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EXPOSED

The Coal Insurers of Last Resort

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Contents

Exposed: The Coal Insurers of Last Resort

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Cover image: The construction site of KEPCO's Jawa 9&10 coal power plant and the old Suralaya power plant in Indonesia (Photo credit: Market Forces).

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Introduction

Most of the leading insurance companies in the power sector have withdrawn from insuring new coal projects in the past five years. No less than 72% of the capacity which insured the Nghi Son 2 coal power plant in Vietnam in 2018 has meanwhile exited the market for new coal projects. An analysis of recent coal projects of the Korean power utility KEPCO, the Korea Electric Power Corporation, finds that as a consequence it has become much more challenging to insure new and even operational coal power plants.

A combination of specialty insurers from the Lloyd's market and beyond, a few big international insurance brands and insurers from the Global South are, however, still underwriting new coal projects. Insurers on the Lloyd's market are offering 37% of the capacity which is still available for such projects. The main company laggards at this point are Starr, Liberty Mutual, Berkshire Hathaway (all from the USA) and Allied World (Bermuda).

Far too many insurance companies – including big public brands like Hannover Re, QBE, Helvetia and SCOR – continue to insure the operation of coal utilities which have no plans to phase out fossil fuels. These insurers are underwriting a development path which is projected to take the planet to a catastrophic 2.7°C of global warming by the end of the century.[1]

Commercial confidentiality usually makes it impossible to identify the insurers of coal or any other projects. Based on documents provided by the Office of the Korean National Assembly Member Soyoung Lee this briefing paper presents a unique snapshot of the insurers which are currently underwriting the coal power projects of the Korean power utility KEPCO.

FIGURE 1: INSURERS OF KEPCO'S COAL POWER PROJECTS

Project	Country/Year	Biggest insurers
Nghi Son 2 coal power plant	Vietnam, 2018	Allianz; Talbot; Sompo; Zurich; XL; Starr; Swiss Re; Allied World; Hyundai.
Jawa 9&10 coal power plant	Indonesia, 2019	Ping An; Liberty Mutual; AIG; Sompo; MS&AD; Starr; Berkshire Hathaway Specialty Insurance; Allied World; China Re; Samsung.
Vung Ang 2 coal power plant	Vietnam, 2021	MS&AD; Tokio Marine; Starr; Sompo; Berkshire Hathaway; AIG; Liberty Mutual; PVI; Convex; Allied World.
China Gemeng International coal power plants	China, 2021	CPIC; Ping An; PICC; CCIC; China Life.
Cebu coal power plant	Philippines, 2021	Best Meridian; Korean Re; China Re; Starr; AIG; MS&AD; Hannover Re; QBE; India International; Helvetia; Samsung Re.

Coal on the rebound

The number of proposed new coal power plants has dropped massively since the adoption of the Paris Agreement. According to an analysis by E3G, a total of 1,553 GW of coal capacity was under construction or at the planning stage when the world's governments negotiated the Paris Agreement in 2015. By January 2022, this capacity dwindled to 457 GW. Pre-construction capacity alone currently stands at 280 GW, 158 GW of which is located in China.[2]

Climate science tells us that we don't just need to stop the construction of new coal power plants, but to reduce the production and consumption of coal by 9.5% per year throughout the decade according to the latest report of the One Earth Climate Model.[3] Currently the opposite is happening.

After the economic slump of 2020, coal consumption has rebounded sharply and global power generation from coal was expected to jump by 9% to an all-time high in 2021, after falling in 2019 and 2020. "Overall coal demand could reach new all-time highs as soon as 2022 and remain at that level for the following two years", the International Energy Agency warned.[4]

Looking beyond the current spike in consumption, only 180 GW of coal power capacity (or 37% of OECD coal capacity) is scheduled to close by 2030 in the OECD countries. Only 100 GW (or 6% of non-OECD capacity) outside the OECD has a closure date by 2050.[5] The transition away from coal is not happening at the ambitious pace we need.

Climate science tells us that we don't just need to stop the construction of new coal power plants, but to reduce the production and consumption of coal by 9.5% per year throughout the decade.

The insurance industry's half-step on coal

Insurance companies are uniquely positioned to accelerate the phase-out of fossil fuels and the transition to a low-carbon economy. Without insurance, most new coal, oil, and gas projects cannot start, and many existing ones must close.

