Briefing paper

THE GOOD, THE BAD AND THE UGLY: THE REINSURANCE INDUSTRY'S APPROACH TO FOSSIL FUELS

Insure OUR FUTURE

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EXECUTIVE SUMMARY

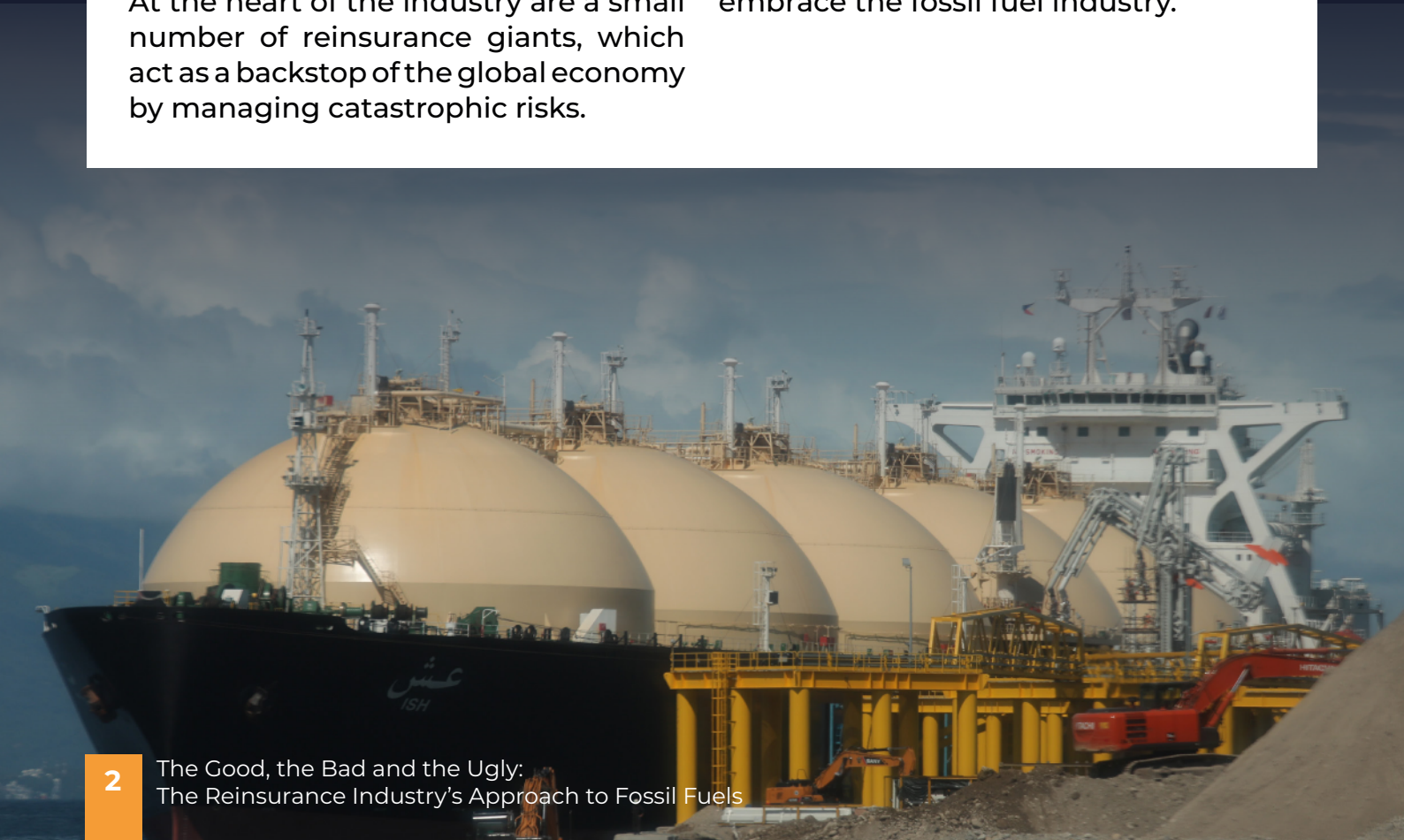
Climate change is accelerating and reaching critical tipping points which, if crossed, will unleash catastrophic social, environmental and economic impacts. At the same time, the clean energy transition is accelerating as well. In 2025, clean power was able to meet the full increase in global electricity demand, and the growth of fossil fuel consumption has stalled.

