The Arctic Refuge:

Does your company deserve a gold medal?

With the Winter Olympics recently wrapped up, we are on the verge of spring and what might be our last chance to protect the Arctic National Wildlife Refuge from being destroyed by oil companies. The six largest banks in America and the five largest in Canada have stated they will not finance development projects in the Arctic Refuge, and 12 international insurance companies have earned places atop the medal podium by announcing similar policies. And AIG has now become the first American insurance company to announce it will not insure Arctic oil and gas projects.

Is your company among them?

This is a matter of human rights. Oil and gas drilling in the Arctic Refuge threatens the health, subsistence and culture of Indigenous peoples who have stewarded the land since time immemorial and who continue to hold the land sacred. If you haven't yet promised to stand with them, you still have time to get on the right side of history.

Twelve global insurance companies will not insure oil & gas projects in the Arctic Refuge.

Gwich'in Steering Committee

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"In no case may a people be deprived of their own means of subsistence."
International Covenants on Human Rights

The Arctic Refuge

At 19.3 million acres, the Arctic National Wildlife Refuge is America's largest wildlife refuge and provides habitat for caribou, polar bears and migrating birds from across the globe. The Arctic Refuge's coastal plain has sustained Indigenous Peoples for millennia. Iñupiat community members oppose oil and gas development on the coastal plain of the Arctic Refuge,[1] as does the Gwich'in Nation.[2]

The Gwich'in make their home on or near the migratory route of the Porcupine Caribou Herd and have depended on this herd to feed their families and sustain their culture for thousands of years. The coastal plain of the Arctic Refuge is the calving ground of the Porcupine Caribou Herd. In fact, the Gwich'in people call the coastal plain, Iizhik Gwats'an Gwandaii Goodlit, which means "The Sacred Place Where Life Begins."

The 1.6 million-acre coastal plain was opened to oil and gas leasing, exploration, development, and production by the Tax Cuts and Jobs Act of 2017. This last-minute addition passed without a single public hearing in Congress.

In early 2021, the Trump Administration, during its final days in office, held an oil and gas lease sale of the coastal plain. The Biden administration then took steps to halt oil and gas activities on the coastal plain, but those actions are only temporary. Our coalition urgently calls for permanent protection of the Arctic Refuge through an act of Congress to revoke past least sales and prevent future oil and gas development.

1 https://www.silainuat.org/new-page-1
2 https://ourarcticrefuge.org

The Role of the Insurance Industry

Without insurance, oil companies cannot operate. Insurance is required by law for oil projects conducted through federal and state government leases. Oil companies seek insurance to cover high-risk projects such as Arctic oil exploration where spills, worker injury, landscape damage, equipment maintenance and the need for cleanup of wells are common. Insurers underwrite the legal, environmental and technical risks of fossil fuel projects. Insurance is necessary for every step of fossil fuel development, from financing to construction to operations.

In November 2020, the Gwich'in Steering Committee and allies sent a letter[3] to insurance companies asking that they pledge to not insure oil and gas development projects in the Arctic Refuge. The coalition included 77 organizations representing nearly 9 million members and more than $47 billion in assets under management.

The letter advised insurance companies that, "Pursuing oil and gas in the Arctic Refuge is increasingly fraught with risk. The environmental, social, and governance factors linked with oil and gas development exposes [insurance companies] to unnecessary reputational, legal, and financial risk."

The Gwich'in Steering Committee and allies have communicated with insurance companies since sending the letter. We analyzed the sustainability reports, climate pledges, annual reports, and environmental, social and governance (ESG) standards of more than two dozen insurance companies involved in oil and gas projects worldwide.

To judge the insurance industry's response, our coalition[4] created a medals standings table, first published in August 2021. Seven months later we are issuing an update. How do the companies stack up? If the companies were racing down the slopes outside of Beijing, would any win gold? Or did some fail to even qualify for the competition?

3 http://ourarcticrefuge.org/letter-to-insurance-companies
4 Arctic Refuge Defense Campaign https://www.arcticrefugedefense.org

Here are our medal standards:

Gold medal: The company made a clear and public statement that it will not insure oil and gas projects in the Arctic Refuge, the company bans oil and gas insurance in the Arctic, or the company bans insurance for any new oil and gas projects.

Silver medal: The company has a policy or statement regarding oil and gas projects in the Arctic region or the Arctic Refuge, but falls short on the details.

Bronze medal: The company has a corporate policy that could reasonably be used to bar insurance for oil and gas projects in the Arctic Refuge.

Did not medal: The company has started a process toward policy that could be applied to the Arctic Refuge, or the company has engaged in meaningful dialogue with the Gwich'in Steering Committee and allies.

