



September 2, 2021

Re: Underwriting the Trans Mountain Pipeline Network

To the CEOs of AIG, Chubb, Energy Insurance Limited, Liberty Mutual, Lloyd’s of London and Lloyd’s of London syndicates – Apollo, Arch, Ark, Beazley, Brit, Canopus, CNA Hardy, Hiscox, Inigo, MS Amlin, and Navigators – Markel, Starr, Stewart Specialty Risk Underwriting, and W.R. Berkley:

Summer 2021 has underscored the urgency of the climate crisis, with massive wildfires across the Western U.S. and Canada, devastating hurricanes in the Caribbean and the Gulf Coast, and deadly floods from Germany to China. The window for action to avert climate catastrophe is closing, according to the Intergovernmental Panel on Climate Change’s August 2021 report.¹ The findings, which UN General Secretary António Guterres described as a “code red for humanity,” outline the immediate need for strong and sustained reductions in greenhouse gas emissions to limit catastrophic climate change.

This limited window for action will close rapidly if we allow expansion of the dirtiest forms of fossil fuels, such as the bitumen that would be carried by the Trans Mountain Pipeline Expansion Project from Alberta to Vancouver, B.C., to proceed. This expansion would unleash up to 590,000 barrels per day² of tar sands bitumen onto the world market, resulting in the addition of up to 152 million tonnes of CO₂e³ into the atmosphere annually. We cannot simultaneously develop or expand dirty energy sources like tar sands oil and make progress on our urgent climate goals.

The Trans Mountain pipeline expansion also poses a grave threat to Indigenous rights and has failed to obtain the Free, Prior, and Informed Consent (FPIC) of all of the Indigenous communities impacted by the proposed route. As recent high-profile conflicts over projects such as TC Energy’s Keystone XL and Coastal Gas Link pipelines and Enbridge’s Line 3 and Northern Gateway

¹ [“Climate Change 2021: The Physical Science Basis,”](#) Intergovernmental Panel on Climate Change, August 2021.

² [“Trans Mountain Project Overview,”](#) accessed August 30, 2021.

³ This calculation is based on the following: 590,000 barrels per day for 365 days, calculating each barrel at 0.709 tonnes/barrel, which is based on estimates from Pembina: [“The Real GHG trend: Oilsands among the most carbon intensive crudes in North America,”](#) October 2017.

pipelines have demonstrated, proceeding with pipeline construction without FPIC represents a serious material risk that must be recognized and addressed.

In light of the significant climate, environmental, and human rights risks, we – the undersigned organizations – demand that your company publicly rule out insuring the Trans Mountain pipeline network and any expansion of the tar sands sector. We also call on your company to adopt, as policy, a requirement to ensure that clients have obtained and documented the Free, Prior and Informed Consent of impacted communities, especially Indigenous communities.

To date, 15 insurers have committed to not provide any coverage for the Trans Mountain pipeline expansion, and many have also ruled out support for the existing Trans Mountain pipeline.⁴ Yet we have received no response from your company in the lead up to the August 31, 2021 renewal for Trans Mountain’s operational insurance policy. We therefore assume that your company continues to insure Trans Mountain.

Following the Canada Energy Regulator’s approval of Trans Mountain’s request to keep the names of its insurers secret,⁵ your company – if it is not one of those insurers – should publicly announce that it has no involvement with Trans Mountain and commit not to be involved in the future.

The tar sands are one of the dirtiest, highest carbon sources of oil on the planet. An increase in tar sands extraction from the Trans Mountain expansion project would be wholly incompatible with Canada’s climate commitments and the goals set out in the Paris Climate Agreement. The climate cannot afford expanded tar sands extraction or any new fossil fuel infrastructure, as the International Energy Agency underscored in its May 2021 net zero pathway, which found that there can be “no investment in new fossil fuel supply projects” if we are to reduce global emissions to net zero by 2050.”⁶

Furthermore, the existing Trans Mountain pipeline is a major public health and environmental hazard with a long history of spills and leaks.⁷ The expansion project would multiply these risks tremendously, as oil spills threaten to pollute Indigenous drinking water sources and sacred waterways along the pipeline’s proposed route. The expansion line would increase tar sands extraction in Alberta, contaminating fresh water, clearing vast forests, and harming the health of local Indigenous communities. The sevenfold increase in oil tanker traffic through the Salish Sea would threaten endangered orcas and other marine populations. Meanwhile, the processing of tar sands oil in U.S. refineries exposes disproportionately Black and Latinx communities to toxic pollution.

Powerful Indigenous-led resistance on the ground and in the courts has delayed the expansion of Trans Mountain for more than a decade. There have been multiple lawsuits against the Trans

⁴ [“Un-insuring Trans Mountain,”](#) Stand.earth, accessed August 31, 2021.

⁵ Robert Tuttle, [“Oil Sands Pipeline Wins Bid to Hide Insurers From Activists,”](#) Bloomberg News, April 29, 2021.

⁶ [“Net Zero by 2050: a Roadmap for the Global Energy Sector,”](#) International Energy Agency, May 18, 2021.

⁷ [“Spill History,”](#) Trans Mountain, accessed August 30, 2021.

Mountain Expansion Project led by First Nations demanding adequate consultation and accommodation, and Indigenous land defenders, who have not consented to the project, are continuing to assert their rights and title along the pipeline's path.

One group of Secwépemc land defenders – the Tiny House Warriors – recently published an open letter⁸ to the Canadian federal government detailing the Indigenous rights abuses and surveillance they are experiencing on their lands at the hands of the Royal Canadian Mounted Police on behalf of Trans Mountain. As the letter states, “Targeting Indigenous people on their own land with intrusive, round-the-clock monitoring and remote multi-spectrum surveillance technology could represent a serious violation of privacy, civil liberties, human rights and Indigenous rights.”

Trans Mountain puts Indigenous communities, local ecosystems, and our climate at grave risk. We stand united against this toxic project. If your company is insuring tar sands expansion, it is recklessly pursuing profit while ignoring impacts to people and the planet. Moreover, continuing to support the tar sands expansion through underwriting and investments would pose a significant reputational risk for your company.

We urge your company to rule out insuring Trans Mountain and any expansion of the tar sands sector. We also call on your company to require that clients obtain and document the Free, Prior and Informed Consent of impacted communities, especially Indigenous communities.

Until you do, we will continue spotlighting your failure to publicly disclaim involvement with the Trans Mountain pipeline network and targeting your company for refusing to cut ties with this pipeline, rule out all tar sands expansion, and respect Indigenous rights.

Sincerely,

350.org
350Vancouver
Dogwood
Friends of the Earth US
Friends of the San Juans
Future Coalition
Indigenous Climate Action
Leadnow
Oil Change International
Public Citizen
Rainforest Action Network
Return to Athabasca
Sierra Club
Stand.earth

⁸ [“Open Letter,”](#) Tiny House Warriors, August 26, 2021.

SumOfUs
Sunrise Project US
Union of British Columbia Indian Chiefs
United Student Leaders
Washington Physicians for Social Responsibility
Waterkeeper Alliance
West Coast Environmental Law
Wilderness Committee
Women's Earth and Climate Action Network (WECAN)