



The Arctic Refuge:

*Does Your Insurance
Company Deserve
a Gold Medal?*

This isn't just the summer of the Tokyo Olympics. It's the summer of what may be our last, best 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 six international insurance companies have earned places atop the medal podium by announcing similar policies.

Is your company among them?

This is a matter of human rights. Oil and gas drilling in the Arctic Refuge poses an existential threat to 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.

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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*



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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 Refuge¹, as does the Gwich'in Nation².

The Gwich'in make their home on or near the migratory route of the Porcupine Caribou Herd, and have depended on this herd for their subsistence and 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."

¹ silainuat.org/new-page-1

² ourarcticrefuge.org

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 lease sales and prevent future oil and gas development.

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 letter¹ 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.

¹ ourarcticrefuge.org/letter-to-insurance-companies

² Arctic Refuge Defense Campaign, arcticrefugedefense.org

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 coalition² created a medals standings table. How do the companies stack up? If the companies were running a race in Tokyo this summer, would any win gold? Or did some fail to even qualify for the competition?

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, or the company bans oil and gas insurance in the Arctic and has a specific definition of the Arctic that includes 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.








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.



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.



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.

	<i>Company</i>	<i>Ban on Arctic Refuge oil & gas insurance</i>	<i>Ban on Arctic oil & gas insurance</i>	<i>Other policy</i>
GOLD 	AXA XL (France)	YES		
	Swiss Re (Switzerland)	YES		
	AXIS (Bermuda)	YES		
	Generali (Italy)	YES	YES	
	Munich Re (Germany)	YES		
	Hannover Re (Germany)	YES		
SILVER 	Hiscox (UK)	YES BUT FALLS SHORT		
	Lloyd's (UK)		YES BUT FALLS SHORT	
	MAPFRE (Spain)		YES BUT FALLS SHORT	
	Zurich (Switzerland)	YES BUT FALLS SHORT		
BRONZE 	Allianz (Germany)			SCREENS FOR MULTIPLE RISKS
	QBE (Australia)		YES BUT FALLS SHORT	
DID NOT MEDAL 	Aviva (U.K.)			
	Sompo (Japan)			
	Talanx AG (Germany)			
	Tokio Marine (Japan)			
	Travelers (U.S.)			
	AIG (US)			
DISQUALIFIED 	Chubb (U.S.)			
	CNA (U.S.)			
	Liberty Mutual (U.S.)			
	Markel (U.S.)			
	RLI (U.S.)			
	SCOR (France)			
	The Hartford (U.S.)			
	WR Berkley (U.S.)			

Notes and next steps for companies

Gold

AXA XL, **Swiss Re**, and **AXIS** have all issued clear, public statements that they will not insure oil and gas projects in the Arctic National Wildlife Refuge. **AXA XL** formed their policy in 2018¹. **Swiss Re** joined in December 2020² and **AXIS** in January 2021³.

Generali⁴, **Munich Re**, and **Hannover Re**⁵ recently issued new statements regarding the Arctic Refuge. Generali confirmed, “our policy includes the commitment to protect Arctic National Wildlife Refuge with a global exclusion of all oil & gas exploration and extraction activities.”⁶ **Munich Re** wrote, “we neither have nor plan to have any business activities (insurance- and investment-wise) both in and around the Arctic National Wildlife Refuge (also incl. horizontal drilling).”⁷ **Hannover Re** stated, “we rule out, among other ESG issues, any new oil and gas drilling projects in the U.S. Arctic National Wildlife Refuge as well as any other drilling projects related to oil and gas exploitation in arctic [sic] regions.”⁸

Silver

Lloyd’s⁹ and **MAPFRE**¹⁰ issued policies or statements barring insurance for Arctic oil and gas projects. However, neither company defines the Arctic. We encourage the companies to issue Arctic definitions¹¹ that would include the Arctic Refuge.

Hiscox, a leading member of the Lloyd’s marketplace, has a policy that specifically covers the Arctic Refuge¹². However, the new policy does not go into effect until January 1, 2022. We would like to see immediate implementation as coastal plain lessees are currently making plans towards seismic testing activities, which will require insurance.

Zurich wrote in a January 29, 2021 letter, “Zurich Insurance Group shares your concern for the Arctic National Wildlife Refuge and we currently do not provide direct coverage for oil and gas projects in that region and we have no plans to insure future developments there.” The statement is a good start for Zurich, but we still have questions about the company’s policy. We are in touch with company officials.

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.

¹ bloomberg.com/news/articles/2020-11-19/arctic-oil-fight-comes-to-insurers-as-trump-plans-lease-sales

² wilderness.org/sites/default/files/media/file/Swiss%20Re%20Announces%20No%20to%20Arctic%20Refuge.pdf

³ bloomberg.com/news/articles/2021-01-15/axis-capital-rules-out-insuring-arctic-oil-and-gas-projects

⁴ generali.com/doc/jcr:87616186-8cbo-4223-badd-c575dd9e4dcc/lang:en/ENG_Technical%20Note_2021%2006%20update_def.pdf

⁵ See “ESG in insurance business” <https://www.hannover-re.com/171482/core-business>

⁶ Email from Generali company official dated July 27, 2021

⁷ Email from Munich Re company official dated July 28, 2021

⁸ Email from Hannover Re company official dated July 28, 2021

⁹ ourarcticrefuge.org/lloyds-new-policy-on-arctic-energy-exploration-falls-short/

¹⁰ mapfre.com/media/shareholders/2021/integrated-report-2020.pdf

¹¹ See the Arctic Monitoring & Assessment Programme (AMAP) for an example <https://www.amap.no/about/geographical-coverage>

¹² hiscoxgroup.com/sites/group/files/documents/2021-03/Hiscox_Group_ESG_exclusions_policy.pdf

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.”¹³ 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 has a policy against offshore Arctic oil and gas insurance, but not onshore Arctic oil and gas projects. This is a good start from Aviva for global efforts to protect the Arctic. However onshore projects such as those in the coastal plain of the Arctic Refuge are not included in Aviva’s policy.

Sompo met twice 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.

Talanx AG, or the Talanx Group, has not yet agreed to meet with the Gwich’in Steering Committee. Talanx officials shared some of their policies in writing: “drilling projects in sensitive Arctic areas are already subject to special consideration by Talanx. Any specific arctic drilling project insurance inquiry on single risk basis would be declined.” While it’s good to know that Talanx flags Arctic drilling projects, we would still like to meet with the company to learn more about their policies.

Tokio Marine is active in the Alaska insurance market and owns U.S. subsidiary companies. Tokio Marine is one of the ten largest global insurers of fossil fuel projects¹⁴. Tokio Marine met with the Gwich’in Steering Committee and allies, but does not have a policy regarding the Arctic Refuge or Arctic region.

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.

AIG recently responded to the Gwich’in Steering Committee and allies. We hope to meet soon with company officials.

Disqualified

Chubb, CNA, Liberty Mutual, Markel, RLI, SCOR, 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 insurance¹⁵, 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.



¹³ [qbe.com/-/media/group/sustainability/environmental%20and%20social%20risk%20framework%20-%20external%20-%20final.pdf](https://www.qbe.com/-/media/group/sustainability/environmental%20and%20social%20risk%20framework%20-%20external%20-%20final.pdf)

¹⁴ [pollutingtheplanet.com](https://www.pollutingtheplanet.com)

¹⁵ [libertysclimatecrisis.com](https://www.libertysclimatecrisis.com)