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Joint Statement:
Tokio Marine announces a New Coal Policy following SOMPO
But it's still not aligned with the Paris Agreement

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On September 28, Tokio Marine Holdings (Tokio Marine), one of Japan's major non-life insurance companies, announced a Climate Strategy to limit insurance underwriting and investment for coal-fired power generation projects.¹ In the policy, Tokio Marine states that it "will not provide new insurance underwriting capacities to coal fired power generation projects." It also states that it will not provide new investment for such projects. This is the second time a major Japanese non-life insurance company announced an insurance underwriting policy regarding coal-fired power generation, the first being SOMPO Holdings (SOMPO). While SOMPO's policy was limited to underwriting insurance only for domestic projects and the construction of new coal power projects inside and outside of Japan,² we welcome Tokio Marine for eliminating these exceptions based on region and product lines of insurance.

However, Tokio Marine's policy states that it "may grant exceptions for projects on account of circumstances such as national energy policy and other considerations in the relevant country, and in the context of the OECD Arrangement on Officially Supported Export Credits and other international guidelines" and that its "comprehensive decision-making process will also take into account other factors such as the availability of other options and alternative technologies." The policy also states that Tokio Marine "will also engage existing customers to help advance environmental measures such as the use of advanced, highly-efficient power generation technologies or carbon capture, utilization and storage (CCUS) technologies [which can reduce or eliminate greenhouse gas emissions]." According to Climate Analytics,³ in order to achieve the Paris Agreement's long-term goals, developed countries need to completely stop the operation of coal-fired power plants by 2030, and developing countries by 2040. 19 major insurance and reinsurance companies worldwide have already announced that they have ended or limited underwriting coal projects. Tokio Marine's policy, which leaves exceptions, is insufficient to ensure consistency with the long-term goals of the Paris Agreement.

¹ https://www.tokiomarinehd.com/en/release_topics/release/k82ffv0000008juk-att/20200928_e_v2.pdf

² Joint Statement: SOMPO announces a new coal policy, which is the first among Japan's major non-life insurers – but it's still not aligned with the Paris Agreement, <http://jacses.org/en/157/>

³ <https://climateanalytics.org/briefings/coal-phase-out/>

Moreover, Tokio Marine's policy is only limited to underwriting insurance for new coal-fired power plants and does not cover insurance underwriting and equity/bond investment of companies that are highly dependent on coal-fired power generation or companies planning to build new coal-fired power plants. There is also no mention of any policy for coal mining and other fossil fuel industries that are exacerbating the climate crisis. In these regards, Tokio Marine's policy still lags behind the insurance and investment policies⁴ of overseas insurance companies.

For these reasons, we urge Tokio Marine to establish a policy to withdraw from insurance underwriting and equity/bond investment for companies that are heavily dependent on coal (power generation and mining) and companies planning to build new coal-fired power plants. It is also important to establish policies that restrict financing not only in coal, but also in other fossil fuel industries with high carbon emissions, based on scientific knowledge and the Paris Agreement goals. We call upon Tokio Marine to demonstrate its leadership to "advance environmental sustainability and address climate change", as stated in this announcement, not to underwrite insurance for new coal-fired power projects including the Vung Ang 2 coal-fired power project in Vietnam and to strengthen its policy.

We also urge MS&AD Insurance Group Holdings, a major Japanese non-life insurance company, to establish a policy to end insurance underwriting and investment for coal projects and companies that engage in coal-related businesses.

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⁴ Please refer to the Coal Policy Tool (<https://coalpolicytool.org/>) for coal policies of overseas insurance companies.