As society's risk manager, the insurance industry has warned about climate risks for several decades, and many insurers have made climate action an important part of their public brands. They have a moral obligation and an eminent self-interest to align their policies with a pathway which limits global warming to 1.5°C.

At least 39 insurance companies have adopted policies ending or restricting their support for new coal power projects. With few exceptions – most notably Liberty Mutual and Berkshire Hathaway – all big international insurers have ceased to underwrite such projects. Chinese insurers have not adopted policies, but with President Xi's announcement that China will no longer build coal power projects overseas, they will no longer get involved in such projects outside China either.

Numerous smaller insurance companies have not adopted any policies on coal, and the Lloyd's market has stated that it is "not mandating" its insurers to comply with the coal policy it adopted in December 2020. A lot of specialty insurers in the Lloyd's market and beyond are still offering their services without any regard to their climate impacts.

A few big laggards along with assorted specialized insurers will find it very challenging to provide the vast expertise and capacity required to insure a complex new coal power plant. However, they may be able to underwrite new coal mines and associated infrastructure.

Thirteen of the 39 insurance companies which have adopted coal exit policies – including major Japanese fossil fuel insurers MS&AD, Sompo and Tokio Marine – don't address the existing operation of coal projects at all. Only half of the insurers with coal restrictions have exclusion criteria for companies which derive a major share of their revenues or power output from coal (usually with a 30% threshold), and only 14 insurers have made some kind of coal phase-out commitment. Most of the current coal exit policies are, in other words, clearly not aligned with a pathway to 1.5°C.

Since some of the biggest insurers have stopped underwriting coal-dependent power utilities (and mining companies), traditional thermal power utilities will find it more cumbersome and expensive to insure their existing operations. Yet the underwriters with weak policies and the numerous smaller insurers which have not adopted any coal restrictions at all are still offering capacity for operators which are not transitioning away from coal, even if at a higher cost.

Thirteen of the 39 insurance companies which have adopted coal exit policies… don't address the existing operation of coal projects at all.

KEPCO: a major global coal power developer

KEPCO, the Korea Electric Power Corporation, is the largest electric utility in South Korea. It owns 65% of Korea's power capacity and in 2020 generated 70% of the country's electricity. The South Korean government (directly and indirectly) owns 51% of the utility. KEPCO operates nuclear, coal, oil, liquified natural gas, hydropower, wind and solar power projects. The coal share of its power generation stands at almost 45%.

KEPCO is developing or operating coal and gas power projects in several countries in East and Southeast Asia and the Middle East. These projects include the following coal power plants:

- **Cebu Naga 2** (200 MW, Philippines, completed in 2011)
- **10 completed power plants in China** operated in a joint venture with Gemeng International Energy (9,135 MW in total)
- **Nghi Son 2** (1,320 MW, Vietnam, under construction)
- **Jawa 9&10** (2,000 MW, Indonesia, under construction)
- **Vung Ang 2** (1,200 MW, Vietnam, under construction)

KEPCO's coal power generation in Korea has been declining since 2018, mainly due to restrictions on coal power generation during the air pollution season in winter and spring. However, a KEPCO subsidiary still opened a last new coal power plant in the country in 2021. Likewise the utility's overseas coal portfolio expanded significantly in 2021 with the addition of Jawa 9&10 and Vung Ang 2.

The Korean government has defined a national net zero goal by 2050. As part of this commitment the share of coal in power generation is expected to decrease from 28.1% (35.8 GW) in 2020 to 18.9% (32.6 GW) in 2030.

In addition to KEPCO's international thermal power portfolio, the utility's coal generation capacity in Korea currently stands at 34 GW. KEPCO aims to convert 24 coal-fired plants with 12.7GW capacity by 2034 but to liquefied natural gas, not to renewable energy. KEPCO's construction of new coal power plants in Indonesia and Vietnam undermines the goal to limit global warming to 1.5°C and is not aligned with the Korean government's net zero goal.

KEPCO is facing massive losses due to surging fuel prices and a freeze on electricity rates in Korea. On May 20, 2022, the utility announced that it would try to sell off all of its overseas coal power plants – including the projects still under construction – and some gas power plants as an emergency measure.

