

January 14, 2022

Via Email

Shareholderproposals@sec.gov
Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

Re: Chubb Limited – Shareholder Proposal Submitted by
Green Century Equity Fund – Rule 14a-8

Ladies and Gentlemen:

On behalf of Chubb Limited (“Chubb” or the “Company”) and pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934 (the “Exchange Act”), I hereby request confirmation that the staff (the “Staff”) of the Division of Corporation Finance (the “Division”) of the Securities and Exchange Commission (the “SEC” or the “Commission”) will not recommend enforcement action if, in reliance on Exchange Act Rule 14a-8, Chubb excludes a proposal submitted by Green Century Capital Management, Inc., on behalf of a shareholder, Green Century Equity Fund (collectively, the “Proponent”), from the proxy materials for Chubb’s 2022 annual general meeting of shareholders (the “Proxy Materials”).

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the SEC no later than 80 calendar days before the Company intends to file its definitive 2022 proxy materials with the SEC; and
- concurrently sent copies of this correspondence to the Proponent.

The Proposal

On December 6, 2021, Chubb received the following proposal for consideration at Chubb’s 2022 annual general meeting of shareholders:

RESOLVED: Shareholders request that Chubb’s Board of Directors adopt and disclose new policies to help ensure that its underwriting practices do not support new fossil fuel supplies, in alignment with the IEA’s Net Zero Emissions by 2050 Scenario.

Shareholderproposals@sec.gov

January 14, 2022

Page 2

Pursuant to Rule 14a-8(j), I have enclosed a copy of the proposed resolution, together with the recitals in support of the resolution and the supporting statement, as Exhibit A (collectively, the “Proposal”), as transmitted to Chubb. A copy of this letter is simultaneously being sent to the Proponent.

Bases for Exclusion

Chubb believes that the Proposal may be properly omitted from Chubb’s 2022 proxy materials pursuant to Rule 14a-8 under each of the following three grounds for exclusion, each of which is analyzed in separate sections of this letter:

1. **Rule 14a-8(i)(10):** The Proposal has been substantially implemented. Chubb already has adopted and disclosed a policy restricting coal underwriting, and prominently provides public disclosure of additional goals, efforts and achievements in reducing its greenhouse gas (“GHG”) emissions and using its underwriting activities to support an orderly transition away from new fossil fuel supplies.
2. **Rule 14a-8(i)(3) and Rule 14a-9:** The Proposal is vague and indefinite, rendering the Proposal in violation of the proxy rules, namely because it fails to define the IEA’s Net Zero Emissions by 2050 Scenario and what alignment with it actually means. In addition, the Proposal is subject to multiple interpretations where shareholders may be confused about what they would be voting on and therefore interpret the purpose of the Proposal differently.
3. **Rule 14a-8(i)(7):** The Proposal focuses on Chubb’s “ordinary business” operations, that is, fundamental factors involving its offering insurance products and services and seeks to micromanage Chubb’s business by determining which products and services Chubb should or should not provide to its customers.

I. The Proposal may be omitted under Rule 14a-8(i)(10) because it has been substantially implemented.

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal if “the company has already substantially implemented the proposal.” The standard for this exclusion is whether the company’s actions compare favorably to the shareholder proposal and satisfactorily address the proposal’s essential objectives, which is the case here. The Proposal requests that Chubb’s Board of Directors adopt and disclose new policies to help ensure that its underwriting practices do not support new fossil fuel supplies. Chubb has substantially implemented the essential objective of the Proposal because it has both (1) adopted restrictions on certain fossil fuel underwriting and (2) adopted the Task Force on Climate-related Financial Disclosures (“TCFD”) framework and has a publicly available annual climate-related financial disclosure and environmental report in full accordance with that framework (“TCFD Report”) that clearly explains the Company’s policies, practices and approach to fossil fuel underwriting, its support for a global transition to a net zero economy by 2050, and reducing GHG emissions in its

Shareholderproposals@sec.gov

January 14, 2022

Page 3

operations. Therefore, as further explained below, Chubb has clearly taken the steps that address the underlying concerns of the Proposal, global warming and new fossil fuel supplies.

