



April 28, 2022

To Mr. Peter Zaffino, CEO of AIG:

We, the undersigned organizations, write to urge you to clarify and strengthen your recent climate commitments in line with the urgency of the climate crisis. While we welcomed your restrictions on support for the tar sands sector and your commitment to phase out fossil fuels, they do not go far enough. **We call on you to explicitly rule out support for all new tar sands transport projects, including the Trans Mountain pipeline network, and adopt a policy to ensure that clients respect the Free, Prior, and Informed Consent (FPIC) of impacted communities.**

Global climate harms and the urgent need to end our dependence on fossil fuels are only escalating. The [latest report](#) from UN climate scientists found that climate impacts — driving displacement by extreme weather, contributing to water scarcity and food insecurity, and exacerbating violent geopolitical conflicts — are worse than anticipated. The report concludes that any further delay in global action to mitigate climate change “will miss a brief and rapidly closing window of opportunity to secure a liveable and sustainable future for all.”

The International Energy Agency found in its [net zero roadmap](#) that there can be “no investment in new fossil fuel supply projects” if we are to reduce climate pollution enough to reach net zero by 2050. United Nations Secretary General António Guterres made the implications for insurers clear in his [remarks](#) at the Insurance Development Forum in June 2021: “We need net-zero commitments to cover your underwriting portfolios, and this should include the underwriting of coal — and all fossil fuels.”

To ensure a livable planet, insurers must end all underwriting and investment support for fossil fuel expansion. This includes the Trans Mountain tar sands oil expansion project and other tar sands transport projects, which enable increased extraction of tar sands, one of the

[most polluting](#) forms of oil. The Trans Mountain Pipeline Expansion Project would enable the extraction of an additional [590,000 barrels per day](#) of dirty tar sands bitumen, unleashing an additional 152 million tons of carbon dioxide emissions every year.¹ It is incompatible to support the development of any new fossil fuel projects and be committed to a net zero by 2050 pathway.

Thus, your company's announcement to restrict underwriting for and investment in tar sands oil is a significant first step, but does not go far enough. To date, [16 insurers](#) have ruled out coverage for the Trans Mountain pipeline expansion project. We have not included AIG in this number, as it is unclear whether your policy applies to new tar sands extraction, transport, or related infrastructure. Further, AIG's tar sands restrictions contain [many gaps](#) that allow for continued coverage of companies operating in the tar sands sector.

Therefore, with respect to your restrictions on the tar sands sector, we call on you to:

1. Explicitly end insurance for all new tar sands extraction, transport, and related infrastructure projects.
2. Strengthen exclusions for companies with operations in the tar sands oil sector, and commit to increasing thresholds for exclusion over time in order to fully phase out tar sands companies in line with a 1.5°C pathway.
3. Establish, and adopt as policy, robust due diligence and verification mechanisms to ensure clients fully respect and observe all human rights, including a requirement that they obtain and document the Free, Prior, and Informed Consent (FPIC) of impacted Indigenous Peoples as articulated in the United Nations Declaration on the Rights of Indigenous Peoples.

Additionally, we urge you to adopt all the demands for insurers [outlined](#) by the Insure Our Future campaign, in line with your company's stated goals to align with the latest climate science to meet the goals of the Paris Agreement.

The Trans Mountain pipeline and its expansion project pose grave threats to public health, human rights. For over a decade, Indigenous communities have resisted the expansion project, which does not have the consent of all impacted Indigenous communities, in [violation](#) of their internationally established rights. The expansion would elevate the [risk of oil spills](#) contaminating drinking water and sacred waterways, enable additional tar sands extraction that [harms the health](#) of local Indigenous communities, and increase oil tanker traffic through the Salish Sea that already [threatens](#) endangered orcas and sensitive marine ecosystems. Further, the U.S. refineries where the tar sands oil is processed disproportionately [expose](#) Black and Latinx communities to toxic air pollution.

The Trans Mountain pipeline network violates Indigenous rights as defined by the United Nations Declaration on the Rights of Indigenous Peoples, and threatens sacred lands,

¹ This calculation is based on the following: 590,000 barrels per day for 365 days, calculating each barrel at .709 tonnes/bbl, which is based on estimates from Pembina: "[The Real GHG trend: Oilsands among the most carbon intensive crudes in North America](#)," October 2017.

waterways, and our climate. The cost of the expansion project has [soared](#) from approximately USD \$10 billion to \$17 billion,² and the Canadian government, which owns the pipeline, has announced that it will provide no additional public funds to the project. There are major financial, reputational, and environmental risks related to supporting this risky project and the highly polluting tar sand sector.

We urge you to meet our demands in order to achieve your company's stated climate commitments.

Sincerely,

Public Citizen
BROKE (Burnaby Residents Opposing Kinder Morgan Expansion)
Climate Emergency Unit
Climate Finance Action
Coal Action Network
Connecticut Citizen Action Group
Divest Canada Coalition
Dogwood
Extinction Rebellion San Francisco Bay Area
Friends of the Earth US
Friends of the San Juans
Future Coalition, on behalf of the Youth Climate Finance Alliance
Georgia Strait Alliance
Greenpeace Canada
Leadnow Society
Living Oceans Society
Mothers Out Front
New York Communities for Change
Olympic Climate Action
Platform London
Pro Information Pro Environment United People Network (PIPE UP)
Rainforest Action Network
RAVEN (Respecting Aboriginal Values and Environmental Needs)
Shift: Action for Pension Wealth & Planet Health
Sierra Club
Sierra Club British Columbia
Stand.earth
Stand Up To Oil Coalition
Texas Campaign for the Environment
Tlseil-Waututh Nation Sacred Trust
Toronto350

² Based on an increase from CAD 12.6 billion to CAD 21.4 billion, using an exchange rate from [Bloomberg](#) of 0.7977 CAD-USD, accessed on March 24, 2022.

Union of British Columbia Indian Chiefs
urgewald
Waterkeeper Alliance
The WaterWealth Project
West Coast Environmental Law Association
Wilderness Committee
Women's Earth and Climate Action Network (WECAN)
350.org
350 Deschutes
350 Eastside
350 Hawaii
350 Maine
350Wenatchee