An inquiry by Korea's National Assembly Member Soyoung Lee revealed which insurance companies are insuring the development and operation of KEPCO's overseas coal power plants over the past five years (see the table on p14). Since insurers, governments and insurance brokers don't disclose any information about who is insuring what, this set of data offers a rare snapshot of who is currently still insuring coal projects.

Nghi Son 2 coal power plant

Vietnam, insured in 2018

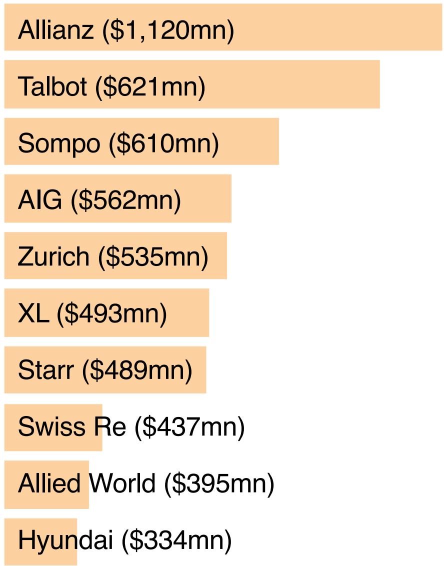
Nghi Son is a coal power plant project in Thanh Hoa province, Vietnam. Two units of 300 MW each (Nghi Son 1) are already being operated by Vietnam Electricity, and two units of 660 MW each (Nghi Son 2) are currently being developed by the Marubeni Corporation (50%) and KEPCO (50%). According to Greenpeace, Nghi Son 2 will use sub-standard supercritical technology and will emit twice as much CO2 for every unit of electricity generated as the average generating plants in Vietnam.[6]

The development of Nghi Son 2 is insured against four types of risk: construction all risk, third party liability, marine cargo and terrorism. The project was insured just before many leading insurance companies adopted coal exit policies, and so it was underwritten by numerous large multiline, specialty and reinsurers in a pattern that may have been typical until this time.

The ten biggest insurers of the project are the following: Allianz (Germany, $1,120 mn), Talbot (USA, meanwhile acquired by AIG, $621 mn), Sompo (Japan, $610 mn), AIG (USA, $562 mn), Zurich (Switzerland, $535 mn), XL (Bermuda, meanwhile acquired by AXA, $493 mn), Starr (USA, $489 mn), Swiss Re (Switzerland, $437 mn), Allied World (Bermuda/Canada, $395 mn) and Hyundai (Korea, $334 mn).

The other insurers of the project are PetroVietnam Insurance (PVI, Vietnam), Korea Re (Korea), Samsung Re (Korea), Beazley (UK), Canopius (UK), Tokio Marine (Japan), Liberty Mutual (incl. Ironshore, USA), Mitsui Sumitomo (Japan, part of MS&AD) and QBE (Australia).

FIGURE 2: BIGGEST INSURERS OF NGHI SON 2 COAL POWER PLANT



According to Greenpeace, Nghi Son 2 will emit twice as much CO2 for every unit of electricity generated as the average generating plants in Vietnam.

Jawa 9&10 coal power plant

Indonesia, insured in 2019

Units 9 and 10 of the Suralaya thermal power plant, better known as the Jawa 9&10 power plant, are currently being built in Banten, Indonesia. The developers of the two 1000 MW units are Indonesia's power utility PLN (51%), a private Indonesian company, Barito Pacific (34%), and KEPCO (15%).

Local, national and international NGOs have expressed strong opposition to the project over its serious environmental and public health impacts. According to a Greenpeace study, the project will cause an estimated additional 2,400 – 7,300 premature deaths over its 30-years lifespan.[7] Indonesian NGOs have filed several lawsuits against the project.[8]

The developers of Jawa 9&10 arranged insurance at a time when several European insurers had stopped underwriting new coal projects. The ten biggest insurers of the project are Ping An (China, $902 mn), Liberty Mutual (USA, $773 mn), AIG (including Talbot, USA, $566 mn), Sompo (Japan, $467 mn), MS&AD (including MS First, MS Amlin and MSIG, Japan, $460 mn), Starr (USA, $422 mn), Berkshire Hathaway Specialty Insurance (USA, $415 mn), Allied World (Bermuda/Canada), $201 mn), China Re (China, $176 mn), and Samsung (including Samsung Re and Samsung Tugu, Korea, $151 mn).

