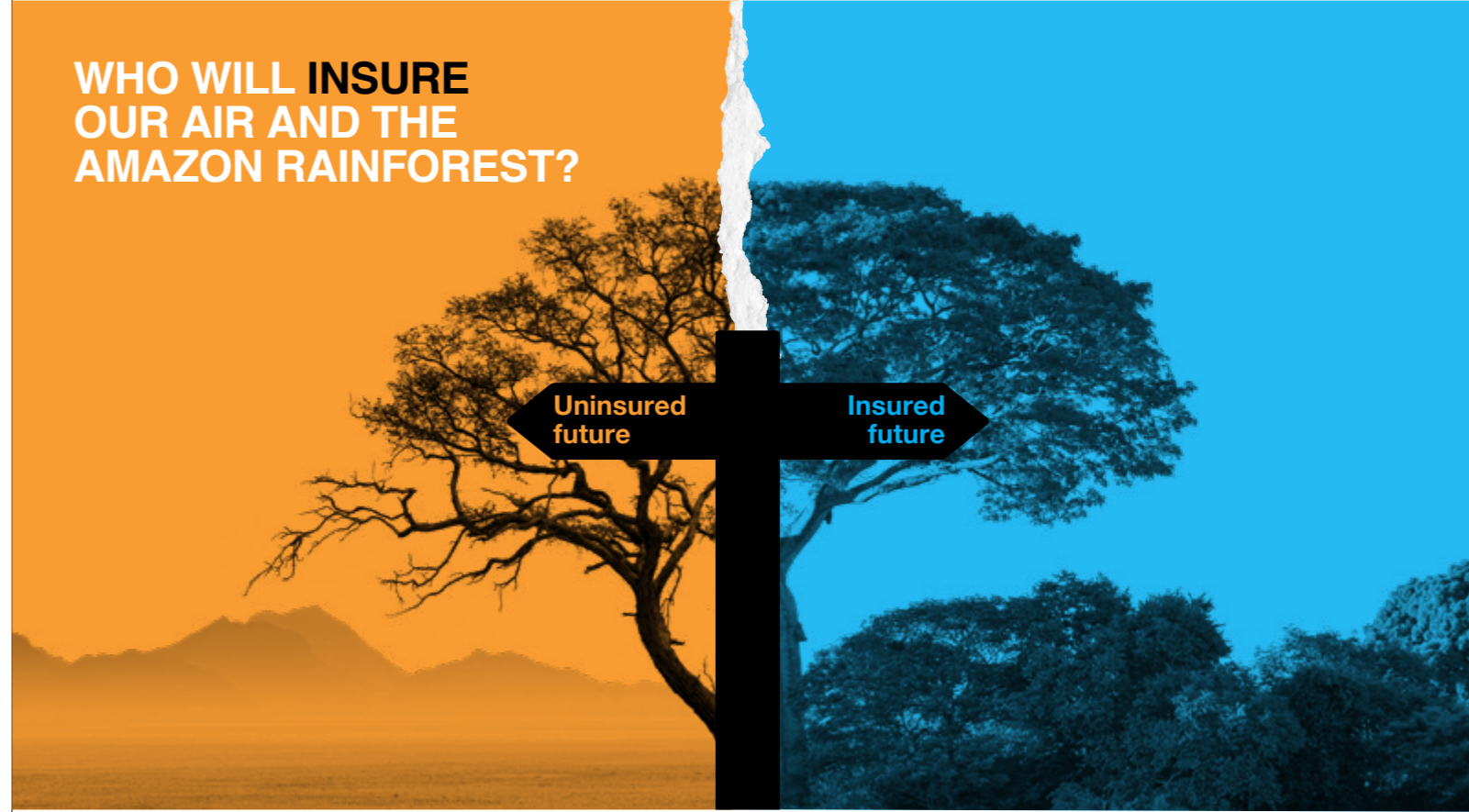
Nearly all major insurers remain heavily skewed toward fossil fuels compared to renewables in their energy underwriting portfolios (excluding nuclear). European insurers range in their fossil fuel exposure between 57-82% (**Generali** at 57% and **Mapfre** at 82%), while U.S. insurers lag farthest at 73-85% (**Travelers** at 73% and **W.R. Berkley** at 85%), and major Asian insurers maintain 64-76% exposure (**Ping An** at 64% and **PICC** at 76%).

2x

clean investments compared to fossil fuels this year



WHO WILL INSURE OUR AIR AND THE AMAZON RAINFOREST?