Detached from climate science and the economics of the clean energy transition, governments in the U.S. and beyond continue to prop up uneconomic fossil fuel projects. Of particular concern is the wave of proposed new LNG terminals, which if built will lock the world into decades of prolonged dependence on expensive and polluting fossil gas.

The insurance industry plays a critical role in managing and mitigating risk. At the heart of the industry are a small number of reinsurance giants, which act as a backstop of the global economy by managing catastrophic risks.

Re/insurance companies accelerated the shift away from coal after 2017. They have however not yet taken the necessary steps to support the shift away from fossil fuel expansion and particularly from new LNG terminals – a shift which climate science demands and the economics of the clean energy transition warrant.

This briefing paper looks at the fossil fuel policies of the world's five biggest reinsurance companies. Its particular focus are the top-3 reinsurers Swiss Re, Munich Re and Hannover Re, all of which happen to be led by new CEOs. It finds that Munich Re, Hannover Re and SCOR have taken modest but insufficient steps in the right direction in recent weeks and months. In comparison Swiss Re seems to backslide on its previous commitments to climate action, and Berkshire Hathaway continues to fully embrace the fossil fuel industry.



CLIMATE CHANGE IS ACCELERATING

2015-2025 were the eleven hottest years on record, the World Meteorological Organization's latest State of Climate report confirms, and global warming appears to have accelerated during this period.

While climate science has predicted the type of global warming impacts we are now experiencing, these impacts are in many ways surpassing expectations. "Key impacts are exceeding what models predicted when it comes to extreme weather, the intensification of hurricanes, ice sheet disintegration and sea level rise," comments climate scientist Michael Mann. Other climate experts have called the temperature records brought about by the recent European heatwave "absolutely astonishing" and "mind-bogglingly crazy".

New research has also found that the critical Atlantic current system (Atlantic meridional overturning circulation or AMOC) appears more likely to significantly weaken than previously thought. According to this research, the most pessimistic forecasts, which predict a collapse of the system by the end of the century, are most strongly aligned with real-world observations.

Such a collapse would have catastrophic impacts, sharply reducing European winter temperatures, rendering close to 60% of the global land area currently suitable for wheat and maize production unsuitable, drastically shifting the tropical rain belts on which billions of people depend for their livelihoods, and triggering an abrupt spike in sea-level rise for example at the U.S. East Coast.

THE POSITION OF THE INSURE OUR FUTURE CAMPAIGN

The Insure Our Future campaign has called on re/insurance companies to adopt a binding, group-wide policy to cease providing insurance and reinsurance services (including direct, facultative, and treaty arrangements), renewals, and investments for new and expanded fossil gas infrastructure worldwide, including LNG, the most emissions-intensive form of gas.

This policy should take effect immediately for all new underwriting and investment decisions, apply across the full value chain, including gas extraction, LNG export and import terminals, gas-fired power plants, pipelines, shipping, and associated infrastructure, and apply at both project and corporate levels.

Global re/insurers must not enable new long-term fossil gas lock-in that is incompatible with climate stability, durable energy security and credible energy transition pathways.

THE DISCONNECT BETWEEN SCIENCE, POLITICS AND THE FOSSIL FUEL INDUSTRY

The scientific warnings about likely catastrophic climate change in the lifetime of our children have not had any discernible political impact. Most notoriously, the Trump administration has announced the withdrawal of the U.S. from the UNFCCC, repealed a landmark ruling which determined that greenhouse gases endanger public health and welfare, prevented the closure of uneconomic coal power plants and offered billions of dollars for the abandoning of wind farms. It is pressuring other governments to sign long-term contracts to import more U.S. LNG, and threatening legal actions against corporate climate efforts.

Yet the backlash against climate action doesn't stop at the U.S. borders. The UK Reform Party and the mass media aligned with it are campaigning viciously against the British government's net-zero commitments. Even the Canadian and German governments have rolled back climate commitments and offered direct and indirect support for the further expansion of fossil fuel extraction and combustion.

