

## Travelers Companies, Inc.

2022

### 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 degree Celsius (1.5°C) 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 recommends 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 recent [legislation passed in Connecticut](#) requiring regulators to incorporate emissions reduction targets into their supervision of insurers.

Shareholders are concerned that The Travelers Companies is not adequately reducing the climate footprint of its insurance-related activities. This failure creates significant risk to Travelers, investors, and the global climate. Travelers' pretax catastrophe losses more than doubled Q1 2021. [Travelers reported](#) losses of \$835 million, an historic first quarter high, mainly attributable to winter and windstorms in the U.S. 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.

[Travelers is a climate laggard](#) in the global insurance sector, scoring at the bottom in a survey of the 30 largest global insurers. In contrast, [peers are beginning to address](#) the GHG emissions associated with their underwriting and investment activities. Further, thirteen global insurers 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.

Travelers does not measure or disclose its financed emissions, including those attributable to underwriting, insuring, and investments, nor has it adopted targets aligned with the Paris Agreement's 1.5°C goal for such emissions.

**BE IT RESOLVED:** Shareholders request that Travelers 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 Travelers will begin measuring and disclosing the emissions associated with the full range of its underwriting, insuring, and investment activities and by when, and
- Whether Travelers will set a Paris aligned, net zero target, for its full range of emissions. and on what timeline