



To the CEOs of AIG, AXIS Capital, Chubb, Generali, Hannover Re, Liberty Mutual, Lloyd's, Mapfre, Munich Re, QBE, SCOR, Sompo, Tokio Marine, Vienna Insurance Group, W.R. Berkley, XL Catlin, Zurich

3 July 2018

**Subject: Appeal not to underwrite Ledvice III NZ's new 660 MW lignite-fired power unit in Czech Republic**

Dear Mesdames, Sirs:

We write to you as a group of civil society organizations involved in the Unfriend Coal campaign to call on [name] not to get involved in underwriting CEZ's Ledvice III NZ's 660 MW new lignite-fired power unit, a project whose insurance contract is currently being tendered in the Czech Republic. We also call on you to end underwriting coal projects and companies.

Ledvice will soon start operating on a permanent basis, after two years of trial operation. The coal fleet of the Czech Republic emitted 46 million tons of CO<sub>2</sub> in 2016, or 7% of the EU's total coal plant emissions. Pollution from the Czech coal fleet is estimated to have caused 1,330 premature deaths in 2015. Ledvice not only threatens the EU capacity to phase out coal within the timeframe necessary to implement the Paris Agreement, but will also increase the human toll linked to burning coal.

Ledvice's new unit will be fuelled by lignite produced from the Bílina open-pit mines. In 2015, the Czech government decided to break the ecological territorial limits of coal mining and approved the expansion of the Bílina open-pit mine. If the project get all required permits, it will further devastate Northern Bohemia and do substantial damage to human health and the global climate.

Insurance support for Ledvice III would reward the coal expansion strategy of a major European coal utility. CEZ, the state-owned main power utility of the Czech Republic, is active in the coal sectors of the Czech Republic, Poland and Bulgaria. It produces 21 million tons of coal per year, owns 6,462 MW of coal-fired power capacity (which makes up 47% of its total power generation capacity), and

currently plans to build 770 MW of new coal plant capacity. The utility is listed on the top 120 Coal Plant Developers List, and is excluded from numerous investment portfolios<sup>1</sup>.

CEZ's plans to add additional coal capacity and to burn coal for another 40 years are completely at odds with the climate targets agreed upon under the Paris Agreement. Our carbon budget does not allow us to build any new coal power infrastructure<sup>2</sup>, and any new coal plant is inconsistent with the global target of limiting global warming to well below 2°C. Moreover, according to the research institute Climate Analytics, existing coal plants need to be totally phased-out by 2030 in OECD countries, including in the European Union.

Therefore, CEZ is one of the seven utilities which will come under increased scrutiny from partners in the Europe Beyond Coal campaign in the following months. We will closely monitor and expose to the public any insurers which decide to underwrite the Ledvice III project. Along with other members of the Europe Beyond Coal campaign, we are determined to prevent the expansion of new coal capacity in Europe and beyond.

Four of the world's biggest insurers – Allianz, AXA, SCOR and Zurich – have limited or ceased their underwriting of coal projects, and Swiss Re has just announced a policy on this issue as well. We call on you to follow these companies' lead and commit to not underwrite the new Ledvice unit and to cease underwriting coal projects and companies which are unlikely to transition rapidly enough to a 100% renewables-based energy system.

We hope to see your institution announcing an end to underwriting coal in the near future and stand ready to provide more information on the Unfriend Coal and Europe Beyond Coal campaigns. Please do not hesitate to get in touch with any of the below organisations.

Sincere regards,

Jan Chudzynski  
Campaigner  
Foundation 'DY-OPMN'



Katya Nikitenko  
Senior Finance Campaigner  
Greenpeace Switzerland



Lucie Pinson  
Campaigner  
The Sunrise Project



Lorette Philippot  
Campaigner  
Friends of the Earth France



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<sup>1</sup> AXA, Generali, SCOR and Allianz have all adopted policies restricting the exposure of their own portfolio to coal plant developers.

<sup>2</sup> Pfeiffer et al., 2016: <http://www.sciencedirect.com/science/article/pii/S0306261916302495>

Regine Richter  
Campaigner  
Urgewald

*Regine Richter*

Alessandro Runci  
Campaigner  
Re:Common

A handwritten signature in black ink on a light-colored rectangular background. The signature is stylized and appears to read 'A. Runci'.