



Insure
OUR FUTURE

2021 Scorecard on Insurance, Fossil Fuels and Climate Change: U.S. Insurers Falling Further Behind Global Industry

November 2021

Scorecard on Insurance

Insure Our Future's 2021 Insurance, Fossil Fuels and Climate Change report finds that while the global trend of coal exit policies continues to make coal "nearly uninsurable," U.S. insurers are providing a last lifeline to the industry. Many U.S. insurers, including AIG, Travelers, and Berkshire Hathaway, continue to insure coal operations and expansion without any restrictions whatsoever. The scorecard ranks 30 leading insurers, including 10 North American companies, on their fossil fuel insurance and investing policies, as well as other aspects of climate leadership.

Across the board, insurers are failing to move away from oil and gas underwriting, undermining global climate targets. The IPCC and IEA have made clear that no fossil fuel expansion is possible in a 1.5°C pathway. U.S. insurers have the largest market share of oil and gas underwriting, but not a single company has adopted a policy ruling out insurance for oil and gas expansion.

BY THE NUMBERS

The report evaluates **ten** of the largest North American property and casualty insurers: AIG, AXIS Capital, Berkshire Hathaway, Chubb, The Hartford, Liberty Mutual, Travelers, W.R. Berkley, and Bermudan insurers Everest Re and Convex.

Of those, **four** companies have restricted insuring and investing in coal: AXIS Capital, Chubb, The Hartford, and Liberty Mutual. AXIS Capital is the only company [that will not insure companies developing new coal projects](#) and has set a phaseout date for coal underwriting and investment business (2030 in OECD/EU countries and 2040 globally).

Two North American insurers have restricted insuring and/or investing in the tar sands oil sector: AXIS Capital and The Hartford. Additionally, [Chubb has dropped coverage of the Trans Mountain pipeline](#) following grassroots pressure, though it has not yet adopted a tar sands exclusion policy.

Meanwhile, **six** companies have yet to take any steps to restrict fossil fuel underwriting: AIG, Berkshire Hathaway, Travelers, W.R. Berkley, Everest Re, and Convex.

None of the U.S. insurers have policies on oil and gas expansion, despite having the largest market share of oil and gas underwriting.

None of the North American insurers have commitments to ensure that clients respect Indigenous Peoples' right to Free, Prior, and Informed Consent (FPIC) as articulated in the UN Declaration on the Rights of Indigenous Peoples.

U.S. INSURERS

U.S. INSURERS REMAIN GLOBAL LAGGARDS

In the last year, more global peers—including Lloyd's of London, Tokio Marine, and reinsurer Swiss Re—adopted new restrictions on coal underwriting and limiting oil and gas support. U.S. insurers giving a lifeline to the fossil fuel industry are increasingly isolated.

Insuring any new coal, oil, or gas project undermines the goals of the Paris Agreement to limit climate change, and yet, North American insurers are continuing to underwrite new fossil fuel infrastructure:

- **AIG, Berkshire Hathaway, Travelers, W.R. Berkley, and Everest Re** are still underwriting coal without any restrictions. **Convex** and faith insurer **GuideOne National** have recently entered the coal underwriting market, against the global coal exit trend.

- **AIG, Travelers, Chubb, Liberty Mutual, and The Hartford** [are among the largest global insurers of new oil and gas projects](#). North American insurers control the largest share (43% of premiums) of the global oil and gas market.

- To date, [16 insurers](#) have ruled out cover for the proposed expansion of the Trans Mountain tar sands oil pipeline in Canada. However, other insurers linked to the project—including AIG, Liberty Mutual, W.R. Berkley, and Lloyd's of London syndicates—have refused to publicly rule out involvement.

The U.S. insurance industry and these laggards in particular will face increasing pressure over the next year from the Insure Our Future campaign and partners. We're calling on the sector to:

- 1** Immediately cease insuring new and expanded coal, oil, and gas projects.¹
- 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.²
- 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.
- 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 mechanisms to ensure clients respect and observe all human rights, including Indigenous Peoples' right to Free, Prior and Informed Consent (FPIC).

