

Department of Commerce, Community, and Economic Development

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December 8, 2025

Via Email and U.S. Mail

John Keogh President and Chief Operating Officer Chubb Group (Chubb) One American Square, 202 N Illinois St, Suite 2600 Indianapolis, IN 46282

Re: Review of Insurance Carriers Operating in Alaska

Dear Mr. Keogh:

Our offices are jointly undertaking a comprehensive review of insurance carriers operating in Alaska to ensure compliance with the State's insurance code and consumer-protection laws and to advance a broader effort. We're strengthening Alaska's standing as a top, reliable place to invest. In recent years, Alaska ranked among the top five states in America to do business. That progress reflects deliberate work by the State to reduce barriers to investment and support industries that create jobs and opportunity for Alaskans. But more remains to be done.

As part of our review, we're testing whether insurance markets treat Alaska fairly and lawfully. Insurers, like other financial institutions, help decide which projects live or die. In recent years, Alaska and other energy states have been able to convince some investment banks that had attempted to de-bank Arctic energy projects to revisit their flawed assumptions about Alaska and start backing these projects again. But insurance coverage remains a problematic form of gatekeeping for the State. If insurers refuse coverage on non-actuarial grounds, investment stalls. And so does Alaska's economy.

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https://instituteforlegalreform.com/wp-content/uploads/2020/10/2019-Lawsuit-Climate-Survey-Ranking-the-States.pdf.

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Alaska's insurance code is built on a central premise: underwriting decisions must rest on risk, and that means no discrimination based on extra-legal political, environmental, or long-range policy commitments. And where the insurance code doesn't reach, our consumer-protection statute prohibits unfair or deceptive acts or practices, which could include misrepresentations of compliance with Alaska law in contractual dealings. AS 45.50.471(a). It is with this legal backdrop that we turn to Chubb's policies and practices that give us concern.

Oil and gas. We have substantial concerns about Chubb's treatment of Alaska's oil and gas sector—an industry that remains foundational to our State's economy and essential to future projects such as the Alaska LNG project. Chubb's public statements describe a suite of industry-specific emissions thresholds, methane-intensity requirements, and other environmental mandates that apply only to oil and gas producers.² Chubb has indicated that at least thirty-two companies have already lost eligibility for coverage under these criteria.³ Chubb's targeted emissions requirements do not appear to be tied to short-term actuarial risk within the policy period. Instead, they appear to be implemented as instruments to reshape a lawful sector according to Chubb's long-term environmental commitments.

Our concerns are heightened by Chubb's categorical prohibition on underwriting oil and gas extraction projects in the Arctic National Wildlife Refuge (ANWR)⁴—a prohibition that uniquely affects Alaska. Alaska has invested years of planning and permitting work to open responsible opportunity in the ANWR. Chubb's policy is unacceptable, and no other State faces this kind of prohibition.

Chubb should take note that Alaska is home to significant conventional oil and gas reserves, world-class operators, modern pipeline systems, and one of the most robust safety and environmental frameworks in the nation. The Alaska LNG project, for example, represents one of the most consequential energy infrastructure efforts in the United States today—a strategic asset capable of delivering reliable gas to Alaskans and

https://about.chubb.com/content/dam/chubb-sites/chubb/about-chubb/citizenship/environment/pdf/chubb-corporate-climate-underwriting-criteria-for-high-emitting-industries.pdf, at 1–2.

https://s201.q4cdn.com/471466897/files/doc_financials/2024/ar/Chubb-2024-Sustainability-Report.pdf, at 12; see also https://insideclimatenews.org/news/16052025/insurance-giant-drops-contested-louisianalng-export-project/.

https://about.chubb.com/content/dam/chubb-sites/chubb/about-chubb/citizenship/environment/pdf/chubb-corporate-climate-underwriting-criteria-for-high-emitting-industries.pdf, at 2; see also https://s201.q4cdn.com/471466897/files/doc_downloads/annualmeetingmat/2023/Chubb-2023-Proxy-Statement.pdf, at 55.

global markets while creating hundreds of high-paying jobs. These projects require the availability of insurance. When an insurer adopts blanket exclusions based on geography or on long-range public policy objectives untethered to risk, those exclusions function as de-facto prohibitions on investment.

To put a finer point on this, we are undertaking this review precisely because Alaska is working to broaden, not narrow, the range of industries and companies willing to invest here. If insurers adopt criteria that deem entire categories of Alaskan energy projects uninsurable—despite a proven safety record and responsible operating practices—those decisions directly threaten Alaska's economic growth. We cannot ignore policies that effectively deny coverage to responsible operators based solely on Chubb's policy preferences rather than the realities of risk on the ground.