Chubb recognizes the existential threat of global warming and as an insurer is uniquely situated to observe how natural catastrophes contribute to climate change. The Company recognizes that a changing climate affects everyone – customers, employees, shareholders, business partners and the communities it serves. As a result, the Company recognizes the necessity to move away from a reliance on the fossil fuel carbon emissions that contribute to global warming. The below actions the Company has taken and will continue to take and develop over time are in alignment with this philosophy as well as the essential objective of the Proposal, which is for Chubb to do its part to work towards a global transition to a net zero economy.

A. Chubb’s existing coal policy is directly responsive to the Proposal and demonstrates that the Proposal has been substantially implemented.

Chubb already has a policy concerning thermal coal-related underwriting and investment, which it adopted in 2019. This policy is publicly available on its website at <https://www.chubb.com/us-en/about-chubb/chubb-coal-policy.html> and described elsewhere in the Company’s public reports, including its TCFD Report. In terms of underwriting, this policy provides:

- *New Coal Plant Construction & Operation.* Chubb will not underwrite risks related to the construction and operation of new coal-fired plants. (Exceptions to this policy will be considered until 2022 (i) in regions that do not have practical near-term alternative energy sources, and (ii) taking into account the insured’s commitments to reduce coal dependence.)
- *Coal Mining.* Chubb will not underwrite new risks for companies that generate more than 30% of revenues from thermal coal mining. Chubb will phase out coverage of existing risks that exceed this threshold by 2022.
- *Utilities.* Chubb will not underwrite new risks for companies that generate more than 30% of their energy production from coal. Chubb will phase out coverage of existing risks that exceed this threshold beginning in 2022, taking into account the viability of alternative energy sources in the impacted region.

In terms of investments, Chubb’s coal policy provides that Chubb will not make new debt or equity investments in companies that generate more than 30% of revenues from thermal coal mining or that generate more than 30% of energy production from coal.

Chubb’s investment management and underwriting operations both monitor the implementation of Chubb’s coal policy and, as disclosed on page 16 of Chubb’s TCFD Report discussed below, to date Chubb has implemented its coal policy as written.

The Proposal specifically requests that Chubb adopt and disclose policies to help ensure its underwriting practices do not support new fossil fuel supplies, and specifically references

Shareholderproposals@sec.gov

January 14, 2022

Page 4

coal. But the Company has already taken the step consistent with the purpose of the Proposal by adopting a coal underwriting policy nearly two years ago. In fact, Chubb's coal policy goes beyond the Proposal's request by not just covering "new" coal development and exploration, but also phases out existing coal-related risks. The Proposal's statements mention other fossil fuels in addition to coal, such as oil and gas, but as the Staff has repeatedly stated, a proposal may be excluded even if the Company did not take the exact action requested or did not implement every detail of the proposal (although Chubb does address other fossil fuels as described below in Section I.B). Under the "substantially implemented" standard, a company may exclude a shareholder proposal when the company's actions address the shareholder proposal's underlying concerns, even if the company does not implement every aspect of the shareholder proposal. Chubb has already taken action directly in line with the Proposal and therefore the Proposal has been substantially implemented. Plus, as described below, Chubb is taking additional steps and is in process of evaluating its coverage of carbon-intensive industries as part of its public pledge to support a global transition away from fossil fuels, thereby further demonstrating that the Proposal has already been substantially implemented.

B. Chubb's TCFD Report describes the Company's goals, strategies and commitments to support the transition away from fossil fuel dependence and reduce greenhouse gas emissions, further demonstrating that the Proposal has been substantially implemented.

In addition to its coal policy, Chubb has taken other steps that contribute to the substantial implementation of the Proposal. In 2021 Chubb adopted the TCFD framework and released its first annual TCFD Report in full accordance with that framework, which is available on its website at: https://www.chubb.com/content/dam/chubb-sites/chubb-com/us-en/about-chubb/environment/doc/Chubb_2021_Climate-Related_Financial_Disclosure_and_Environmental_Report.pdf.

