

the Arctic ReFuge:

Does your company get a passing grade?

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Anyone with a clear understanding of the climate crisis and environmental justice knows that we must move away from fossil fuels and start respecting the rights of Indigenous Peoples. For more than 40 years, oil companies and their allies have pushed to drill in the calving grounds of the Porcupine Caribou Herd (the coastal plain of the Arctic National Wildlife Refuge), which is sacred to the Gwich'in Nation. As of today, 20 insurance companies have announced policies against insuring Arctic oil and gas projects. This follows the six largest banks in America and the five largest in Canada stating they will not finance development projects in the Arctic National Wildlife Refuge. In 2021, Chevron and Hilcorp paid to vacate their legacy leases in the refuge. The only two oil companies that acquired leases there during the Trump administration have given up and surrendered those leases, leaving a state-owned corporation—the Alaska Industrial Development and Export Authority—as the sole remaining leaseholder.

It doesn't take a Ph.D. to read the writing on the wall: High-risk drilling in the remote Arctic and on sacred land is a recipe for failure for companies that value the health of our climate and the rights of Indigenous Peoples. Communities in the region depend on subsistence resources and are facing climate threats on multiple fronts: Fish are dying in warm rivers; unstable weather is affecting the movements of migratory birds; thinner, unstable ice is making hunting and fishing more dangerous; and more than 30 villages are losing land to erosion.

Is your company passing or failing?

Any fossil fuel development in the region will only exacerbate the already disastrous impacts of climate change on local communities and the global environment. Indigenous knowledge and environmental data converge on the same story of changing weather patterns, thawing ground, and ripple effects on ecosystems near and far.¹ Oil and gas drilling in the Arctic Refuge threatens the health, subsistence and cultures of Indigenous Peoples who have stewarded the land since time immemorial and who hold the land sacred. If you haven't yet promised to stand with them, you still have time to make the honor roll.



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

¹ ourarcticrefuge.org/wp-content/uploads/2022/09/aics2019-report-final.pdf



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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. Many Alaska Natives and community members oppose oil and gas development in the coastal plain of the Arctic Refuge,² as does the Gwich'in Nation.³

The Gwich'in make their home on or near the migratory route of the Porcupine Caribou Herd and have depended on this herd for thousands of years. The coastal plain of the Arctic Refuge is the calving grounds of the 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 to the legislation passed without a single public hearing in Congress.

In early 2021, during its final days in office, the Trump administration held a rushed oil and gas lease sale of the coastal plain. The Biden administration then took steps to halt oil and gas activities, but those actions only provided temporary protection from drilling. 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.

² silainuat.org/new-page-1

³ 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 letter⁴ 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 have also analyzed the sustainability reports, climate pledges, annual reports, and environmental, social and governance standards of more than two dozen insurance companies involved in oil and gas projects worldwide.

To measure the insurance industry's response, our coalition⁵ created a scorecard, first published in August 2021, with a second edition in March 2022. We are now issuing the third edition of the scorecard. How do the companies stack up? Do we have any “A” students on the Dean's List? Or will some companies receive failing grades?

Here are our standards for grading:

A

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.

B

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.

C

The company has a policy or statement regarding oil and gas projects in the Arctic region or the Arctic Refuge, but contains loopholes that could allow a project to go forward.

D

The company has a policy or statement regarding oil and gas projects in the Arctic region or the Arctic Refuge, but lacks teeth and/or detail.

F

The company has no policy or process that could reasonably be applied to the Arctic Refuge, and has not responded to outreach from the Gwich'in Steering Committee.

