



**WHEREAS:** Insurance companies have a critical role to play in meeting the Paris Agreement’s 1.5 degrees Celsius (1.5°C) goal, which will require net zero greenhouse gas (GHG) emissions by 2050. Projections have found that limiting global warming to 1.5°C versus 2 degrees will save \$20 trillion globally by 2100,<sup>1</sup> while exceeding 2 degrees could lead to climate damages ranging from 21 to 563 trillion.<sup>2</sup> According to Swiss Re, failure to meet the 1.5°C goal may shrink global economic output by 11 to 14 percent.<sup>3</sup>

The insurance industry is under increasing pressure to address its contributions to climate change. The United Nations Environment Program Finance Initiative has underscored the critical role of insurance companies in meeting the 1.5°C goal. Exemplifying this growing pressure, legislation was passed in Connecticut requiring regulators to incorporate emissions reduction targets in their supervision of insurers.<sup>4</sup>

Shareholders are concerned that Chubb is not adequately reducing the climate footprint of its insurance-related activities. The company’s pre-tax catastrophe losses were almost \$1.2 billion in the third quarter of 2022, with \$975 million resulting from claims related to Hurricane Ian alone.<sup>5</sup> This follows a larger global trend: According to Munich Re, natural disasters caused losses of \$280 billion in 2021, up from \$210 billion in 2020 and \$166 billion in 2019.<sup>6</sup>

Chubb is a climate laggard in the global insurance sector, scoring near the bottom in a survey of the 30 largest global insurers.<sup>7</sup> In contrast, peers are beginning to take action.<sup>8</sup> Twenty-nine global insurers (representing more than 14% of world premium volume globally) have joined the United Nations’ Net Zero Insurance Alliance, committing to transition emissions from their insurance and reinsurance underwriting portfolios to net zero by 2050.<sup>9</sup>

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<sup>1</sup> <https://www.nature.com/articles/d41586-018-05219-5>

<sup>2</sup> <https://www.nature.com/articles/s41467-020-18797-8/>

<sup>3</sup> <https://www.swissre.com/dam/jcr:e73ee7c3-7f83-4c17-a2b8-8ef23a8d3312/swiss-re-institute-expertise-publication-economics-of-climate-change.pdf>

<sup>4</sup> <https://www.businessinsurance.com/article/20210617/NEWS06/912342605/Connecticut-bill-calls-for-regulation-of-insurers%E2%80%99-climate-risks>

<sup>5</sup> <https://www.artemis.bm/news/chubb-reports-1-2bn-of-cat-losses-for-q3-reinsurance-partners-to-take-share/>

<sup>6</sup> <https://www.munichre.com/en/company/media-relations/media-information-and-corporate-news/media-information/2022/natural-disaster-losses-2021.html>

<sup>7</sup> <https://insure-our-future.com/wp-content/uploads/2022/11/SP-IOF-2022-Scorecard-v0.8-online-1.pdf> p.11

<sup>8</sup> <https://insure-our-future.com/scorecard>

<sup>9</sup> <https://www.unepfi.org/net-zero-insurance/>

While Chubb has set Scope 1 and 2 emissions reduction targets for its energy use and operational emissions and has certain coal related policies, Chubb has not adopted targets aligned with the Paris Agreement’s 1.5°C goal for its underwriting, insuring, and investment activities. Chubb appears to instead rely on governments “to develop and implement climate change solutions.”<sup>10</sup>

Insurers’ activities can contribute to systemic climate risk to the global economy, investor portfolios, and insurers’ profitability. By setting and disclosing medium and long-term GHG emissions reduction targets across its underwriting, insuring, and investment activities, including net zero ambitions, Chubb can assure investors that management is addressing its quickly growing climate risk, reducing its climate impact, and building on climate-related opportunities.

**BE IT RESOLVED:** Shareholders request that Chubb issue a report, at reasonable cost and omitting proprietary information, disclosing 1.5°C aligned medium and long-term GHG targets for its underwriting, insuring, and investment activities.

**SUPPORTING STATEMENT:** Additionally, shareholders recommend the report disclose, at management discretion, a general timeline on which Chubb will:

- measure the emissions of its highest emitting business sectors; and
- set Paris-aligned 1.5°C targets for its highest emitting business sectors.

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<sup>10</sup> [https://about.chubb.com/content/dam/chubb-sites/chubb/about-chubb/citizenship/environment/pdf/Chubb-Our\\_Climate\\_Change\\_Policy.pdf](https://about.chubb.com/content/dam/chubb-sites/chubb/about-chubb/citizenship/environment/pdf/Chubb-Our_Climate_Change_Policy.pdf)