The top coal insurers are dominated by Chinese and Japanese carriers – **Yingda Taihe**, **PICC**, **Tokio Marine**, and **Sompo** are in the top five. In oil and gas, the top ten includes **AEGIS**, **Chubb**, **Fairfax**, **Allianz**, **MAPFRE**, and **AXA**, joined recently by **FM Global**.

Only three major insurers (not part of the top 30 fossil fuel insurers) underwrite more direct premiums for renewable energy than fossil fuels. **AXIS Capital** leads with 92% renewable energy coverage, followed by Aviva at 84% and Munich Re at 72% – however, their policies still do not exclude all new oil and gas projects, which is especially significant for Munich Re’s reinsurance business (not reflected in this data).

Meanwhile, China’s insurers, despite very weak fossil fuel restrictions, are positioning for the future – it is the only country with three carriers (**PICC**, **Ping An**, and **Yingda Taihe**) among the top 10 renewable energy insurers by direct premiums written. This reflects China’s renewable energy dominance – and sets up Chinese insurers with the expertise to expand to international markets as competitors to western and East Asian insurers, who risk falling behind on one of the biggest growth opportunities for the industry.

Howden recommends that insurers forge longer-term partnerships with renewable energy developers while improving risk analytics to close the capacity gap. But scaling up isn’t enough – insurers must also adopt strong human rights standards and Free, Prior, and Informed Consent (FPIC) policies to ensure this unprecedented clean energy buildout benefits local communities.

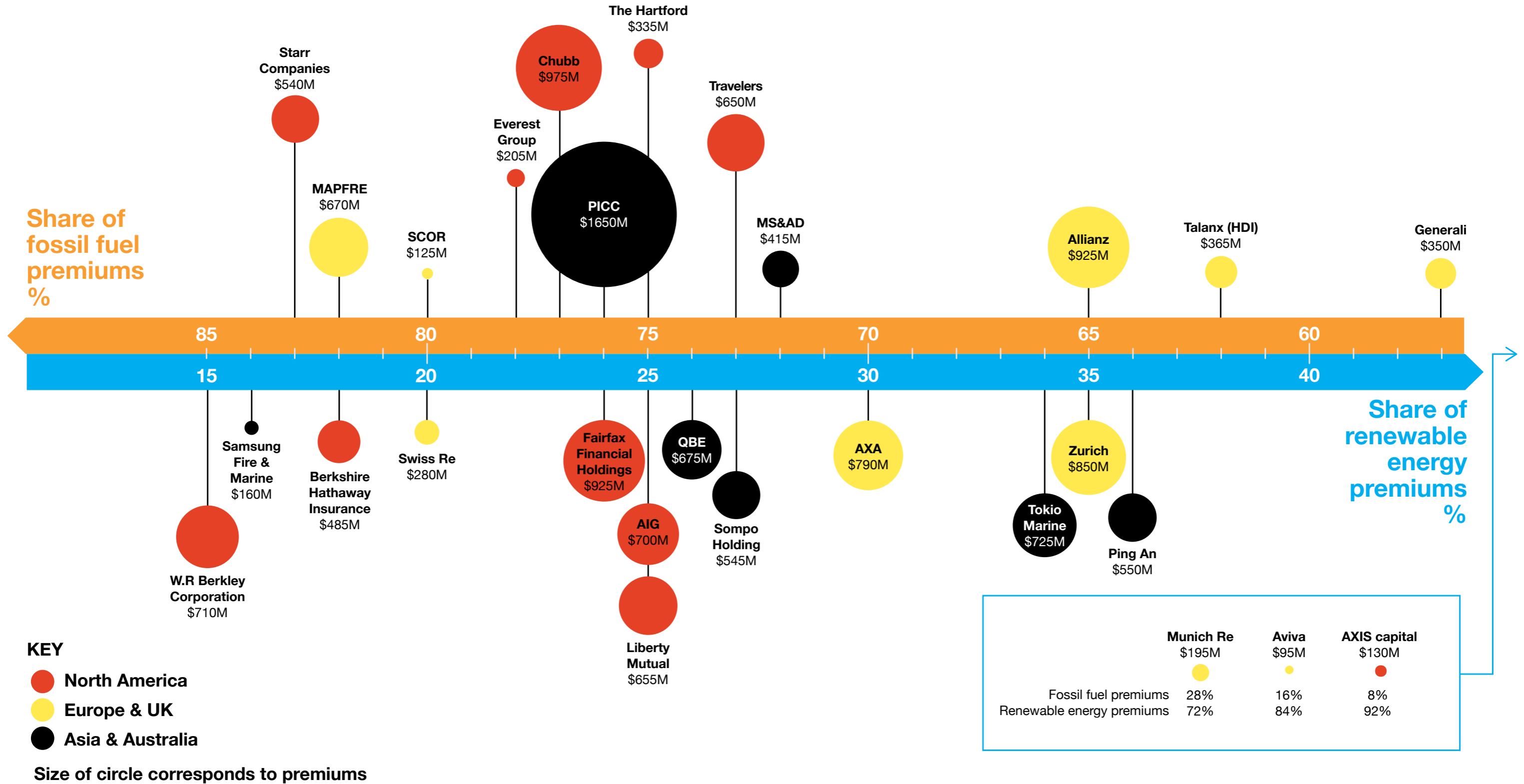
Currently, only five re/insurers – **Allianz**, **AXIS Capital**, **HDI Global**, **Swiss Re** and **Zurich** – have committed to take FPIC into account in their due diligence process before providing insurance coverage. With over 200 allegations of adverse human rights impacts linked to renewable energy projects between 2010-2020,⁷³ insurers must do more to safeguard communities. Only by advancing both climate action and justice can insurers help deliver a transition that works for people and the planet.