⁴ ourarcticrefuge.org/letter-to-insurance-companies

⁵ Arctic Refuge Defense Campaign <https://www.arcticrefugedefense.org>

	Company (Country)	Ban on Arctic Refuge oil & gas insurance	Ban on Arctic oil & gas insurance	Other Policy
	A Allianz (Germany)	-	Yes	-
	A Argo Group (Bermuda)	Yes	-	-
	A Aviva (U.K.)	-	Yes	No new oil & gas
	A AXA (France)	Yes	-	-
	A AXIS (Bermuda)	Yes	-	-
	A Chubb (U.S.)	Yes	-	-
	A Fidelis (Bermuda)	-	Yes	-
	A Generali (Italy)	Yes	-	-
	A Hannover Re (Germany)	Yes	-	-
	A Helvetia (Switzerland)	Yes	Yes	-
	A KBC (Belgium)	-	-	No new oil & gas
	A MAPFRE (Spain)	Yes	-	-
	A Munich Re (Germany)	Yes	-	-
	A SCOR (France)	Yes	-	-
	A Sompo - Japan	Yes	-	-
	A Suncorp (Australia)	-	-	No new oil & gas
	A Swiss Re (Switzerland)	Yes	-	-
	A Talanx AG (Germany)	Yes	-	-
	A Tokio Marine (Japan)	Yes	-	-
	A Zurich (Switzerland)	Yes	-	-
	B AIG (U.S.)	-	Yes but falls short	-
	B Hiscox (U.K.)	-	Yes but falls short	-
	C Beasley (U.K.)	-	Yes but falls short	-
	C Canopus (U.K.)	-	Yes but falls short	-
	C QBE (Australia)	-	Yes but falls short	-
	D Lloyd's (U.K.)	-	-	Lacks detail
	D Travelers (U.S.)	-	-	Lacks detail
	F American Financial Group (U.S.)	-	-	-
	F CNA (U.S.)	-	-	-
	F Liberty Mutual (U.S.)	-	-	-
	F Markel (U.S.)	-	-	-
	F RLI (U.S.)	-	-	-
	F The Hartford (U.S.)	-	-	-
	F WR Berkley (U.S.)	-	-	-

Notes and next steps for companies

A

AXA, AXIS, Generali, Hannover Re, MAPFRE, Munich Re, SCOR, Swiss Re, Talanx, and Zurich have all issued clear public statements that they will not insure oil and gas projects in the Arctic National Wildlife Refuge.⁶

Since issuing the second Arctic Refuge insurance scorecard, **Allianz**⁷, **Argo Group**⁸, **Chubb**⁹, **Fidelis**¹⁰, **Helvetia**¹¹, **Sompo**¹², and **Tokio Marine**¹³ informed the Gwich'in Steering Committee that their companies will not insure oil and gas projects in the Arctic Refuge. Chubb's policy is significant because it is the first American insurance company to commit to protect the Arctic Refuge.

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: **KBC**¹⁴ and **Suncorp**.¹⁵

In a recent meeting, **Aviva** confirmed that their policy to not insure new oil and gas extraction projects¹⁶ and their Arctic drilling policy¹⁷ both apply to the Arctic Refuge.

B

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."¹⁸ 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 reinsurance 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."¹⁹ However, AIG did not define the Arctic. We encourage AIG to clarify whether or not their policy includes the Arctic Refuge.

⁶ ourarcticrefuge.org/corporate-commitment-to-protect-the-arctic-refuge

⁷ ourarcticrefuge.org/german-insurer-allianz-joins-ever-growing-corporate-support-to-protect-the-coastal-plain-of-the-arctic-refuge

⁸ ourarcticrefuge.org/corporate-commitment-to-protect-the-arctic-refuge

⁹ ourarcticrefuge.org/chubb-becomes-the-first-american-insurance-company-with-explicit-policy-to-not-underwrite-oil-and-gas-development-in-the-arctic-refuge

¹⁰ fidelisinsurance.com/media/Historic-fidelis-insurance-news/corporate-news/2022/fidelis-extends-its-esg-underwriting-guidelines-including-new-f

¹¹ helvetia.com/content/dam/os/corporate/web/documents/corporate-responsibility/climate-policy-fossil-fuel-e.pdf