Disqualified: The company has no policy or process that could reasonably be applied to the Arctic Refuge, and has not even bothered to reply to the Gwich'in Steering Committee and allies.

		Company	Ban on Arctic Refuge oil & gas insurance	Ban on Arctic oil & gas insurance	Other policy
GOLD		**AXA** *(France)*	YES		
		AXIS *(Bermuda)*	YES		
		Generali *(Italy)*	YES		
		Hannover Re *(Germany)*	YES		
		KBC *(Belgium)*			NO NEW OIL & GAS
		MAPFRE *(Spain)*	YES		
		Munich Re *(Germany)*	YES		
		SCOR *(France)*	YES		
		Suncorp *(Australia)*			NO NEW OIL & GAS
		Swiss Re *(Switzerland)*	YES		
		Talanx AG *(Germany)*	YES		
		Zurich *(Switzerland)*	YES		
SILVER		**AIG** *(U.S.)*		YES BUT FALLS SHORT	
		Hiscox *(U.K.)*	YES BUT FALLS SHORT		
BRONZE		**Allianz** *(Germany)*			SCREENS FOR MULTIPLE RISKS
		QBE *(Australia)*		YES BUT FALLS SHORT	
DID NOT MEDAL		**Aviva** *(U.K.)*			
		Lloyd's *(U.K.)*			
		Sompo *(Japan)*			
		Tokio Marine *(Japan)*			
		Travelers *(U.S.)*			
DISQUALIFIED		**Chubb** *(U.S.)*			
		CNA *(U.S.)*			
		Liberty Mutual *(U.S.)*			
		Markel *(U.S.)*			
		RLI *(U.S.)*			
		The Hartford *(U.S.)*			
		WR Berkley *(U.S.)*			

Notes and next steps for companies

Gold

AXA, **Swiss Re**, **AXIS**, **Generali**, **Munich Re**, and **Hannover Re** have all issued clear public statements that they will not insure oil and gas projects in the Arctic National Wildlife Refuge.[5] After issuing the first Arctic Refuge insurance scorecard, **SCOR**,[6] **Zurich**,[7] **MAPFRE**, and **Talanx** informed the Gwich'in Steering Committee that their companies will not insure oil and gas projects in the Arctic Refuge.

MAPFRE's Consolidated Annual Report 2021 states, "MAPFRE will not insure any individual new offshore/onshore projects taking place in the Arctic for natural gas or petroleum extraction or transport."[8] A footnote in the report states, "The definition of the Arctic extends to all areas north of the Arctic Circle, including the Arctic Refuge."[9] **Talanx** updated the company's previous response. In an email, a Talanx official wrote, "drilling projects in the Arctic Circle are already subject to special consideration and screening by Talanx Group including Hannover Re. Any specific arctic drilling project insurance inquiry on single risk basis would be declined. This also includes any new oil and gas drilling projects in the U.S. Arctic National Wildlife Refuge as a consequence of a new governmental lease sale."[10]

In addition to the Arctic Refuge-specific policies listed above, two additional global insurance companies stopped insuring new oil and gas projects in recent years. In October 2021, **KBC** announced that the company will no longer provide credit, advice or insurance to new oil and gas fields.[11] In 2020, **Suncorp** declared that the company, "will not directly invest in, finance or underwrite new thermal coal mining projects or electricity generation, or new oil and gas exploration or production."[12]

Silver

Hiscox, a leading member of the Lloyd's marketplace, began a new policy on January 1, 2022, that will, "no longer provide new insurance cover to thermal coal-fired power plants, thermal coal mines, Arctic energy exploration activities, oil sands or controversial weapons."[13] The Hiscox definition of the Arctic includes the Arctic Refuge. However, Hiscox will continue to provide reinsurance for Arctic oil and gas projects. Hiscox aims to exit Arctic energy reinsurance by 2030. We ask Hiscox to end insurance for Arctic oil and gas projects immediately.

On March 1, 2022, **AIG** became the first major American insurance company to issue a policy barring investment and insurance for, "any new Arctic energy exploration activities."[14] However, AIG did not define the Arctic. We encourage AIG to clarify whether or not their policy includes the Arctic Refuge.

Bronze

Allianz met with the Gwich'in Steering Committee and allies and shared their company policy in writing. Allianz does not have a specific policy covering the Arctic Refuge or the Arctic region at large, but their other policies could reasonably be used to bar insurance for oil and gas projects in the Arctic Refuge. Allianz screens oil and gas projects for several risks, all of which could be applied to the Arctic Refuge. As Allianz wrote, the risks include: "Biodiversity risks," "Risks to local communities (e.g. free, prior and informed consent (FPIC) of impacted parties not obtained)," "Risks to protected areas," and "Project located in polar regions." A policy that explicitly protects the Arctic Refuge would move Allianz up the medal standings.