92%

AXIS Capital has highest renewable share of energy premiums

Figure 6:
Relative proportion of direct premiums written for fossil fuels versus renewable energies (%)

Company numbers represent total direct premiums underwritten for energy in 2023, without nuclear (USD millions)



The 2% question: why are insurers choosing climate destruction over clean opportunity?

Analysis of 28 major property and casualty insurers with a collective global market share of 35.3% shows that commercial fossil fuel premiums represent under 2% of their total insurance premiums in 2023 – essentially pocket change. Moreover, these insurers’ share of climate-attributable losses, estimated at \$10.6 billion, nearly matched the \$11.3 billion of premiums they underwrote for fossil fuels.

This reveals how the relatively small revenue stream from fossil fuels is undermining insurers’ broader business. For 15 major insurers, including **Allianz, AXA, MS&AD, Liberty Mutual, Tokio Marine, Travelers, and Zurich**, climate-attributable losses now appear to exceed their fossil fuel premiums entirely, raising serious questions for the property and casualty sector about the economic logic of underwriting fossil fuel expansion past the brink of climate tipping points.

The mathematics of climate change exposes the flawed logic: climate losses will grow, as will the clean energy market, while fossil fuels face structural decline as the world transitions to net zero.⁷⁴ However, insurers profit from climate risk too – **Swiss Re** estimates climate risk could generate \$149-183 billion in additional premiums by 2040,⁷⁵ but household and public budgets are already straining to afford the ever-growing climate price tag. This brings the industry to a crossroads – risk pushing society past breaking points, or accelerate the transition to dampen losses for all.

The insurance industry holds enormous and unused power over fossil fuel expansion risks. Just as insurers’ withdrawal from communities facing climate hazards has created an insurance crisis for people, they could use their short-term contracts to withdraw from fossil fuel expansion next year and steer the world towards climate safety faster than perhaps any other industry or even a single government could. Already, new coal mines and power plants outside China are increasingly uninsurable,⁷⁶ but insurers have so far not taken commensurate measures that are well within their power to curb oil and gas expansion.

15

insurers have est. climate losses exceed fossil premiums



Since new projects represent just a fraction of fossil fuel premiums, insurers could rein in oil and gas expansion and directly stem the growth of climate risk, even without affecting most of their existing fossil fuel revenue.

While the fossil fuel industry would surely opt for alternatives like mutuals and captives, it would not find it easy to rapidly replace insurance capacity – let alone reinsurance capacity – for expansion.

Yet most insurers remain shackled to the past and unwilling to leap into the future. For insurers still collecting outsized fossil fuel premiums with weak restriction policies, like **AIG, Chubb, Mapfre, Sampo, Starr, and W.R. Berkley**, this represents either a strategic blunder or a cynical bet – clinging to a relatively small revenue stream facing structural decline while counting on the increased climate risk growth it fuels, and transferring catastrophic harms to others.

