

July 14, 2022

To the CEOs of AIG, Apollo, Ark, Ascot Group, Beazley, Berkshire Hathaway, Brit, Canopus, CNA Hardy, Energy Insurance Limited, Hiscox, Inigo, Liberty Mutual, Lloyd's of London, Markel, MS Amlin, Navigators, Newline Group, Sirius, Starr, Stewart Specialty Risk Underwriting, and W.R. Berkley:

In light of the significant climate, environmental, and human rights risks, we – the 70 undersigned organizations and groups – are deeply concerned about your potential support for the Trans Mountain tar sands pipeline network.

We demand that your company publicly rule out insuring the Trans Mountain pipeline network, as well as any projects or companies that are expanding the tar sands sector. We also call on you to adopt, as policy, a requirement to ensure that clients have obtained and documented the Free, Prior and Informed Consent of impacted Indigenous Nations.

To date, 18 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.¹ In recent months, Aspen and Arch have announced that they will be cutting ties with Trans Mountain when their existing policies expire in August 2022.

By contrast, we have received no commitment from your company regarding involvement in Trans Mountain's operational insurance policy or coverage for the expansion project. We therefore conclude that it is likely that your company is providing coverage for Trans Mountain.

Following Trans Mountain's April 2022 submission to the Canada Energy Regulator of a certificate of insurance with insurance company names redacted², 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 with the company in the future.

The tar sands are one of the dirtiest, highest carbon sources of oil on the planet. As the International Energy Agency underscored in its May 2021 net-zero pathway, there can be “no investment in new fossil fuel supply projects” if we are to achieve net zero emissions globally by 2050.³

The science is clear: the mathematical window for action to avert climate catastrophe is closing, according to the Intergovernmental Panel on Climate Change's Sixth Assessment Report.⁴ The findings outline the immediate need for strong and sustained reductions in greenhouse gas (GHG) emissions to mitigate the impacts of catastrophic climate change, with peak GHG emissions by 2025 and a 43% reduction by 2030. If we miss this mark we will lock in sea level rise, extinctions, food systems collapse and human displacement for decades, if not centuries.

This limited window for action will close rapidly if we allow expansion of the most carbon-intensive forms of fossil fuels, such as the dirty tar sands 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

¹ [“Un-insuring Trans Mountain.”](#) Stand.earth, accessed June 30, 2022.

² Robert Tuttle, [“Oil Sands Pipeline Wins Bid to Hide Insurers From Activists.”](#) Bloomberg News, April 29, 2021.

³ [“Net Zero by 2050: a Roadmap for the Global Energy Sector”](#) International Energy Agency, May 18, 2021.

⁴ [“IPCC, 2022: Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change,”](#) April 4, 2022.

590,000 barrels per day of bitumen onto the world market,⁵ resulting in the addition of up to 152 million tonnes of CO₂e into the atmosphere annually.⁶ As CEOs of risk-management organizations, you understand how decisions around mathematical calculations impact the future. In this case the climate math is not on our side, we simply cannot simultaneously develop or expand polluting energy sources like tar sands bitumen and make progress on our urgent climate goals.

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. It would increase tar sands extraction in Alberta, contaminating fresh water, clearing vast forests, and harming the health of local Indigenous peoples. The increase in oil tanker traffic through the Salish Sea would threaten endangered orcas, salmon, and other sensitive marine populations. Meanwhile, the processing of tar sands oil in U.S. refineries exposes communities to toxic pollution and raises environmental justice issues in northern California, where refineries disproportionately threaten Black and Latinx populations.

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 First Nations impacted by the proposed route. As recent high-profile conflicts over projects such as the Coastal Gas Link pipeline and Enbridge's Line 3 pipeline have demonstrated, proceeding with pipeline construction without FPIC represents a serious material risk that must be recognized and addressed.

There have been multiple lawsuits against the Trans Mountain Expansion Project led by First Nations demanding adequate consultation and accommodation. Indigenous land defenders, who have not consented to the project, are continuing to assert their Title and Rights along the pipeline's path. For example, the Tiny House Warriors are Secwepemc land defenders that are setting up tiny houses along the proposed path of the Trans Mountain expansion line, asserting Secwepemc Law and jurisdiction. In January 2021, the United Nations Committee on the Elimination of Racial Discrimination sent a letter to the Canadian government regarding the violations of the rights of Indigenous peoples, specifically noting the Trans Mountain Pipeline Expansion project.⁸ Neither the federal nor the provincial government has secured Secwepemc consent for the Trans Mountain Expansion pipeline as required under the United Nations Declaration on the Rights of Indigenous Peoples, which Canada has signed.

