

Swiss Re briefing

The world's **second largest reinsurance company**¹ and a very influential global player. It provides reinsurance to primary insurers of fossil fuels. It also, in some cases, reinsures fossil fuel companies directly.

Swiss Re has one of the most advanced climate policies in the reinsurance sector.

On coal: Swiss Re committed to completely phase-out thermal coal from its treaty business by 2030 (OECD) and 2040 (rest of the world). Swiss Re's commitment to a full phase out of thermal coal from its treaty reinsurance is major since treaty business is a very large portion of the reinsurance trade and it has been a major loophole in coal underwriting that needs to be addressed. Swiss Re has set a benchmark that the rest of the industry needs to follow.

On oil and gas: Swiss Re is the first major oil and gas insurer to adopt a policy for the sector which excludes insurance for most new oil and gas projects; expresses an ambition that by 2025 half, and by 2030 all, of its oil and gas premiums will come from companies with credible net zero plans; and commits to develop an oil and gas policy for its treaty business by 2023.

But they are also **incomplete** and do not comply with scientific recommendations on climate change. Swiss Re has taken some strong steps on coal but needs to address the gaps in its oil and gas policy, including when it offers reinsurance treaties. They need to exclude all fossil fuel companies with expansion plans and to phase down their cover inline with targeting 1.5C.

Swiss Re reinsures Tacoma LNG terminal, Cameron LNG terminal, Sabine Pass LNG terminal, all LNG expansion projects in the US gulf coast².

An analysis by Public Citizen found that Swiss Re violates its own coal policy through its underwriting of Buckskin coal Mine, which is owned by Buckskin Mining Company³. Buckskin Mining Company is listed on the 2022 GCEL because at least 90% of the company's revenue comes from coal business, surpassing the coal

¹ <https://bestsreview.ambest.com/edition/2024/january/Top-Global-Reinsurers-and-Alternative-Risk-Transfer.html>

² https://global.insure-our-future.com/wp-content/uploads/sites/2/2024/02/Risk-Exposure_FINAL.pdf

³ <https://us.insure-our-future.com/wp-content/uploads/sites/3/2023/09/Insurers-of-US-Coal-Report-Final-web.pdf>

share of revenue threshold of 20%. The company produces nearly 10 million metric tons of coal annually.

Swiss Re's policy includes the following strong elements:

- Excludes insurance and investment for all new oil and gas field projects with a Final Investment Decision (FID) approved after 2022, (even if it allows for exceptions for oil and gas companies with credible net-zero plans).
- Commits to reducing its support not only for oil and gas companies in the upstream and midstream, but also in the downstream sector (utilities, refineries, etc) by expressing an ambition that by 2025 it will derive half of its oil and gas sectors premiums from companies credibly aligned with net-zero goals, and for that by 2030 it will only do business with credibly net zero aligned companies in the sector.
- Announces it will start work on its approach to the exclusion of oil & gas from treaty reinsurance business, and that it will communicate details of its approach in 2023.

While Swiss Re's oil and gas policy is welcome, the new policy includes the following significant gaps:

- The Swiss Re policy hinges on the development of a credible oil and gas framework by the SBTi, or a comparable, credible third-party assessment, which fully reflects the findings of the relevant reports and models of the IPCC, IEA and OECD. The SBTi framework will need to rule out new oil and gas production and define clear timelines for the rapid phase-out of these fossil fuels.
- New Arctic drilling exclusions: Threshold lowered to companies with more than 10% of their production based in the Arctic region. However, this does not rule out all support for oil and gas projects in the Arctic. The Arctic definition is based on the Arctic AMAP region, which is good, but it makes an exception for the Norwegian sector.

Source: <https://global.insure-our-future.com/swiss-re-leads-insurance-exodus-from-oil-and-gas/>