Proposal: Measure, Disclose & Reduce GHG Emissions Associated with Underwriting
Lead Filer: As You Sow

WHEREAS: Insurance companies have a critical role to play in meeting the Paris Agreement’s 1.5 degrees Celsius (“1.5oC) goal, requiring net zero greenhouse gas (GHG) emissions by 2050. Projections have found that limiting global warming to 1.5 degrees versus 2 degrees will save $20 trillion globally by 2100; while exceeding 2 degrees could lead to climate damages in the hundreds of trillions. The U.S. insurance industry is under increasing pressure to address its contributions to climate change from underwriting, insuring, and investing in high emitting activities.

These financial activities contribute to systemic portfolio risk to the global economy, investors, and insurers’ profitability. The U.S. Commodity Futures Trading Commission recently acknowledged that climate change could impair the productive capacity of the national economy and recommended that state insurance regulators require insurers to assess how their underwriting activity and investment portfolios may be impacted by climate-related risks.

This growing public pressure for the insurance industry to account for its climate related risks is exemplified by legislation recently passed in Connecticut requiring regulators to incorporate emissions reduction targets into their supervision of insurers.

Shareholders are concerned that Berkshire Hathaway is not adequately reducing the climate footprint of its insurance operations -- which make up over 26% of its business and is its largest value segment. This failure creates significant risk. Berkshire’s combined insurance units posted a $784 million pre-tax underwriting loss largely attributable to $1.7 billion in catastrophe claims, including claims from Hurricane Ida and flooding in Europe. This follows a larger global trend: insured losses from natural disasters reached $42 billion in the first six months of 2021, a ten year high.

Berkshire is a climate laggard in the global insurance sector, scoring in the bottom in a survey of the 30 largest global insurers, due largely to its lack of restrictions on fossil fuel underwriting and investments. In contrast, peers are beginning to address the GHG emissions associated with their underwriting and investment activities. Thirteen global insurers have also joined the United Nations’ Net Zero Insurance Alliance in which they commit to transition their emissions from insurance and reinsurance underwriting portfolios to net zero by 2050.

Berkshire does not measure or disclose its financed emissions, including those attributable to underwriting and insuring, nor has it adopted targets aligned with the Paris Agreement’s 1.5oC goal.

BE IT RESOLVED: Shareholders request that Berkshire issue a report, at reasonable cost and omitting proprietary information, addressing if and how it intends to measure, disclose, and reduce the GHG emissions associated with its underwriting, insuring, and
investment activities, in alignment with the Paris Agreement’s 1.5°C goal, requiring net zero emissions.

**SUPPORTING STATEMENT:** Shareholders recommend the report disclose at board discretion:

- Whether Berkshire will begin measuring and disclosing the emissions associated with the full range of its operations and by when, and
- Whether Berkshire will set a Paris aligned, net zero target, and on what timeline