The fossil fuel industry is funding the political backlash against climate action, and has rolled back its own climate commitments in response to it. Even at the height of corporate net-zero announcements, most oil majors outside Europe didn't adopt net-zero targets for their scope 3 emissions. In recent years, major European oil and gas companies like BP, Shell and TotalEnergies rescinded their scope 3 targets at least for the short and medium-term as well, announcing plans to expand their oil and gas extraction instead.

LNG terminals are a critical tool to lock countries into prolonged dependency on fossil gas. According to Global Energy Monitor, terminals with a total capacity of more than 1,600 million tons per annum (mtpa) are currently under development, which if built would more than double the existing capacity of 1,533 mtpa. These plans create massive risks for the climate, economic development, energy security and ecosystems.

Climate

Gas produces fewer greenhouse gas emissions than coal when it's burnt. Yet if we also consider the leakage from extracting, transporting and liquefying gas, LNG has worse climate impacts than coal – not least because it leaks methane, which has significantly greater planet-warming potential than CO2, the main emission from coal.

Economics

The energy consultancy Wood Mackenzie estimates that in 2030, electricity from wind and solar, combined with battery storage, will cost USD 50-75 per megawatt hour, while electricity from new gas power plants will cost USD 85-115 per megawatt hour. This trend, Reuters has warned, will "turn [the] LNG glut into a sinkhole".

Energy security

The main sources of LNG include the U.S., Russia and the Middle East. For political and military reasons, supply of gas from all these sources can be switched off at a moment's notice. This is not the case for solar and wind power, combined with battery storage.

Ecology

LNG terminals often pose great risks to marine and coastal ecosystems. Some 30 additional LNG terminals have for example been proposed in Southeast Asia's ecologically sensitive Coral Triangle, which has been dubbed the "Amazon of the seas" (see box).

UNDERWRITING SACRIFICE ZONES

The U.S. Gulf Coast in Louisiana and Texas is an epicenter of global LNG expansion. Six export terminals are currently in operation, and more than 20 others have been proposed. The emission of methane and other pollutants from the terminals, from refineries and other petrochemical facilities have created a serious public health crisis among the local population, which is predominantly impoverished and Black. Through their ongoing operations and a dredging disaster in August 2025, they have also devastated the coastal fisheries on which local communities depend for their livelihoods.

The Calcasieu Pass LNG terminal, for example, has greenhouse gas emissions equivalent to 24 coal power plants.

In 2022 alone, the terminal racked up more than 2,200 permit violations. The operator has proposed to build a second terminal, Calcasieu Pass 2, which would have more than twice the export capacity of the first terminal.

In 2024/25, the operating terminal was underwritten by at least 13 re/insurance companies, including Swiss Re, Munich Re and SCOR. Local community groups and international NGOs called on insurance companies not to underwrite the operating and proposed Calcasieu Pass projects. The three reinsurers refused to clarify whether they had renewed their coverage, and whether they considered underwriting the proposed new terminal.

Source: Rainforest Action Network et al, No More Sacrifice Zones, April 2025

THE CLEAN ENERGY TRANSITION IS HAPPENING – IN TIME?

During the 2024-25 period, global electricity demand increased by 3.5% per year. During the same period, the generation of fossil-free (renewable and nuclear) power increased by 7.6% per year. Renewable power generation reached a share of 33.8% in 2025, for the first time overtaking coal.

Increasing fossil-free power generation was able to meet the full growth in electricity demand in 2025, and the generation of fossil power dropped by 0.2%. Renewable and nuclear power, in other words, enabled the transition away from fossil fuels in the transportation and heating sectors (EVs, heat pumps) and stalled the expansion of fossil fuels for the power sector at the same time.

Fossil power generation outside China, the main driver of fossil fuel demand growth, has been flat since 2018. In 2025, fossil power demand for the first time also fell in China. The countries where fossil fuel demand is still growing – particularly India, Saudi Arabia and Southeast Asian countries – have a huge untapped solar potential. Now that solar power has become cheaper than fossil power, these countries will have no incentive to follow China's fossil-dependent path as they industrialize further.