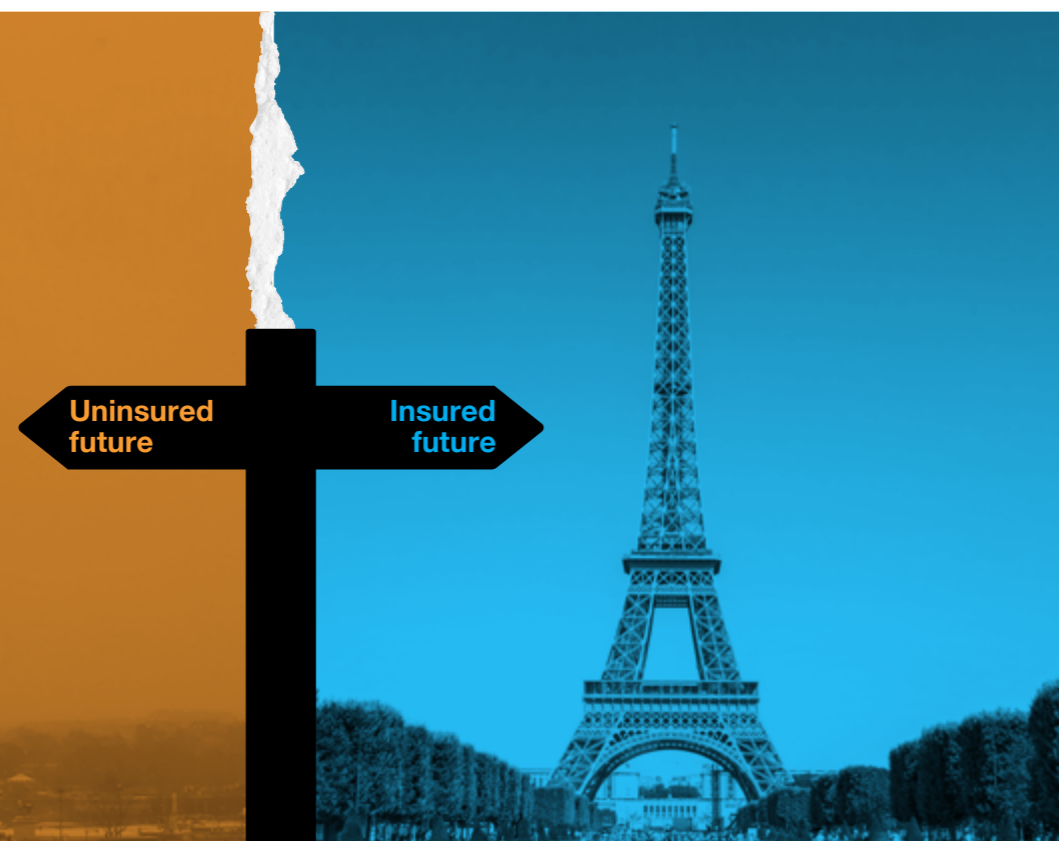
This also creates a perverse dynamic where insurers further along in the climate transition – liken **Aviva, Allianz, AXIS Capital, Munich Re, and Generali** – face mounting climate losses made worse by their slower-moving peers.

The frontrunners should not remain silent. They should advocate boldly for regulatory action to level the playing field and accelerate the industry-wide shift from fossil fuels to renewables. With climate impacts escalating and regulatory scrutiny intensifying, the window for voluntary leadership is closing. The final section of this report explores how policymakers and regulators must step in to ensure the insurance industry serves its purpose to insure our future, rather than undermine it.

2%

fossil fuel portfolio holds outsized power to stem climate risks

WHO WILL INSURE EUROPE'S ICE AGE IF OCEAN HEAT TRANSFER FAILS?



Insure Our Future's demands for insurers

This year, Insure Our Future updated the campaign demands to urge insurers to recoup climate costs from the fossil fuel industry, and scale up investments in a clean energy economy. This includes renewable energy generation, energy efficiency measures, storage capacity, grid infrastructure and more.

A just transition must provide affordable energy access to underserved communities, support impacted workers, and protect nature. Independent, science-based definitions must guide decision-making and avoid locking in unsafe technologies.

The fossil fuel industry fires the first shot against its insurers — how will insurers respond?