5 ourarcticrefuge.org/corporate-commitment-to-protect-the-arctic-refuge
6 ourarcticrefuge.org/wp-content/uploads/2021/10/04-01-2021-SCOR-Letter-from-Denis-Kessler.pdf
7 ourarcticrefuge.org/wp-content/uploads/2021/11/ZNA-reply-to-Sen-Merkely-et-al-1.29.2021.pdf
8 https://www.mapfre.com/media/shareholders/2021/integrated-report-2021.pdf
9 Ibid.
10 Email from Talanx company official dated February 11, 2022
11 newsroom.kbc.com/as-part-of-its-fight-against-climate-change-kbc-will-no-longer-provide-credit-advice-or-insurance-to-new-oil-and-gas-fields
12 suncorpgroup.com.au/corporate-responsibility/sustainable-growth/responsible-banking-insurance-investing
13 hiscoxgroup.com/sites/group/files/documents/2021-03/Hiscox_Group_ESG_exclusions_policy.pdf
14 ourarcticrefuge.org/gwichin-steering-committee-responds-to-aigs-new-policy-on-arctic-drilling-notes-gwichin-leaders-will-stop-at-nothing-to-protect-traditional-lifeways

QBE issued a convoluted Arctic policy. The company stated, "As of 1 January 2022, for existing companies with 30% or more revenue from oil sands and Arctic drilling, QBE will only provide insurance where the company is on a pathway consistent with achieving the Paris Agreement."[15] While this policy would likely apply to companies operating in the Arctic Refuge, we believe that a clearer statement on Arctic Refuge or Arctic oil and gas would be better.

Did not medal

Aviva's Aviva's climate action plan states, "By the end of 2021, we will have stopped insuring companies making more than 5% of their revenue from thermal coal or unconventional fossil fuels. We will make an exception for those companies serious about their transition out of high carbon fuels and who have committed to clear Science-Based Targets aligned to the Paris Agreement target of limiting temperature rises to 1.5 degrees."[16] Aviva defines Arctic drilling as an unconventional fossil fuel.[17] We asked Aviva to clarify their policy regarding the Arctic Refuge and are awaiting a reply.

Sompo met several times with the Gwich'in Steering Committee and allies to learn more about the Arctic Refuge. We appreciate the company's willingness to talk. The company is not yet willing to make a policy regarding the Arctic Refuge or the Arctic region.

Tokio Marine's 2021 Sustainability Report states that tar sands and Arctic oil and gas projects are, "sectors to be reviewed."[18] Tokio Marine should clearly state that the company will not insure oil and gas projects in the Arctic Refuge.

Travelers has not agreed to meet with the Gwich'in Steering Committee and allies. A company representative wrote, "Travelers' support, if any, for the exploration, production, or transportation of oil and gas in the Arctic Refuge is de minimis, at most." We remain concerned, as any amount of insurance for Arctic Refuge oil and gas could allow a project to move forward.

In December 2020 **Lloyd's**[19] issued a policy barring insurance for Arctic oil and gas projects. However, Lloyd's did not define the Arctic. We encourage companies to issue Arctic definitions[20] that would include the Arctic Refuge. We also learned that Lloyd's policy is not mandatory for its members.[21] Given this news, we cannot award a medal to Lloyd's for an Arctic policy that is not binding on managing agents.

Disqualified

Chubb, **CNA**, **Liberty Mutual**, **Markel**, **RLI**, **The Hartford** and **WR Berkley** have not responded at all to outreach from the Gwich'in Steering Committee and allies. We encourage these companies to contact the Gwich'in Steering Committee and their allies.

Liberty Mutual and **Chubb** are of particular concern. Liberty Mutual is a top player in global oil and gas insurance,[22] is active in Alaska, and has ignored Indigenous Peoples regarding other oil and gas projects in the United States and Canada. Chubb has done business with SAExploration, a firm tied to 3D seismic surveying in the coastal plain of the Arctic Refuge.

15 qbe.com/-/media/group/sustainability/environmental%20and%20social%20risk%20framework%20-%20external%20-%20final.pdf
16 aviva.com/newsroom/perspectives/2021/03/taking-climate-action
17 aviva.com/climate-goals-glossary
18 tokiomarinehd.com/sustainability/pdf/sustainability_web_2021_2.pdf
19 ourarcticrefuge.org/lloyds-new-policy-on-arctic-energy-exploration-falls-short
20 See the Arctic Monitoring & Assessment Programme (AMAP) for an example https://www.amap.no/about/geographical-coverage
21 insureourfuture.co/lloyds-failure-to-implement-esg-policy-is-driven-by-its-ceo-john-neal
22 libertysclimatecrisis.com