Cement, steel, and coal. We have related concerns regarding Chubb's underwriting approach to the cement, steel, and coal sectors. Chubb's public materials indicate that cement producers relying on coal or petcoke for more than 70% of kiln heat capacity are ineligible for coverage, and that new cement facilities must be "carbon capture ready" to qualify for insurance. The steel criteria operate in similar fashion. Chubb's underwriting documents state that it will evaluate a producer's CO₂ intensity and require new steel furnaces to be "carbon capture ready," aligning those decisions with the Mission Possible Partnership transition pathway⁶—a pathway requiring approximately \$350 billion in new capital investment across the industry to achieve net-zero alignment by 2050.7 Chubb's coal-sector rules are equally categorical: since 2019 Chubb has declined to issue new policies for coal-fired plants, for companies deriving more than 30% of revenue from coal mining, or for companies generating more than 30% of their energy from coal; it has also declined to make new debt or equity investments in such firms.⁸ None of the preceding restrictions is required by any Alaska or federal statute, and none of them reflects traditional one-year underwriting risk. These are corporate policy choices, not risk calls. Alaska law does not allow that substitution.

https://about.chubb.com/content/dam/chubb-sites/chubb/about-chubb/citizenship/environment/pdf/chubb-corporate-climate-underwriting-criteria-for-high-emitting-industries.pdf, at 2.

https://about.chubb.com/content/dam/chubb-sites/chubb/about-chubb/citizenship/environment/pdf/chubb-corporate-climate-underwriting-criteria-for-high-emitting-industries.pdf, at 2–3.

https://3stepsolutions.s3-accelerate.amazonaws.com/assets/custom/010856/downloads/SteelInfographics.pdf, at 2.

^{8 &}lt;u>https://about.chubb.com/content/dam/chubb-sites/chubb/about-chubb/citizenship/environment/pdf/chubb-corporate-climate-underwriting-criteria-for-high-emitting-industries.pdf, at 3.</u>

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Agriculture. We see similar concerns in the agricultural space, where Alaska's economic exposure is particularly acute. Because our State imports most of its food, any coordinated effort among insurers to restrict or condition coverage for farmers, ranchers, processors, or transportation networks in the Lower 48 will be felt immediately in Alaska. Through its Agriculture Resource Hub, Chubb has partnered with an advocacy organization⁹ whose published positions characterize U.S. agriculture as a "climate disaster," and Chubb cites another such organization that calls for a reduction in beef production and consumption. Chubb's Agriculture Resource Hub incorporates these perspectives and indicates that Chubb intends to release additional emissions-based underwriting criteria in 2025. Those insurance costs land on Alaska's grocery shelves. Prices are already high. For a state that relies on outside supply chains, this is not academic.

The broader concern. Across these sectors, our preliminary assessment is that Chubb's underwriting restrictions appear to be driven by its corporate commitment to "support the transition to a low-carbon economy" and its participation in global climate-alignment initiatives. Whatever the merits of those goals, Alaska law requires insurers to treat insureds with like risk characteristics alike and to base underwriting decisions on risk—not on corporate climate-policy preferences or extra-legal standards developed in coordination with advocacy groups.

We also note that if Chubb has entered into contracts with Alaska governmental entities that include representations of compliance with Alaska law, any violation of AS 21.36.120(c) may raise additional questions under Alaska's Unfair Trade Practices and Consumer Protection Act. We do not reach that conclusion here, but it is part of our broader review. Again, although Alaska's consumer-protection laws generally defer to other regulatory bodies where they have jurisdiction, surplus-lines insurance is not regulated in the same manner. To the extent Chubb issues surplus-lines coverage in

https://s201.q4cdn.com/471466897/files/doc_financials/2024/ar/Chubb-2024-Sustainability-Report.pdf, at 8–9 (discussing Chubb's partnership with the Environmental Defense Fund).

^{10 &}lt;u>https://www.edf.org/degrees/future-climate-smart-ag-and-hot-politics-your-dinner-plate.</u>

https://about.chubb.com/citizenship/chubb-climate-resource-hubs/chubb-agriculture-sustainability-hub.html (see WRI link under the Resilience Practices section of the Resource library); https://www.wri.org/insights/6-pressing-questions-about-beef-and-climate-change-answered.

https://s201.q4cdn.com/471466897/files/doc_financials/2024/ar/Chubb-2024-Sustainability-Report.pdf, at 6, 8–9.

See https://s201.q4cdn.com/471466897/files/doc_financials/2024/ar/Chubb-2024-Sustainability-Report.pdf, at 4.

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Alaska, those policies would fall squarely within the scope of our consumer-protection review.

Given the significance of these issues to Alaska's energy and food security, and to our State's ability to attract and retain investment across multiple industries, we believe direct engagement with Chubb is essential. We invite Chubb's leadership to Alaska to talk through these issues, offer any context you wish, and explain how the company plans to comply with Alaska law.

Please contact Director Heather Carpenter at heather.carpenter@alaska.gov within ten business days so we may schedule a meeting. We appreciate your prompt attention to these concerns and look forward to a constructive dialogue.

Sincerely,

Julie Sande,

Commissioner, DCCED

Stephen J. Cox Attorney General