AIG: FOSSIL FUEL INSURER OF LAST RESORT

Insurance industry giant American International Group (AIG) remains the largest coal insurer outside of China with no restrictions on coal underwriting. The company is one of the few insurers that is able and willing to underwrite new, multi-billion dollar coal projects. The company's lack of restrictions on coal underwriting led major shareholder Legal & General Investment Management to [drop its AIG holdings](#) in June.

AIG is also one of the [top three global insurers of oil and gas](#) and has failed to rule out coverage for the Trans Mountain tar sands pipeline, despite mounting grassroots pressure. In February of this year, Indigenous youth were violently removed by police for [peacefully occupying](#) AIG's Vancouver office over its involvement with Trans Mountain. A coalition of environmental and Indigenous rights organizations coordinated 25 actions across four continents during a [week of action](#) calling on AIG and other insurers to cut ties with the project. AIG has also failed to rule out coverage for the Adani Group's Carmichael coal mine in Australia, which 40 other insurers have already ruled out.

Climate and Indigenous rights groups have been in the streets demanding justice from these companies. Grassroots environmental groups have held protests and rallies at its New York headquarters and at the AIG-sponsored British Women's Open in Scotland, and activists have emailed and called company executives thousands of times. Yet the company makes greenwashing claims that it is "future-proofing communities" while continuing to support fossil fuel expansion. AIG can expect increasing pressure until it stops underwriting and investing in fossil fuels.



Growing Momentum

Insured losses from climate disasters are escalating. Every year the insurance industry is facing record costs associated with climate chaos. In the first half of 2021, natural disasters inflicted a staggering [\\$40 billion](#) in losses covered by insurance, the second highest on record.

Investors expect climate action. Investors are beginning to penalize insurers that fail to pull support for fossil fuels. The UK's largest asset manager, Legal & General Investment Management, [divested](#) from AIG in June because it continues to underwrite coal.

United Nations Secretary-General calls on insurers to end support for fossil fuels. In his remarks to the Insurance Development Forum in June, UN Secretary-General António Guterres [set clear expectations for insurers on climate](#): "We need net-zero commitments to cover your underwriting portfolios, and this should include the underwriting of coal — and all fossil fuels. COP26 must signal the end of coal."

Societe Generale analysts point to financial incentives for exiting oil and gas. A Societe Generale report found that restrictions on oil and gas insurance can unlock an additional "[green valuation premium](#)" for insurers. Analysts concluded that reducing exposure to oil and gas should be insurers' next environmental objective.

Senators urge insurers to take climate risks seriously. In March, [four members of the U.S. Senate](#) wrote a letter to U.S. insurers including AIG, Berkshire Hathaway, Chubb, Liberty Mutual, and Travelers, asking the companies to explain how their underwriting and investments in fossil fuels aligned with their stated positions on sustainability. To date they have not received a response.

Insurance boards are climate-conflicted. Recent [research](#) from DeSmog shows that U.S. insurers' boards of directors hold close ties with the fossil fuel industry. Among the U.S. insurers assessed, one in five board members have worked in the fossil fuel industry.































U.S. Insure Our Future campaign ramps up the pressure. The [Liberty's Climate Crisis](#) coalition is taking on Liberty Mutual; the [campaign on AIG](#) is gaining momentum; [Chubb](#) is facing increasing grassroots demands; and [Connecticut groups are pressuring insurers](#) The Hartford, Travelers, and W.R. Berkley.

ABOUT INSURE OUR FUTURE

[Insure Our Future](#) is a campaign comprising environmental, consumer protection, and grassroots organizations holding the U.S. insurance industry accountable for its role in the climate crisis. We are part of the [global Insure Our Future](#) campaign, which promotes a rapid shift of the insurance industry away from supporting and financing fossil fuels to accelerating the transition to a clean energy economy.



Scoring Grid

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