In 2025, the prices for battery storage fell by an astounding 45%, and global battery storage capacity increased by 46%. Batteries are expanding the hours when solar power can be consumed and are thus unlocking the next stage of rapid solar power growth at the cost of fossil fuel consumption around the world.

The transition away from fossil fuel is currently not sufficiently rapid to mitigate catastrophic climate change. It is certainly fast enough to make the further expansion of fossil fuel infrastructure, including LNG terminals, unnecessary.

Source: Ember, Global Electricity Review 2025, 21 April 2026

THE CRITICAL ROLE OF THE REINSURANCE INDUSTRY

With unparalleled risk assessment capabilities, insurance and in particular reinsurance companies are the ultimate risk managers in society. They play a critical role in identifying emerging risks and advocating for action to mitigate those risks. Historical examples include supporting stricter fire codes and automobile safety protocols. Given their role in assessing risk, reinsurance companies are sending important signals to other investors and economic policy makers through their investment and underwriting decisions.

Munich Re first warned about increasing climate risks in 1973 and Swiss Re, in 1979. Leading re/insurance voices have issued strong calls for climate action in recent years. The Chief Risk Officers Forum for example said in 2019 that "a massive and globally coordinated response is required to mitigate climate risks, enabled by radical economic and socio-cultural change".

Günther Thallinger, a member of Allianz's management board, warned last year that climate change "is a systemic risk that threatens the very foundation of the financial sector. If insurance is no longer available, other financial services become unavailable too. (...) The financial sector as we know it ceases to function. And with it, capitalism as we know it ceases to be viable."

"Without climate risk management and drastically reducing carbon emissions with a goal of net zero", Swiss Re says on its website, "the global economy will be significantly smaller by mid-century due to income and productivity losses."

Re/insurers not only have the power of the bully pulpit. Through their underwriting decisions, they can use a powerful lever to shift society away from technologies, materials and practices whose risks they deem unmanageable. This is true both for the facultative reinsurance of complex projects and in the treaty reinsurance of large portfolios.

Thomas Buberl, the CEO of AXA, put it simply in 2021: "If you don't have the insurance, you will have no financing – whether it's private, public, from an insurer, from an asset manager, whatever." "From our point of view, pressure to cease underwriting is very effective", Dominick Hoare of Munich Re agreed in 2022. "Insurance is an incredible tool for enacting change." And Richard Brindle, the Chairman of Fidelis Insurance, stated in the same year: "The insurance industry has a hugely important role to play in holding companies to account and making change happen – but nothing changes unless we are prepared to walk away from activities that are harmful to the environment, people, society and animals."

REINSURERS' DIVERGING APPROACHES TO FOSSIL FUELS

Re/insurance companies have played an important role in accelerating the shift away from asbestos and coal, and have now also started to adopt blanket exclusions for the "forever chemicals" PFAS. They have been less prepared to turn words into action in the phase-out of oil and gas and particularly regarding new LNG terminals.

The world's biggest reinsurance companies are Swiss Re, Munich Re, Hannover Re, Berkshire Hathaway and SCOR. A closer look reveals different approaches among these important actors. None of these approaches reflect what climate science requires us to do, but some are better than others. This analysis starts with the comparatively good, moves on to the bad and ends with the ugly.

(1) MUNICH RE: PERSISTENT WARNING, AND BABY STEPS IN THE RIGHT DIRECTION

Munich Re was the first insurance company to point out increasing flood risks due to climate change in 1973, and has consistently warned about the growing natural catastrophe risks of a warming planet ever since.

The reinsurer adopted restrictions on underwriting coal in 2018, and on new oil and gas fields, new midstream oil infrastructure and new oil-fired power plants in 2022 (which became effective in April 2023). Munich Re's syndicate at Lloyd's even decided to stop underwriting all traditional oil and gas from this time. "The undoubted impact of fossil fuels on climate change demands a proactive stance from insurers", the syndicate's chief underwriter declared. "This decision will enable the syndicate to focus its efforts on supporting the energy transition by absorbing technical risks, enabling businesses in the sector to focus on their growth."