Climate change itself has also posed massive risks to the existing pipeline and construction of the expansion project. In November 2021, British Columbia experienced catastrophic floods. Due to the impacts of flooding and mudslides, Trans Mountain shut down its existing pipeline on November 14th, and it remained closed until December 5th.

In light of the climate-related impacts and sustained resistance, the costs of the Trans Mountain expansion have ballooned as construction is repeatedly delayed. When former owner Kinder Morgan first unveiled the project in 2014, the construction cost was then estimated at \$5.4 billion CAD. Since then, the price tag has steadily increased, first to \$7.4 billion in 2017, and then to \$9.6 billion in 2018. The

⁵ ["Trans Mountain Project Overview,"](#) accessed June 30, 2022.

⁶ This calculation is based on the following: 590,000 barrels per day for 365 days, calculating each barrel at .709 tonnes/bbl, which is based on estimates from Pembina: ["The Real GHG trend: Oilsands among the most carbon intensive crudes in North America,"](#) October 2017.

⁷ ["Spill History,"](#) Trans Mountain, accessed June 30, 2022.

⁸ ["Letter,"](#) Office of the United Nations High Commissioner for Human Rights, November 24, 2020.

costs of the Trans Mountain Expansion are currently in the \$21.4 billion range, approximately four times the original estimate.⁹ As material threats mount, Trans Mountain is increasingly a risky client and investment.

We urge you to rule out insuring Trans Mountain, as well as any projects or companies that are expanding the tar sands sector. We also call on you to require that clients obtain and document the Free, Prior and Informed Consent of impacted Indigenous peoples.

Until you do, we will continue spotlighting your company's failure to publicly distance yourself from this project, rule out all tar sands expansion, and respect Indigenous rights. We will urge the public and corporate clients to purchase insurance only from those companies that have taken a stand against Trans Mountain.

Sincerely,
The undersigned 70 organizations

Banking on a Better Future
Bold Alliance
Braided River
BROKE - Burnaby Residents Opposing KinderMorgan Expansion
Clean Energy Action
CO Dem. Party - Energy & Environmental Initiative
Coal Action Network
Coast Protectors
Community Nest Finding Network
Connecticut Citizen Action Group

Consumer Watchdog
Direct Action Everywhere
Divest Canada Coalition
Dogwood Alliance
Earth Ethics, Inc.
Empower Our Future
Extinction Rebellion San Francisco Bay Area
Families for a Livable Climate
FreshWater Accountability Project
Friends of the Earth US

Friends of the San Juans
GreenFaith
Indigenous Climate Action
Indigenous Environmental Network
Jubilee Movement
Leadnow
Liverpool Climate Justice coalition

⁹ Nia Williams, "[Canada govt to stop funding Trans Mountain oil line project as costs soar 70%](#)," Reuters, February 18, 2022.

Liverpool Friends Of Palestine
Living Oceans Society
Medact Liverpool

Money Rebellion
Mothers Rise Up
Native Movement
Neighborhood Action Coalition
Oil and Gas Action Network
Peoples Climate Movement - NY
The Phoenix Group
PIPE UP
Protecting Our Waters
Public Citizen

Rainforest Action Network
Reclaim Finance
Sacred Trust, Tsleil Waututh Nation
Seeding Sovereignty
Sefton Climate Action
Sierra Club
Simon Fraser University
SoCal 350 Climate Action
Solutions for Our Climate
Stand.earth

SumOfUs
Texas Campaign for the Environment
Third Act Virginia
Tiny House Warriors
TIAA-Divest!
Toronto350
Union of BC Indian Chiefs (UBCIC)
urgewald
West Coast Environmental Law Association
Wet'suwet'en Solidarity Seattle

Wilderness Committee
Wilke
Women's Earth and Climate Action Network (WECAN)
XRTU (Extinction Rebellion Trade Unionists)
350 Bay Area
350 Colorado
350 Seattle
350Hawaii
350NYC
350Vancouver