FIGURE 3: BIGGEST INSURERS OF JAWA 9&10 COAL POWER PLANT

Other insurers of the project are PICC (China), AXIS Capital (Bermuda), XL Insurance (Bermuda, meanwhile acquired by AXA), Helvetia (Switzerland), Munich Re (including New Re, Germany), Trans Re (USA), Canopius (UK), Beazley (UK), Hyundai Fire & Marine (Korea), Korean Re (Korea), Tokio Marine (including Tokio Marine Kiln, Japan), Aspen (Bermuda), HDI (Germany), Malaysian Re (Malaysia), Partner Re (Bermuda/Italy) Antares (Qatar) and India International (India). It appears that the absence of some big global insurers necessitated the involvement of a large number of smaller insurers in this project.

Photo credit: Greenpeace

Korean climate strikers protest against KEPCO's Vung Ang 2 coal power plant

Vung Ang 2 coal power plant

Vietnam, insured in 2021

The Vung Ang power station is a coal plant complex under development in Ha Tinh province, Vietnam. PetroVietnam is currently operating the 1,200 MW Vung Ang 1 plant. A consortium of KEPCO (40%), Mitsubishi (25%), Chugoku Electric Power (20%) and Shikoku (15%) is meanwhile developing the 1,200 MW Vung Ang 2 project. A further 2,400 MW have been proposed but will no longer go ahead.[9]

An analysis by Environmental Law Alliance Worldwide (ELAW) found that the environmental impact assessment for Vung Ang 2 did not comply with international standards in numerous ways.[10]

Vung Ang 2 was insured at a time when most international insurers had adopted policies excluding cover for new coal projects. The ten biggest insurers of the project are MS&AD (including MS First, MSIG and MS Amlin, Japan, $1,216 mn), Tokio Marine (Japan, $569 mn), Starr (USA, $490 mn), Sompo (Japan, $238 mn), Berkshire Hathaway ($218 mn), AIG (including Talbot, USA, $215 mn), Liberty Mutual (USA, $206 mn), PVI (Vietnam, $203 mn), Convex (Bermuda, $151 mn) and Allied World (Bermuda/Canada, $122 mn).

Other insurers of the project are Hiscox (UK), Helvetia (Switzerland), W.R. Berkley (USA), Beazley (UK), Markel (USA), Trans Re (USA), Korean Re (Korea), Canopius (UK), Chaucer (part of China Re, China), Antares (Qatar), Cincinnati (USA), AEGIS (USA) and India International (India).

At a time when global society had reached a wide consensus on the need to stop developing new coal projects, Vung Ang 2 was insured by a combination of large Japanese insurers (MS&AD, Tokio Marine and Sompo), other insurers from the involved countries (PVI,

Photo credit: Climate Strike Korea

Korean climate strikers protest against KEPCO's Vung Ang 2 coal power plant

Korean Re), specialist insurers from around the world (Starr, Berkshire Hathaway, Convex, Allied World, Hiscox, W.R. Berkley, Beazley, Markel and a few others), large US insurers (AIG, Liberty Mutual) and a few other opportunistic actors like Switzerland's Helvetia.

Remarkably, the two insurers which provided the most capacity for Vung Ang 2 – MS&AD and Tokio Marine, both from Japan – had adopted coal exit policies which ruled out support for new coal projects in June and September 2021 respectively, well before the start of the Vung Ang 2 contract on October 26, 2021. MS&AD argues that their policies didn't apply to projects which were already under negotiation. Even if this argument is somewhat spurious, their capacity will no longer be available for other new projects.

Likewise it is surprising to see that Chaucer, a fully owned subsidiary and "inseparable part" of China Re, agreed to insure Vung Ang 2 one month after President Xi Jinping announced at the UN General Assembly that China would no longer build coal power plants overseas.[11] It appears that China Re does not expect its foreign subsidiary to follow the Chinese President's announcement on coal.