¹² sompo-hd.com/-/media/hd/en/files/doc/pdf/e_ir/2022/e_20220527.pdf?la=ja-JP

¹³ tokiomarinehd.com/en/release_topics/release/k82ffvoo000oefol-att/20220930_Climate_Strategy_e.pdf

¹⁴ 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

¹⁵ suncorpgroup.com.au/corporate-responsibility/sustainable-growth/responsible-banking-insurance-investing

¹⁶ static.aviva.io/content/dam/aviva-corporate/documents/socialpurpose/pdfs/aviva-esg-baseline-underwriting-statement-final.pdf

¹⁷ static.aviva.io/content/dam/aviva-corporate/documents/socialpurpose/pdfs/aviva-biodiversity-policy.pdf

¹⁸ hiscoxgroup.com/sites/group/files/documents/2021-03/Hiscox_Group_ESG_exclusions_policy.pdf

¹⁹ ourarcticrefuge.org/gwichin-steering-committee-responds-to-aigs-new-policy-on-arctic-drilling-notes-gwichin-leaders-will-stop-at-nothing-to-protect-traditional-lifeways

C

Three companies – Beazley, Canopus, and QBE – have Arctic underwriting exclusions with loopholes that could allow an oil & gas project in the Arctic Refuge to go forward. Companies should issue clear policies on the Arctic Refuge or Arctic oil and gas, with no caveats.

Beazley, one of the largest players in the Lloyd’s market, stated in March 2023, “At the beginning of 2022, we adopted a policy of not underwriting any new thermal coal, oil tar sands, or arctic energy exploration projects, or businesses which generated more than 5% revenues from these areas.”²⁰

Canopus, another Lloyd’s market leader, stated in June 2022, “As Canopus further strengthens its responsible underwriting strategy, our approach on thermal coal, oil sands and Arctic exploration activities can be summarized as following: Starting in 2022, Canopus will not enter into any contracts that aren’t renewals pertaining to the above activities, unless incidental (no more than 20% of turnover, or no more than 20% of total asset or project value, depending on the business line).”²¹

QBE’s Arctic policy reads, “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.”²²

D

In December 2020, **Lloyd’s**²³ 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 definitions²⁴ that would include the Arctic Refuge. We later learned that Lloyd’s policy is not mandatory for its members.²⁵ Given this news, we cannot award a high grade to Lloyd’s for an Arctic policy that is not binding on managing agents.

Gwich’in Steering Committee Executive Director Bernadette Demientieff spoke at the May 24, 2023, **Travelers** annual general meeting of shareholders. During the AGM, Travelers CEO Alan D. Schnitzer said more than once that Travelers does not provide insurance for projects in the Arctic.²⁶ We are awaiting a written policy from Travelers in order to grade the company’s policy, which currently lacks any detail.

F

American Financial Group, CNA, Liberty Mutual, Markel, RLI, 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.

The Hartford refused a request to meet with the Gwich’in Steering Committee and has not yet issued any public statements involving the Arctic Refuge.

²⁰ beazley.com/sites/default/files/2023-03/tcfd_22.pdf

²¹ canopus.com/responsible-underwriting

²² qbe.com/-/media/group/sustainability/environmental%20and%20social%20risk%20framework%20-%20external%20-%20final.pdf

²³ ourarcticrefuge.org/lloyds-new-policy-on-arctic-energy-exploration-falls-short

²⁴ See the Arctic Monitoring & Assessment Programme (AMAP) for an example amap.no/about/geographical-coverage

²⁵ insureourfuture.co/lloyds-failure-to-implement-esg-policy-is-driven-by-its-ceo-john-neal

²⁶ ourarcticrefuge.org/gwichin-steering-committee-speaks-at-travelers-annual-meeting-requests-u-s-insurance-giant-not-support-oil-and-gas-projects-in-the-arctic-refuge