At least 86 lawsuits have been filed against big fossil fuel companies and more are coming.⁷⁷ A recent case suggests the fossil fuel industry is turning against its own insurers over climate liability. In Hawai'i, oil company Aloha Petroleum sued its insurer, an AIG subsidiary, for refusing to defend it in climate lawsuits — and lost when courts ruled greenhouse gas emissions are excluded pollutants under the insurance policies.⁷⁸ It is likely not the last time that the fossil fuel industry will try to pin its liabilities on its insurers, who would probably be wise to consider playing offense over defense. Insurers without fossil fuel clients are also exposed to climate losses, and may have stronger incentives to sue. A clash is coming: as climate losses mount, property and casualty insurers will increasingly be tempted to follow the precedent of health insurers who successfully sued tobacco companies to recover damages,⁷⁹ and perhaps more importantly — send a clear message. Which re/insurer(s) will move first?

Our demands:

- 1 Immediately stop insuring new and expanded coal, oil and gas projects
- 2 Immediately stop insuring any new customers from the fossil fuel sector which have not published a transition plan aligned with a credible 1.5°C pathway, and stop offering any insurance services which support the expansion of coal, oil and gas production even among existing customers. By the end of 2025, completely phase out all insurance services for existing fossil fuel company customers which have not published such a transition plan.
- 3 Immediately divest all assets, including assets managed for third parties, from coal, oil, and gas companies which have not published a transition plan aligned with a credible 1.5°C and scale up investments in a just, equitable, and rapid global transition to a clean energy economy.
- 4 Immediately define and adopt binding targets for reducing insured emissions which are transparent, comprehensive and aligned with a credible 1.5°C pathway.
- 5 Explore ways to bring fossil fuel companies to court in order to make polluters rather than insurance customers pay for the growing costs of climate disasters.
- 6 Immediately 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.
- 7 Immediately bring stewardship activities, membership of trade associations and public positions as a shareholder and corporate citizen in line with a credible 1.5°C pathway in a transparent way.

Lawmakers and regulators: act today to secure a just transition

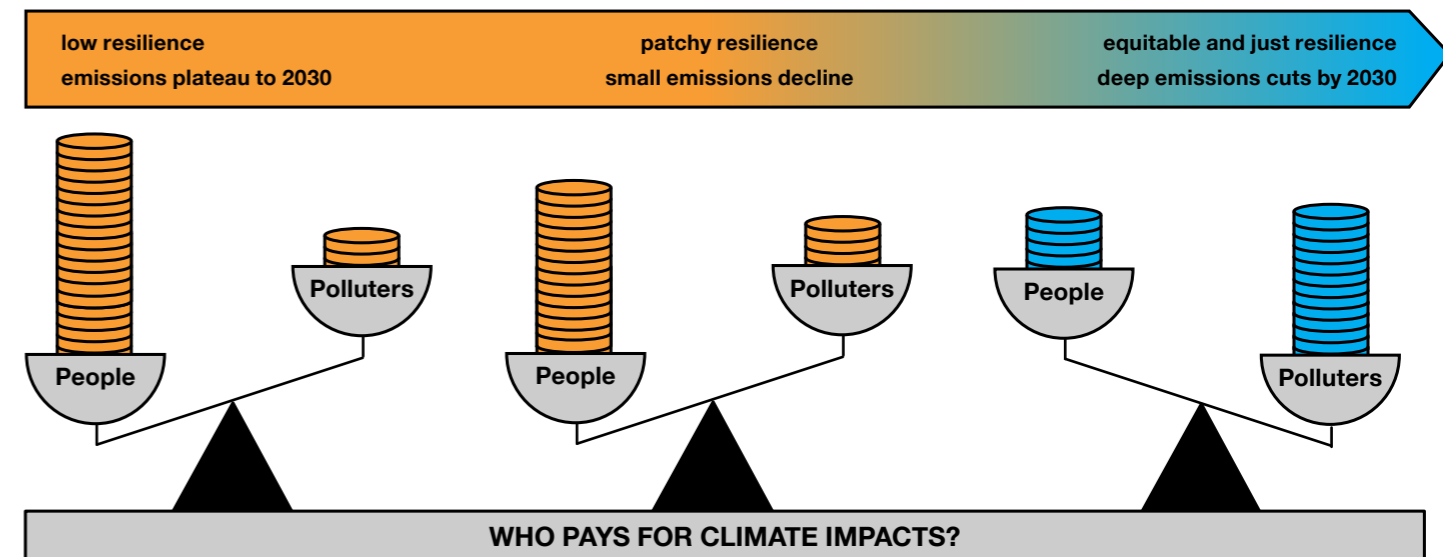
Three scenarios to inform regulatory action

Lawmakers and regulators need to take decisive measures to steer critical and interconnected insurance decisions that are affecting the public interest and financial stability: on decarbonization, community protection and resilience, and allocation of climate costs.