FIGURE 4: BIGGEST INSURERS OF VUNG ANG 2 COAL POWER PLANT

In the past four years, 72% of the insurance capacity that was offered for the Nghi Son 2 project has been withdrawn from the insurance market for new coal projects.

China Gemeng International coal power plants

China, insured in 2021

KEPCO owns 34% in a joint venture with China Gemeng International Energy Corporation, which operates 9,135 MW of coal power capacity, along with coal mining and gas distribution, in China's Shanxi Province. The insurance policy appears to cover the operation of 10 different power plants.

The operation of the Gemeng power plants was insured by the following Chinese insurers at very low rates: CPIC, Ping An, PICC, CCIC and China Life.

Cebu coal power plant

Philippines, insured in 2021

The Cebu power complex, also known as the Naga power complex, is a 206 MW coal-fired power plant in Cebu Province, Philippines. The Naga-1 power station was retired in 2015 and the current 206 MW Naga-2 power station was completed in 2011 by Salcon Power and KEPCO (60%). A proposed Naga-3 expansion project has been cancelled. Naga-2 operates with subcritical technology.[12]

The operation of the Cebu power plant is insured by a large number of actors from around the world. The ten largest underwriters are Best Meridian (USA, $67.6 mn), Korean Re (Korea, $59.9 mn), China Re (including Chaucer, China, $55.3 mn), Starr (USA, $37.4 mn), AIG (including Talbot, USA, $34.6 mn), MS&AD (Japan, $33.3 mn), Hannover Re (including Argenta Underwriting, Germany, $30.9 mn), QBE (Australia, $25.6 mn), India International (India, $24.9 mn), Helvetia (Switzerland, $22.9 mn) and Samsung Re (Korea, $22.9 mn).

The other companies insuring the operation of Cebu are Aspire (Cyprus), Markel (USA), SCOR (France), Africa Re (Nigeria), China Pacific (China), Allied World (Bermuda/Canada), Kuwait Re (Kuwait), Malaysian Re (Malaysia), Spectrum Risk Management (New Zealand), Pioneer (Philippines), Berkshire Hathaway (USA) and New India (India).

FIGURE 5: BIGGEST INSURERS OF CEBU COAL POWER PLANT

The roster of insurers still underwriting this coal power plant that is operating with subcritical technology is striking. It includes a combination of traditional global brands with insufficient coal exit policies (Hannover Re, QBE, SCOR), traditional power sector insurers which have long been considered environmental laggards (such as Starr, AIG, MS&AD and Allied World) and a wide variety of smaller insurers which don't typically underwrite such projects (including Best Meridian, Aspire, Africa Re and Spectrum Risk Management).

Conclusion

This briefing paper illustrates the successive withdrawal of major international insurance companies from coal projects and their replacement by a haphazard coalition of the willing consisting of a few global environmental laggards, a sizable number of small specialty insurers and assorted insurers from the global South.

In the past four years, 72% of the insurance capacity that was offered for the Nghi Son 2 project has been withdrawn from the insurance market for new coal projects. This includes Allianz, which was likely the lead insurer for Nghi Son 2. Some 58% of the capacity which was offered for the Jawa 9&10 project has also been withdrawn.

The example of Vung Ang 2, a project which was insured in October 2021, suggests that the withdrawal of European insurers has put pressure on Japanese, Korean and Vietnamese insurers to play a more active role in underwriting projects developed by companies from their countries after 2018. The Vietnamese project was insured by a combination of Asian insurers (55% of total capacity), North American insurers (38%) and a few remaining European insurers (7%). Thirteen insurers operating on the Lloyd's market contributed 27% of total capacity.

Yet even just since the start of the Vung Ang 2 contract seven months ago, some 53% of the capacity which was offered for the Vietnamese project has been withdrawn from the market for new coal power plants because of new policies at AIG, Hiscox, MS&AD, Sompo and Tokio Marine.[13]

At this point the most important insurers of last resort which are still prepared to insure new coal power projects are the following:

- **Starr** (USA), offering 11.2% of the capacity for Vung Ang 2 and 6.6% of the capacity for the three new KEPCO projects in total. Starr is a specialty insurer led by former AIG CEO Maurice "Hank" Greenberg which has not made any pretext at considering climate and broader ESG concerns in its business practices.
- **Liberty Mutual** (USA), offering 4.7% of the capacity offered for Vung Ang 2 and 6.0% of the capacity for all three new KEPCO plants. Liberty Mutual adopted coal restrictions in December 2019 but its policy, as the only exception among the 39 coal policies adopted so far, allows for the continued insurance of new coal power plants.
- **Berkshire Hathaway** (USA), offering 5.0% of the capacity for Vung Ang 2 and 3.0% of the capacity for the three new KEPCO projects in total. Berkshire Hathaway Specialty Insurance is part of the synonymous insurance conglomerate and underwrites fossil fuel projects without any restrictions.
- **Allied World** (Bermuda), offering 2.8% of the capacity for Vung Ang 2 and 3.4% of the capacity for the three projects combined. Allied World is a specialty insurer owned by Canada's Fairfax Financial with a large footprint in the fossil fuel sector.
- Sixteen insurers operating on the **Lloyd's market** (including Allied World and two subsidiaries of Liberty Mutual) offered a combined 16.0% of the capacity for the three new projects. As mentioned earlier, 13 of these insurers contributed 27.3% of the capacity for Vung Ang 2.

Together these five environmental laggards provided 72% of the capacity for Vung Ang 2 which has not been withdrawn from the insurance market for new coal projects since October 2021. Lloyd's underwriters alone account for 37% of the capacity which is still available for new coal projects today. In December 2020 Lloyd's adopted a policy which rules out insurance for new coal projects from 2022 but the market's management has meanwhile clarified that it will not mandate its insurers to follow the policy.

The withdrawal of so much capacity has made the insurance of coal projects more cumbersome and more expensive. At this point it is unlikely that large new coal power plants outside of China could still be insured. BMD Construction, a company contracted to build a rail network to transport coal from the Adani Group's Carmichael mine in 2021, found the project was "uninsurable" after being refused by 33 underwriters across the world.[14] It is possible that other coal mines and associated facilities (and coal power projects within China) can still contract insurance however.

The replacement of large, experienced international insurers with a wide variety of smaller actors also affects the operation of existing coal power plants. The operation of KEPCO's rather small Cebu coal power plant in the Philippines for example was insured by no less than 24 different insurers. Seven of these carriers offered less than $10 million in capacity each, and 11 were not involved in insuring any other KEPCO projects. One of the Cebu insurers, New India Assurance, does not even have the A- credit rating which project financiers typically expect insurers to provide.

The arrangement of insurance consortia with numerous small insurers is cumbersome, time-consuming and expensive for insurance brokers and their customers. Global broker Willis Towers Watson warned as early as January 2019 that "insurers' retreat from underwriting coal business has left coal-fired generators with a significant reduction in available capacity", "the exodus of many international insurers from the market for coal risks complicates securing Property coverage", and "this reduction in available capacity will invariably see upward pressure on rates and coverages".[15]

Unlike insurance cover for new projects, which is written for the duration of project construction and does not need to be renewed, insurance contracts for ongoing operations need to be renewed every year. A long-time former insurance broker in the power sector described the long list of inexperienced insurers underwriting the Cebu project as a "nightmare scenario" for brokers and their customers. And yet the KEPCO experience demonstrates that even the operations of coal utilities with no credible phase-out plans can still be insured.

The KEPCO example indicates that phase-out commitments by 2030 and beyond without immediate interim targets don't encourage coal utilities to start the draw-down process which is required now.

While the list of the insurers of the Cebu coal power plant contains numerous small insurers and environmental laggards from Asia and the US, it also features several European and Australian insurers with popular brand names:

- **Hannover RE** (Germany, $30.9 mn of capacity): The German reinsurer adopted an exit plan for its facultative thermal coal portfolio in 2021 but will only phase out the business even with the largest polluters by 2025 under this plan.
- **QBE** (Australia, $25.6 mn of capacity): QBE stopped insuring new coal projects in 2019 but will not phase out the insurance of existing coal operations until 2030.
- **Helvetia** (Switzerland, $22.9 of capacity): Helvetia is the second biggest non-life insurer in Switzerland and operates a sideline as an international specialty insurer. It applies no fossil fuel restrictions whatsoever and has offered a total of $224 mn for the Jawa 9&10, Vung Ang 2 and Cebu projects
- **SCOR** (France, $16.6 mn of capacity): SCOR is no longer underwriting new coal power plants and has committed to phase out insurance and facultative reinsurance for unabated coal power plants by 2030 for OECD countries and by 2040 for the rest of the world.

