How does Chubb's recent oil & gas policy measure up to climate science?

In March, the world's leading climate science body **IPCC issued a "final warning" to scale up rapid action to get on a 1.5˚C pathway**, by stopping fossil fuel expansion. The same month, Chubb announced new policies stating it will not insure oil and gas extraction projects that are located in specific protected areas or do not have evidence-based plans to reduce methane emissions.

While Chubb's policy is a significant step forward – as the first policy from a U.S. insurer that applies to conventional oil and gas underwriting – the insurer is far from heeding IPCC's final warning. It also remains far behind a dozen global insurance peers on oil, gas, and coal policies, as detailed below.

More information is available at: **https://bit.ly/Chubb-Policy**

Science-based & justice-informed policy recommendations from Insure Our Future	Chubb's Commitments	Steps That Global Peer Insurers Have Taken
Oil and gas underwriting:		
Immediately prohibit underwriting new oil and gas projects.	Chubb will not underwrite new oil and gas extraction projects in conservation areas or without evidence-based plans to manage methane emissions.	**Thirteen re/insurance companies, such as Allianz and Munich RE, have adopted policies to restrict underwriting of new oil and gas fields.** Allianz's policy also excludes insurance coverage for construction of new midstream oil infrastructure & of new oil power plants.
Immediately stop insuring any new customers from the fossil fuel sector which are not aligned with a credible 1.5ºC pathway, and stop offering any insurance services which support the expansion of oil and gas production by existing customers.	Chubb does not have engagement criteria for new or existing clients based on oil and gas expansion or credible 1.5ºC-alignment plans. The only engagement criteria is based on methane emissions reductions in the oil and gas production process. Furthermore, Chubb does not have plans to phase out existing oil and gas clients, beyond the methane criteria	In addition to project level restrictions, insurers are adopting company-level standards. ***For example:*** • Swiss Re's oil & gas re/insurance portfolios by 2030 will only contain companies that are aligned with net zero by 2050. • Allianz says that as of Jan 2025, **it expects major fossil fuel clients to commit to net-zero by 2050, in alignment with science-based 1.5°C pathways, across all three GHG emissions scopes.** • Fidelis has said that starting Jan 2024, it will only insure oil & gas companies with clear commitments and a timeline for achieving Paris-aligned net zero emissions goals.
Coal underwriting:		
Immediately prohibit underwriting new coal mining and power projects.	Chubb has prohibited underwriting new coal-fired power plants but not thermal coal mines.	Twenty-two insurance companies have policies in place restricting insurance coverage for new coal-fired power plants and new thermal coal mines, according to Reclaim Finance's Coal Policy Tool.

Immediately prohibit underwriting any company that is developing new coal projects (mines, power plants, associated infrastructure).	**None**	**Twenty-two insurance companies have policies in place restricting insurance coverage for new coal-fired power plants *and* new thermal coal mines**, according to Reclaim Finance's Coal Policy Tool.
Immediately prohibit underwriting coal companies.	Chubb has prohibited underwriting new risks for companies that generate 30% of revenue from coal mining or 30% of energy production from coal power – and to phase out existing coverage for these companies by 2030.	**Absolute thresholds**: Allianz, AXA, and Zurich define coal companies based on how much coal they mine or burn for electricity. **Relative thresholds**: AXIS Capital defines coal companies as those that generate 20% of revenue from coal mining or electricity generation.
Commit to exit coal by 2030 in OECD/EU countries and 2040 elsewhere.	**None**	12 insurance companies have committed to coal phaseout plans. AXA has an exit strategy in line with these dates, requiring coal companies to disclose a coal exit or asset closure plan. Swiss Re has committed to tighten its treaty reinsurance underwriting to exit all exposures as well.

Human rights and Free, Prior, and Informed Consent (FPIC):

Adopt robust due diligence and verification mechanisms to ensure clients fully respect and observe all human rights, including a requirement that they obtain and document the Free, Prior, and Informed Consent (FPIC) of impacted Indigenous Peoples as articulated in the UN Declaration on the Rights of Indigenous Peoples.	**None** [The recent Chubb policy ruling out oil and gas expansion in the Arctic National Wildlife Refuge was made with input from The Gwich'in Steering committee. Chubb should model this practice by screening for free, prior and informed consent (FPIC) as part of the company's underwriting process.]	In 2022, AXIS Capital set a best practice globally for the insurance industry with its policy, which states: **"We expect insureds to respect and observe ... FPIC ... in accordance with the UN Declaration on the Rights of Indigenous Peoples, and it is our policy to not provide insurance coverage on projects undertaken on indigenous territories without FPIC."** Swiss Re's policy states that it does not support business activities that negatively affect the rights of specific groups of people, citing FPIC, while Allianz requires that human rights-sensitive transactions are screened for FPIC.

Overall insured emissions:

By July 2023, commit to insured emissions reduction targets that cover insurance for new projects and ongoing operations & define short & medium term portfolio - wide targets (starting in 2025), including for specific sectors such as coal, oil & gas.	**None**	Twenty-nine insurance and reinsurance companies have committed to transition their (re)insurance underwriting portfolios to net-zero greenhouse gas emissions by 2050 as part of the Net Zero Insurance Alliance (NZIA). These companies will be required to publish interim targets by July 2023.