Without major interventions, the industry's current trajectory barrels towards one of the first two devastating scenarios. However, with ambitious and urgent policy and regulatory steps (the final scenario), we have the opportunity to secure a just and insured future:



Figure 7: Three factors together improve scenario outcomes: Pace of emissions cuts; Funding for effective resilience; Polluters paying for climate damages



Markets Fail The World: Corporate Impunity, Public Rock Bottom

Private insurance retreats from ever-greater regions and classes of climate risk, while driving risks past non-linear and irreversible thresholds by supporting fossil fuel business-as-usual. As climate disasters intensify and tipping points cause unprecedented harms, entire countries are at risk of being written off as 'uninsurable', compounding debt crises and development challenges.⁸⁰ Communities worldwide face repeated shocks that they do not have the resources to adapt to. Increasing uninsured losses usher in an era of economic turmoil, draining public budgets and fueling social strife. Meanwhile, insurers continue to profit from those who can still pay for protection while the fossil fuel industry locks in a future marked by catastrophes.

Too Little, Too Late: The Protected Few & The Abandoned Many

Incremental and piecemeal steps by policymakers and regulators cut emissions slowly this decade and keep insurance and resilience available for wealthier communities, who live in protected enclaves. Communities without such means are left underinsured as climate impacts get worse as a consequence, with effective and lasting resilience out of reach. Coverage increasingly disappears for marginalized communities, which compounds historic harms. Lower income countries are mostly uninsured and left to face the weight of climate shocks and injustice on their own. The fossil fuel industry avoids paying its fair share. Private insurers cherry-pick profitable markets while public programs strain under mounting losses. This creates a two-tier system where insurance availability deepens existing inequities, threatening to erode decades of social and global progress on standards of living.

Within Our Power: An Insured Future For All

Crisis inspires action – and public officials answer people's call to turn insurers' vicious cycle (exacerbating risks and dropping coverage) into a virtuous cycle (reducing risks and enabling affordable coverage). Even as insurers are required to transition rapidly from fossil fuels to clean energy this decade and support resilience to rising risks, climate costs still go up – but polluters are made to pay a fair share. Lower-income communities secure affordable protection with fairer risk-sharing approaches. Areas facing unavoidable climate risks receive managed retreat support. Protection gaps gradually close globally as the industry serves as an effective and good-faith partner to governments to leave no one behind. Rapid emissions reductions today gives communities worldwide time to prepare for a hotter world, avoiding overwhelming impacts.

The choice among these futures lies with policymakers and regulators today. The longer the delay in ambitious regulation of the insurance industry and broader climate action, the more likely we are to trigger societal tipping points in insurance markets and economies that could prove exceptionally difficult to reverse.⁸¹

While resilience is highly localized and beyond the scope of this report, the following section contains recommendations to decarbonize insurance and alleviate the cost burden faced by communities.

Policy Recommendations: Within Our Power To Insure Tomorrow

Regulators and policymakers must take ambitious, coordinated and effective measures to address the extreme risks to communities and the financial system posed by warming trajectories that surpass 1.5°C.

Recommendations

- 1 Take precautionary action** by integrating climate risks into the supervisory framework and capital standards for internationally-active insurance groups, recognizing that the impact of environmental risks - including climate and nature-related risks - are far-reaching, non-linear with uncertain thresholds, and sometimes irreversible.
- 2 Oversee insurers' management of climate risks** and corresponding mitigating measures to ensure the safety and soundness of insurance undertakings and ability to provide coverage. Assessments should include an examination of insurers' alignment to the goal of limiting global warming to 1.5°C,⁸² including insurer underwriting of and investments in the fossil fuel sector.
- 3 Implement policies that support just allocation of climate risks and costs** to protect individuals, entities, and communities from shouldering risks and costs they did not create and have limited capacity to manage. These policies should also strengthen the financial capacity of entities, such as municipalities and smaller financial entities.⁸³ Additionally, access to public reinsurance or other government-related financial support for large insurers should be tied to reducing their involvement in fossil fuel underwriting and investments.

4 Mandate data transparency by requiring insurers to disclose comprehensive and accurate data on both physical and transition risks, sectoral composition of investment portfolios, insurance accessibility, and fossil fuel expansion underwriting. Regulators should also develop standardized risk modeling platforms and data to which the public has free access.

