



WHEREAS: The Intergovernmental Panel on Climate Change reports that immediate and significant emissions reductions are required of all market sectors to stave off the worst consequences of climate change.¹ Achieving global 1.5°C climate goals “will only be possible if we replace, at scale, the global economy’s productive asset base with non-emissive technologies.”²

The insurance industry is suffering from climate impacts. As global temperatures increase, annual insured losses from natural catastrophes routinely approach \$100 billion in the U.S., compared to \$4.6 billion in 2000.³ The Travelers Companies is not exempt, it experienced an increase in pre-tax catastrophe losses over recent years, from \$886 million in 2019⁴ to \$1.88 billion in 2022.⁵ Travelers acknowledges that high catastrophe losses “could materially and adversely affect... our financial position....”⁶

While Travelers has developed coal and tar sands policies limiting underwriting and investing in those segments,⁷ it has not made a similar commitment in other climate-critical business segments such as oil and gas. The International Energy Agency’s Net Zero by 2050 Roadmap notes that fossil fuel use must fall drastically to meet a Net-Zero Emissions Scenario, and that no new oil and natural gas fields are required beyond those already approved for development.⁸ Insurance companies can thus align with the global Net Zero goal by insuring only existing oil and gas fields, a limitation similar to Travelers’ coal power plant policy,⁹ and by reducing investments in high carbon companies, particularly oil and gas companies investing in finding and developing new fields.

Rather than align its insuring, underwriting, and investing activities with the global Paris goal, however, Travelers amplifies its greenhouse emissions by continuing to invest in and insure high carbon activities. Of the 16 largest U.S. property and casualty insurers, Travelers is the fourth largest investor in fossil fuel- related assets, with \$4.7 billion

¹ https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_FullVolume.pdf p.20

² <https://www.mckinsey.com/capabilities/risk-and-resilience/our-insights/aligning-portfolios-with-climate-goals-a-new-approach-for-financial-institutions>

³ <https://www.iii.org/table-archive/20922>

⁴ https://sustainability.travelers.com/iw-documents/sustainability/Travelers_TCFDReport2021.pdf p.28

⁵ https://s26.g4cdn.com/410417801/files/doc_financials/2022/ar/Travelers-2022-Annual-Report.pdf p.59

⁶ https://s26.g4cdn.com/410417801/files/doc_financials/2022/ar/Travelers-2022-Annual-Report.pdf p.43

⁷ <https://sustainability.travelers.com/iw-documents/sustainability/coal-tar-sands-policy.pdf>

⁸ https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroby2050-ARoadmapfortheGlobalEnergySector_CORR.pdf p.99

⁹ <https://sustainability.travelers.com/iw-documents/sustainability/coal-tar-sands-policy.pdf>



invested as of 2019.¹⁰ In a survey of 30 global insurers' climate actions, including oil and gas- related activities, Travelers ranks in the lowest scoring category.¹¹

Travelers is falling behind peers in addressing climate change, and the first step in reducing greenhouse gas emissions is measuring them. AIG¹² and The Hartford¹³ have set net zero goals for their insured and financed emissions, as have several European re-insurers including Swiss Re.¹⁴ Swiss Re currently discloses its insurance-associated emissions.¹⁵ Aviva this year plans to disclose and set 2030 targets for its insured emissions.¹⁶

BE IT RESOLVED: Shareholders request that Travelers measure and disclose the greenhouse gas emissions associated with its underwriting and insuring activities in high-carbon sectors, including oil and gas.

¹⁰ https://www.ceres.org/sites/default/files/reports/2023-08/Changing%20Climate%20for%20the%20Insurance%20Sector_%20Research%20and%20Insights.pdf p.21

¹¹ <https://global.insure-our-future.com/wp-content/uploads/sites/2/2023/11/IOF-2023-Scorecard.pdf> p.17

¹² https://www.aig.com/content/dam/aig/america-canada/us/documents/about-us/report/aig-esg-report_2021.pdf.coredownload.pdf p.38

¹³ https://s0.hfdstatic.com/sites/the_hartford/files/sustainability-highlight-report.pdf p.14

¹⁴ <https://www.swissre.com/dam/jcr:5863fbc4-b708-4e61-acc7-6ef685461abb/esg-risk-framework.pdf> p.13

¹⁵ <https://www.swissre.com/sustainability/approach/metrics-targets/climate-metrics-insurance.html>

¹⁶ <https://www.aviva.com/sustainability/reporting/climate-related-financial-disclosure/> p.45