In 2025, the market intelligence company Insuramore compiled estimates on the property & casualty premiums from primary (direct) insurance in the energy sector for the Insure Our Future campaign. According to these estimates, Munich Re in 2024 derived only 0.4% of its direct P&C premiums from underwriting fossil fuels – three times less than the 1.125% it derived from renewable energy. The reinsurer reported that under its new oil and gas policy, it reduced its insured emissions in the upstream oil and gas sector by no less than 96% from 2019 until 2024 .

Under its new CEO, Christoph Jurecka, Munich Re was the first reinsurer to adopt very modest explicit restrictions on new LNG terminals in January 2026. Under the revised policy, "Munich Re does not (re)insure contracts exclusively covering the planning, financing, construction or operation of new LNG infrastructure (not yet under construction as at 31 December 2022), if directly and exclusively related to new gas fields as defined above".

The German NGO Urgewald estimates that 14 LNG terminals meet Munich Re's narrow exclusion criteria – a small slice of the more than 100 terminals currently under development.

Based on Rystad data, the French campaign group Reclaim Finance has identified 46 new gas field developments which are linked to LNG terminals. At its AGM in April 2026, Munich Re stated that it had rejected underwriting several LNG projects due to the new exclusion criteria since the start of the year.

(2) HANNOVER RE: FOLLOWING MUNICH RE'S LEAD

Hannover Re adopted restrictions on insuring new coal projects in 2019, and was the first reinsurer to stop underwriting new greenfield oil and gas fields as well as midstream projects which exclusively support the transport and storage of new oil and gas projects from mid-2022.

Hannover Re's policy does not explicitly rule out support for LNG terminals, but at its AGM in May 2026, the company clarified that the exclusions of its 2022 oil and gas policy also extended to LNG terminals if they were connected exclusively to new greenfield gas fields.

Under its new CEO, Clemens Jungsthöfel, Hannover Re is thus following the same approach as Munich Re, and may have done so even before 2026. Interestingly, the reinsurer adopted its initial coal, oil and gas restrictions under the leadership of its CEO Jean-Jacques Henchoz, who had joined Hannover Re from Swiss Re, and who joined Swiss Re's board in 2026 (after departing the German reinsurer the year before).

(3) SCOR: TAKING ACTION ON A GREY AREA?

SCOR has the strongest oil and gas divestment policy of any re/insurance company. It only invests in oil and gas companies which are considered best-in-class and at least have a net-zero commitment under the Science-Based Targets initiative (SBTi), and excludes any new investment in companies with oil and gas expansion plans. The French reinsurer started restricting its underwriting for coal projects in 2017, and has excluded insurance services for new greenfield oil and gas projects in 2023.

SCOR does not have any restrictions on underwriting LNG terminals, but at its latest AGM in April 2026 called LNG a "grey area". In practice, the French reinsurer assesses direct insurance and facultative reinsurance for LNG projects based on a list of ESG criteria. Under these criteria, projects which are linked to new gas field developments are weighed negatively. More recently, SCOR added the location in the Coral Triangle to the criteria receiving a negative weight. As a consequence a quick review did not produce any evidence of SCOR exposure to new LNG terminals linked to greenfield gas projects.

(4) SWISS RE: BUILT TO LEAD OR BUILT TO LAG?

The motto of Swiss Re, the world's largest reinsurance company, is "Built to Lead". For decades, such leadership extended to climate action but under its new CEO, Andreas Berger, the Swiss reinsurer has been backsliding on its climate commitments.

Swiss Re has consistently warned about climate risks, for example in its annual Sigma reports. The Swiss company was the first reinsurer to rule out underwriting new coal projects (beyond the very limited steps which SCOR took the year before) in 2018, and the second to restrict insurance support for new greenfield oil and gas extraction in 2022.

Swiss Re has repeatedly ruled out restrictions on LNG terminals, and instead emphasized the importance of phasing out support for oil and gas production not aligned with net-zero pathways more broadly. In 2022, it committed to deriving half of all oil and gas premiums from companies aligned with net-zero targets by 2025, and all such premiums by 2030. Swiss Re committed to the validation of its targets by the SBTi.

