

SAMPLE LETTER TO INSURANCE CARRIER ABOUT FOSSIL FUELS

Dear Madam/Sir:

The city/county of [CITY/COUNTY] is concerned [and affected?] by the economic, social, and environmental consequences of climate change. In this context we are reviewing our practices, policies and contracts in order to minimize our contribution to the climate crisis and support the transition to a low-carbon economy. This includes assessing any indirect financing of some of the main drivers of climate change.

It has come to our attention that [INSURER] includes fossil fuels in its investment portfolio and provides underwriting to companies and projects engaged in the extraction or production of coal, oil, and gas. This means that [CITY/COUNTY] premiums are ultimately being invested in companies that are fueling climate change, which runs counter to our efforts to be part of the solution to the climate crisis.

As we review our contracts, [CITY/COUNTY] would like to respectfully request that you address your financial ties to the fossil fuel industry and consider reducing and ultimately phasing out your fossil fuel investments and underwriting. For example, burning coal is by far the single biggest source of carbon dioxide emissions compared to other fuels and has serious consequences for public health. And extracting tar sands is among the most carbon-intensive methods of producing oil and has serious negative impacts upon local and Indigenous communities.

In order for us to feel confident that our contract with [INSURER] is aligned with our sustainability goals, we'd like to respectfully request your response by [DATE] to the following requested actions:

1. Immediately cease insuring new and expanded coal, oil, and gas projects.
2. Immediately cease insuring coal companies, unless they have a coal exit plan that commits to close all coal-related assets by 2030 in EU/OECD countries and by 2040 globally.
3. Phase out, in line with a 1.5°C pathway, insurance for oil and gas companies.
4. 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. Any company that is building new coal, oil, or gas expansion projects is not aligned with 1.5°C.
5. 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.
6. Establish robust due diligence and verification mechanisms to ensure clients fully respect and observe all human rights, including the right to Free, Prior and Informed Consent (FPIC) as articulated in the UN Declaration on the Rights of Indigenous Peoples.

Other insurance carriers have adopted policies to begin to restrict their investments and underwriting in fossil fuels. We look forward to a productive conversation about [INSURER]'s efforts to this end and our relationship going forward.

Sincerely,