The KEPCO example indicates that phase-out commitments by 2030 and beyond without immediate interim targets don't encourage coal utilities to start the draw-down process which is required now.

Going forward the insurance industry needs to do the following:

- **All insurance companies need to immediately stop insuring any new coal power, coal mining and associated infrastructure projects.**
- **Insurance companies should stop underwriting the ongoing operations of any companies which are still developing new coal power projects. They should also stop insuring the operations of any coal companies which have not adopted phase-out plans in line with credible 1.5°C pathways by the end of 2022.**

FIGURE 6: COAL EXPANSION INSURERS OF LAST RESORT

STARR INSURANCE COMPANIES · Liberty Mutual INSURANCE · Berkshire Hathaway Specialty Insurance · ALLIED WORLD A FAIRFAX Company · LLOYD'S

FIGURE 7: INSURERS OF COAL POWER PLANTS WITHOUT PHASE-OUT DATES

hannover re · QBE · helvetia · SCOR

Appendix A: KEPCO coal insurance list

Insurer:	Coal exit policy adopted	Country	Nghi Son 2 ($M)	Jawa 9&10 ($M)	Gemeng ($M)	Cebu ($M)	Vung Ang 2 ($M)	Grand total ($M)
Country and Capacity			Vietnam, 1320 MW	Indonesia, 2000 MW	China, 9135 MW	Indonesia, 206 MW	Vietnam, 1200 MW	
Date of insurance			3/2018-7/2023	12/2019-2/2025	9/2021-8/2022	6/2021-6/2022	10/2021-10/2025	
Status			Under construction	Under construction	Operational	Operational	Under construction	
Number of insurers			19	27		24	23	
Average insurance capacity			380	212		23	189	
Total insurance capacity			7220.5	5718.2	0.8	556.1	4353.2	**17848.8**
AIG	Mar-22	USA	1183.6	566		34.6	214.7	**1998.9**
MS&AD	Jun-21	Japan	53.5	459.9		33.3	1,216.20	**1762.9**
Starr		USA	489.2	422.2		37.4	489.5	**1438.3**
Sompo	May-22	Japan	609.7	466.90			238.2	**1314.8**
Liberty Mutual	Dec-19	USA	304.9	773			205.9	**1283.8**
Allianz	May-18	Germany	1120					**1120**
Ping An		China		902.4	0.2			**902.6**
Tokio Marine	Sep-21	Japan	133.7	45			569.4	**748.1**
Allied World		Bermuda/ Canada	394.6	201.4		9.5	122.1	**727.6**
Berkshire Hathaway		USA		415		3.6	218.1	**636.7**
AXA	Apr-17	France	492.5	116.4				**608.9**
Zurich	Nov-17	Switzerland	534.9					**534.9**
PetroVietnam Insurance		Vietnam	288.8				203.3	**492.1**
Korean Re		Korea	278.6	52.6		59.9	56.6	**447.7**
Swiss Re	Jul-18	Switzerland	437.1					**437.1**
Hyundai	Jun-21	Korea	334.4	72.9				**407.3**
Samsung	Nov-20	Korea	222.9	150.8		22.9		**396.6**
Beazley		UK	133.7	78.1			78.8	**290.6**
China Re		China		176.3		55.3	44.1	**275.7**
Canopius		UK	133.7	81.4			52.9	**268**
Helvetia		Switzerland		112.5		22.9	88.1	**223.5**
Convex		Bermuda					151.2	**151.2**
Trans Re		USA		85.7			57.3	**143**
PICC		China		128.6	0.1			**128.7**
AXIS Capital	Oct-19	Bermuda		116.4				**116.4**
Munich Re	Aug-18	Germany	24.9	85.7				**110.6**
Hiscox	Jan-22	UK					91.4	**91.4**
Markel		USA				18.4	66.2	**84.6**
WR Berkley		USA					80.8	**80.8**

continued overleaf…

(KEPCO Insurance List continued)