In October 2023 Swiss Re defined net-zero alignment as follows: "have 2050 net zero targets (including Scope 3) AND near/medium-term reduction targets (including Scope 1, 2 and/or 3), with the adoption of both near- and long-term commitments viewed as demonstrating credibility". The term "Scope 1, 2 and/or 3" means that in practice, companies don't need to have any short or medium term targets for their oil and gas production to be considered net zero aligned by the reinsurer.

According to the Insuramore data, Swiss Re's fossil fuel premiums in 2024 accounted for 3.8% of its direct P&C premiums, while premiums from the renewable energy sector only made up 1.1%. While the fossil fuel share of Munich Re's premiums was three times smaller than the renewable share, the proportions were exactly the other way round at Swiss Re.

Since Andreas Berger took the helm in July 2024, Swiss Re has started to downplay climate risks and roll back its climate commitments. Its annual flagship report about natural catastrophes for example only contained five references to climate change in 2026, compared with 105 mentions in 2020.

In September 2025 Swiss Re announced that it would withdraw from validating its climate targets by the SBTi. The company undertook this step shortly after the Republican attorneys general of 23 U.S. states had threatened, without any factual basis, that SBTi validation raised concerns about anti-competitive behavior. Remarkably, 93% of companies (and 96% of the Swiss companies) committed to the SBTi upheld their commitment, but not Swiss Re.

Swiss Re is reporting progress on its efforts to phase out support for oil and gas companies not aligned with net zero by 2050 targets. According to the reinsurer's 2026 transition plan, the share of companies meeting its criteria in its total gross written premiums from the oil and gas sector increased from 53% to 73% in 2025.

This sounds encouraging – except that after BP and Shell dropped their short and medium term emission reduction targets, hardly any oil and gas companies are still aligned with any meaningful net-zero pathways. Unlike Munich Re and Hannover Re, Swiss Re continues to underwrite new LNG terminals without any restrictions.

(5) THE UGLY: BERKSHIRE HATHAWAY

The Berkshire Hathaway conglomerate not just owns several insurance companies, but also three U.S. utilities which heavily rely on coal, oil and gas for their electricity generation.

Another subsidiary, BNSF Railway, is one of the largest coal transporters in the United States.

In 2016 Warren Buffett, the chairman of Berkshire Hathaway, famously argued that "as a shareholder of a major insurer, climate change should not be on your list of worries". The re/insurance subsidiaries of the conglomerate have not adopted any restrictions on underwriting coal, oil and gas, including LNG, and even stepped in to partly fill the gap when other insurers withdrew from supporting coal after 2017. Berkshire Hathaway consistently ranked at the bottom of the Insure Our Future campaigns annual scorecard reports.

🔎 PUTTING THE AMAZON OF THE SEAS AT RISK

The Coral Triangle in Southeast Asia – also called the "Amazon of the seas" – is the world's most biodiverse marine region. Its coral reefs and mangrove forests strengthen the climate resilience and support the livelihoods of more than 360 million people in Indonesia, Malaysia, Papua New Guinea, the Philippines, the Solomon Islands and Timor Leste.

The Coral Triangle is also a hotspot of global LNG expansion. In January 2024, 19 LNG terminals were operating in the region, both for the import and export of gas, 15 of which located near critical natural habitats. More than 30 additional terminals have been proposed.

The oil and gas concessions on which the LNG terminals depend overlap with 210,000 square kilometers of marine conservation areas. The construction and operation of gas extraction and LNG facilities has severe environmental impacts on the fragile marine ecosystems.

In April 2026, 70 NGOs from more than 20 countries called on 30 re/insurance companies to rule out cover for fossil gas expansion in the Coral Triangle. By early June, 16 insurers responded but only SCOR committed to specific actions, integrating the region into its criteria for reviewing new LNG terminals (see above).

Source: *Campax & Insure Our Future, LNG Expansion in the Coral Triangle Biodiversity Hotspot, April 2026*

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Contact

info@insure-our-future.com

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Photos credits: CEED ; unsplash
Designed by: edouardmarchal.fr

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