

August 1, 2023

**Joint statement: Three major Japanese non-life insurers left NZIA and failed to disclose the intermediate targets by deadline**

NGOs urge insurers to set intermediate targets for emissions of the underwriting portfolio immediately!

Japan Center for a Sustainable Environment and Society (JACSES)

Kiko Network

Friends of the Earth Japan

350.org Japan

Mekong Watch

Insure Our Future

It was revealed that three major Japanese non-life insurers (Tokio Marine Holdings, SOMPO Holdings and MS&AD Insurance Group Holdings), which left the UN-led Net-Zero Insurance Alliance (hereinafter referred to as NZIA) in May, did not follow the disclosure deadline of intermediate targets (the end of July) that was required when they were members of NZIA. Now the climate commitments of these three companies to achieve net-zero emissions by 2050 are in question, they should announce appropriate intermediate targets immediately.

The NZIA, which is a UN-led international initiative aiming for net zero greenhouse gas emissions in the insurance industry by 2050, started the NZIA Target-Setting Protocol Version 1.0 (\*1) in January 2023, aiming for facilitating the members to set up intermediate targets for achieving net zero in (re)insurance underwriting portfolio. The members of NZIA were required to set and disclose the intermediate targets by the end of July, 2023.

However, the anti-ESG movements in the US were accelerated this spring by the US conservative legislators, who claimed that alliance among the insurance industry was inducing the insurance premiums to rise. In May, the US Attorney Generals from 23 states sent letter to insurers, warning that the NZIA may conflict with antitrust laws, prompting member companies including AXA, the previous chairman of the NZIA, as well as Allianz to leave the NZIA, and three major Japanese insurers also left in the last week of May. Tokio Marine and MS&AD published press releases on the day of withdrawal, stating that they will continue to work towards achieving 2050 net zero even after leaving the NZIA (\*2). SOMPO did not announce its withdrawal from the NZIA in the news release, however admitted it in media interviews.

If three major Japanese insurers are willing to work on countermeasures against climate change, they should follow the NZIA Target-Setting Protocol and disclose their intermediate targets even after they have left the NZIA. A French insurance giant AXA left the NZIA in May, however after its withdrawal, announced its intermediate target for insurance underwriting portfolio for 2030 (\*3).

In addition, now that the NZIA has practically collapsed due to the withdrawal of core companies, another international framework is needed to encourage insurers to develop transition plans instead of the NZIA. From now on, we expect the International Association of Insurance Supervisors (hereinafter referred to as IAIS), organized by insurance supervisors

from various countries and regions in the world, to play a role of facilitating the establishment of a transition planning framework. The IAIS is going to hold its annual conference in Tokyo in November this year, hosted by the Financial Services Agency of Japan (FSA) (\*4). It is necessary for the FSA to take a leadership role in ensuring that a framework is developed in the IAIS to encourage insurers to set transition plans.

Contact:

Japan Center for a Sustainable Environment and Society (JACSES)

Yuki Tanabe

tanabe@jacses.org

Marika Kita

kita@jacses.org

Note:

\*1:

<https://www.unepfi.org/wordpress/wp-content/uploads/2023/01/NZIA-Target-Setting-Protocol-Version-1.0.pdf>

\*2: Tokio Marine press release:

[https://www.tokiomarinehd.com/en/release\\_topics/topics/2023/k82ffv000000fwbu-att/20230529\\_NZIA\\_e.pdf](https://www.tokiomarinehd.com/en/release_topics/topics/2023/k82ffv000000fwbu-att/20230529_NZIA_e.pdf)

MS&AD press release:

<https://www.ms-ad-hd.com/en/news/irnews/irnews-20230529.html>

\*3:

[https://www-axa-com.cdn.axa-contento-118412.eu/www-axa-com/6caad3e0-bf63-48b5-a3c4-78c904b26fbb\\_axa\\_climate\\_and\\_biodiversity\\_report\\_2023\\_va.pdf](https://www-axa-com.cdn.axa-contento-118412.eu/www-axa-com/6caad3e0-bf63-48b5-a3c4-78c904b26fbb_axa_climate_and_biodiversity_report_2023_va.pdf)

\*4: <https://www.iaisweb.org/news-and-events/2023tokyo/>