5 Mandate the use of scientifically robust climate scenario analysis that captures the full complexity of climate-related risks, including tipping points. Regulators should advance macroprudential climate scenario analysis to evaluate insurers' safety, soundness, and the stability of the financial system under increasing climate risks. These analyses must rely on scientifically robust models to assess systemic resilience effectively.⁸⁴

6 Require insurers to develop, implement and disclose 1.5°C-aligned transition plans aligned with limiting warming to 1.5°C with the least possible overshoot. To be credible, these plans must include measurable near and long-term targets, prioritize emissions reductions across their value chain without reliance on carbon credits, and demonstrate insurers' commitment to transitioning from fossil fuels to clean energy as both underwriters and investors.⁸⁵

7 Require higher capital requirements for fossil fuel exposure to ensure insurer's own safety and soundness and to account for risks insurers are creating for the financial system.⁸⁶

The building blocks are present to advance transformative action on insurance and climate. The European Insurance Authority's upgraded capital requirements for fossil fuel assets and New York's groundbreaking proposed law to drive insurance decarbonization while protecting communities demonstrate what is possible when lawmakers and regulators act with urgency in the public interest.⁸⁷ Industry frontrunners who understand this urgency and are already in transition – but facing climate losses exacerbated by the inaction of laggards – need to advocate for a level playing field.

The heavy headwinds that remain cannot rob us of our agency or distract us from what climate science tells us – we need to cut emissions 7% annually this decade to have the best chance to insure today's children over their lifetimes. The daunting feat is increasingly favored by economics, with renewable energy now cheaper than fossil fuels in most places. Insurers' previous roles to advance workplace and fire safety should inspire the industry to rise to its greatest challenge and drive climate safety. It is within our power to take this path – and forge a common mission across willing governments, bold industry voices, clear-sighted reporters, and a powerful civil society to cut emissions today and insure tomorrow.

Climate-attributable insured weather losses

This analysis was performed by SEO Amsterdam Economics. The estimation of global weather-related insured losses attributable to climate change drew on two distinct datasets: (i) reported weather-related insured losses, and (ii) climate change attributable losses for extreme weather events. The methodology used published findings and applied current practices in peer-reviewed climate attribution science and is outlined below.

Reported weather-related insured losses were compiled by triangulating data from five leading global companies (**Aon, Gallagher Re, Munich Re, Swiss Re, Verisk**). Where disaggregated data for weather-related events was unavailable, a transformation was performed to remove non-weather-related losses. This consisted of computing the yearly share of non-weather-related losses for available figures and applying it to reported global natural hazard (weather and non-weather) losses. A minimum, a maximum and a best estimate of global extreme-weather event insured losses – given by the simple average of observations across the five sources – were derived.

Climate change attribution factors were sourced from Newman and Noy (2023), who built the most comprehensive Extreme (weather) Event Attribution (EEA) database to date. The authors compiled data on losses and climate attribution for 185 extreme weather events to estimate the share and value of global climate change attributable losses. In particular, Newman and Noy (2023) used the Fraction of Attributable Risk (FAR) of each event to quantitatively translate the portion of risk for which climate change is accountable for – for example, a FAR of 0.40 indicates that the evaluated event was made 40% more likely to occur due to climate change. The FAR attribution can then be directly multiplied by total damages to get each event’s Climate Change cost (CCcost) – i.e., $CCcost = FAR * Cost$. This means that if a hurricane with a FAR of 0.40 causes \$100 million in losses, then \$40 million of those losses can be attributed to climate change. This calculation was performed for each event and then aggregated and extrapolated to determine global climate-attributable losses.

This approach of peer-reviewed science makes intuitive sense. If climate change has doubled the chance of an extreme weather event in a given year and two such events take place within a year, then all other things being equal, climate change (and the greenhouse gas emissions causing it) should account for one of the two events (and its consequences) that would not have happened otherwise.

This analysis followed this methodology and applied Newman and Noy’s computed yearly shares of global climate-attributable losses proportionally to the triangulated estimates of reported global insured losses. This yielded the annual estimates of global climate-attributable insured losses. In addition, following best practices and industry standards, five-year moving averages were used to analyze trends amidst year-to-year variability in the data. These can be computed by taking the five-year rolling average of the year in question and preceding four years. Because the data covered two decades, the five-year average could be calculated for a sub-section of the period. The last decade of five-year-averages (2012-22) is shown.