Insurer:	Coal exit policy adopted	Country	Nghi Son 2 ($M)	Jawa 9&10 ($M)	Gemeng ($M)	Cebu ($M)	Vung Ang 2 ($M)	Grand total ($M)
QBE	Apr-19	Australia	49.8			25.6		**75.4**
Best Meridian		USA				67.6		**67.6**
Antares		Qatar		26.2			37.4	**63.6**
Malaysian Re		Malaysia		42.9		6.2		**49.1**
Aspen		Bermuda		42.9				**42.9**
HDI	Apr-19	Germany		42.9				**42.9**
Partner Re		Bermuda/Italy		42.9				**42.9**
India International		India		11.2		24.9	14.3	**50.4**
Cincinnati		USA					31.5	**31.5**
Hannover Re	Apr-19	Germany				30.9		**30.9**
AEGIS		USA					25.2	**25.2**
Aspire		Cyprus				20.8		**20.8**
Argenta Underwriting Asia		Germany				18.4		**18.4**
SCOR	Sep-17	France				16.6		**16.6**
African Re		Nigeria				12.5		**12.5**
China Pacific Property Insurance		China				12.5		**12.5**
Kuwait Re		Kuwait				8.3		**8.3**
Spectrum Risk Management		New Zealand				6.2		**6.2**
Pioneer		Philippines				4.7		**4.7**
New India Assurance		India				3.1		**3.1**
CPIC		China			0.3			**0.3**
CCIC		China			0.1			**0.1**
China Life		China			0.1			**0.1**

Endnotes

1 UNEP et al, Emissions Gap Report 2021, October 2021

2 E3G, No New Coal by 2021, September 2021 and Global Energy Monitor et al, Boom and Bust Coal 2022, April 2022

3 One Earth Climate Model, Sectoral Pathways to Net-Zero Emissions, May 18, 2022

4 IEA, Coal power's sharp rebound is taking it to a new record in 2021, threatening net zero goals, Press Release, 17 December 2021

5 Global Energy Monitor et al, Boom and Bust Coal 2022, April 2022

6 See Global Energy Monitor Wiki, Nghi Son power station, and Market Forces, Nghi Son 2 for more background.

7 Greenpeace East Asia, Health Impacts of Units 9·10 of the Jawa Coal-fired Power Plant in Banten, Indonesia, November 2019

8 See Global Energy Monitor Wiki, Banten Suralaya power station, for more information about the project

9 See Global Energy Monitor Wiki, Vung Ang power station

10 ELAW, Evaluation of the 2018 Environmental Impact Assessment (EIA) Report For the Vung Ang II Thermal Power Plant Project, April 2020

11 China Re, China Re Group formally completed the full-owned acquisition of Chaucer, April 12, 2019

12 See Global Energy Monitor Wiki, Naga power complex

13 This briefing assumes that AIG also applies its coal restrictions to Talbot, its subsidiary on the Lloyd's market. If it does not, 49% of the capacity for Vung Ang 2 has been withdrawn from the market for new coal projects since October 2021 and other percentage values in this section will be slightly reduced as well.

14 Inquiry into the prudential regulation of investment in Australia's export industries – Submission on behalf of B.M.D. Constructions Pty Ltd, Parliament of Australia, February 17, 2021

15 Willis Towers Watson, Ready and waiting? Power and Renewable Energy Market Review 2019

Insure Our Future is a global campaign of NGOs and social movements that hold the insurance industry accountable for its role in the climate crisis. We call on insurance companies to immediately stop insuring new fossil fuels and phase out support for existing coal, oil and gas projects.

Solutions for Our Climate (SFOC) is a non-profit organisation and member of Insure Our Future which aims to address the social and environmental impacts of climate change. SFOC conducts research on solutions for reducing greenhouse gas emissions and expanding renewables, and coordinates campaigns with both domestic and international organizations to address the climate crisis.

Exposed: The Coal Insurers of Last Resort

Far too many insurance companies continue to insure the operation of coal utilities which have no plans to phase out fossil fuels. These insurers are underwriting a development path which is projected to take the planet to a catastrophic 2.7°C of global warming by the end of the century. Based on documents provided by the Office of the Korean National Assembly Member Soyoung Lee this briefing paper presents a unique snapshot of the insurers which are currently underwriting the coal power projects of the Korean power utility KEPCO.

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