Comparison of climate-attributable losses and fossil fuel underwriting

This is an exploratory calculation that compares (i) estimates of property and casualty insurance company exposure to fossil fuel companies to (ii) estimates of an insurance company’s insured losses attributable to climate change. The purpose is to provide a high-level comparison between fossil fuel-derived underwriting revenue and the mounting climate-related losses borne by insurers that are directly and indirectly driven by the operations and products of the fossil fuel sector, that are directly facilitated by the provision of insurance coverage, and that the withdrawal of noted insurance coverage today has meaningful influence to reduce the growth of the same climate losses far into the future.

Market intelligence firm Insuramore provided Insure Our Future with data and estimates of three relevant figures for each of 28 global property and casualty insurance companies that were assessed: total gross direct premiums written (“GDPW”) inclusive of commercial and personal lines; global market share of total GDPW; and GDPW attributable to customers engaged in fossil fuel-related businesses such as coal mining, oil and gas extraction, and coal and gas-fired electricity production.

Two companies from the 30 represented in the scorecard were excluded from these estimates: Lloyd’s, on the basis that much of its estimated fossil fuel GDPW would be accounted for by other insurance groups due to its marketplace structure, and Hannover Re, on the basis that all or the vast majority of its activity is classifiable as reinsurance, so its direct fossil fuel premiums underwritten is likely to be non-existent or negligible.

The \$30 billion annual average (2002-2022) for global climate-attributable insured losses was used for 2023, a conservative choice given the figure for 2022 exceeded \$50 billion and the recent rising trends. The \$30 billion was allocated to in-scope companies in proportion to Insuramore’s estimated global market share of total property and casualty premiums (commercial and personal lines).

For each company, Insuramore’s midpoint value for gross premiums written related to fossil fuel companies were compared directly to the company’s pro rata share of climate-attributable insured losses on both a dollar and percentage basis.

Scoring grid assessments

This is Insure Our Future’s eighth annual scorecard.

- 30 major property and casualty re/insurers were sent a detailed questionnaire – 17 responded (19 in 2023). For non-responsive insurers, publicly available information was used in the assessment.
- Canadian insurer **Fairfax Financial** replaced Chinese insurer **Sinosure** among companies assessed this year.
- Expansion of conventional oil and gas and coverage for new LNG terminals received heavier weighting, and metallurgical coal (significant for decarbonizing heavy industry) was added as a specific criterion within coal underwriting.
- Free Prior and Informed Consent policies were highlighted more prominently in the questionnaire.
- Further details about the methodology can be found at insure-our-future.com/scorecard

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57. Allianz, AXA, Aviva, Generali, Hannover Re, HDI - Talanx, Mapfre, Munich Re, SCOR, Swiss Re, and Zurich make up the 11 European re/insurers. Among them, AXA, Mapfre, SCOR and Swiss Re apply an exception for new upstream oil and gas projects that would be developed by companies in so-called 'transition'. Stating that a company is both in transition and developing new upstream oil and gas projects is an oxymoron.
58. Munich Re and Tokio Marine joined Allianz, Aviva, Generali, Hannover Re, HDI Global, and Swiss Re to make up the 8 insurers who have begun building oil and gas phase-out strategies. These must be aligned with a 1.5°C pathway with the smallest overshoot possible to be science-based.
59. The two reinsurers have different approaches. Swiss Re assesses the oil and gas "approach" developed by the cedent to ensure it falls within Swiss Re's business appetite according to the Sustainability Risk Management team. Hannover Re made the commitment not to reinsure portfolios dedicated to new upstream oil and gas and new transportation and storage projects that support these new upstream projects.
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WITHIN OUR POWER

The 2024 Scorecard on Insurance, Climate Change, and the Energy Transition

Communities worldwide face the steep and mounting costs of past inaction to rein in greenhouse gas emissions. Meanwhile, insurers are withdrawing coverage for climate risks while continuing to push them higher through essential underwriting services for fossil fuel expansion. We stand at a crossroads where decisions today will lock in irreversible damages from tipping points, or avoid the worst harms tomorrow.

This report examines what 20 years of climate attribution science reveals about today's insurance crisis, explores the economic case for a rapid climate transition for the property and casualty sector, and analyzes the coal, oil, and gas policies of 30 leading primary insurers and reinsurers. For the first time, Insure Our Future also offers policy recommendations for lawmakers and regulators.

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