Chubb's TCFD Report includes Chubb's specific goals, strategies and commitments to transition away from fossil fuel dependence in an orderly and responsible manner consistent with the intent of the Proposal. The TCFD Report also clearly establishes the Company's current policy with respect to fossil fuel underwriting.

Chubb's public support for a global transition to a net zero economy by 2050. As disclosed on page 5 of Chubb's TCFD Report, Chubb "recognizes the existential threat of global warming" and "the necessity to move away from reliance on the fossil fuel carbon emissions that contribute to it. This understanding led Chubb in 2021 to formally support a global transition to a net zero economy by 2050." To solidify and provide details around its support, page 5 of the TCFD Report further discloses additional pledges to drive an orderly transition to a net zero economy that will minimize disruption to modern social and economic activity but also seek to ultimately over time reduce new fossil fuel underwriting and society's reliance on fossil fuels:

Shareholderproposals@sec.gov

January 14, 2022

Page 5

- Chubb has set a new goal to achieve carbon neutrality in its own global operations (Scope 1 and Scope 2 emissions) by year-end 2022. This will be achieved through a combination of renewable energy and carbon offset purchases and is in complement to Chubb's previously announced greenhouse gas reduction goals.
- Chubb will continue to develop and offer new insurance solutions for low- and zero-emission technologies.
- Chubb will seek to encourage the transition through its decisions on specific underwriting and investment risks.
- Chubb will continue to assess its coverage of carbon-intensive industries and their related strategies and plans for transitioning to a lower-carbon economy. This approach will ensure the company's underwriting and investment positions evolve as practical alternatives become available.
- Chubb adopted the TCFD framework and has released its first TCFD Report.

The TCFD Report contains a clear road map on Chubb's policies and positions to support the transition as well as the policies and strategies it is taking in assessing risks in carbon-intensive industries and fossil fuel underwriting in general. As stated on page 9 of Chubb's TCFD Report:

Chubb will seek to encourage the transition through its products and service offerings and through its decisions on specific underwriting and investment risks. We will continue to assess our coverage of carbon-intensive industries and their related strategies and plans for transitioning to a lower-carbon economy. In this way, we will ensure the company's underwriting and investment positions evolve as practical alternatives become available. Declining to underwrite or invest in all fossil fuel-related activity on a categorical basis does not represent a reasonable path to a net zero economy. Chubb will continue to develop and offer new insurance solutions for low- and zero-emission technologies.

At the same time, Chubb is realistic about what a single company can achieve in limiting the effects of global warming and advancing sustainability goals. Only government can raise the cost of carbon use by putting a price on carbon, through tax, cap-and-trade or other measures. Measures should recognize the cost to the planet of carbon and provide economic incentives to move to less carbon-intensive fuels as well as carbon-free alternative sources of energy.

Chubb emphasizes on pages 5 and 9 of its TCFD Report that it is seeking to drive an *orderly* transition to a net zero economy that will reduce disruption to modern social and economic activity. As explained throughout its TCFD Report, Chubb is seeking to encourage the transition through its decisions on underwriting and investment risks, including its coal policy and assessment of its coverage of individual risks in carbon-intensive industries. Additionally, as an underwriter of environmental liabilities and pollution risks, Chubb already restricts underwriting in certain industries, including mining and reclamation operations, oil refining, pipeline and related distribution operations, and chemical manufacturing and distribution.

Shareholderproposals@sec.gov

January 14, 2022

Page 6

Page 9 of the TCFD Report plainly discloses Chubb's policy on fossil fuel underwriting – that it does not believe that blanket exclusions for all fossil fuels represent a reasonable path to a transition to net zero at this time. Use of fossil fuels still permeates day-to-day life to a very high degree, such as automobile and other travel and home and commercial heating, and alternative energy sources are in many cases not realistic to adopt in some areas of society, particularly impoverished areas. It would be unreasonable and not in line with Chubb's underwriting philosophy to adopt a blanket exclusion where there are no suitable energy replacements on the scale of fossil fuels at this time.

Chubb's Board and management are keenly aware of the threat of climate change and what is needed to reduce its potentially catastrophic impacts. Chubb's Board of Directors and its management-level Executive Committee, which includes the Chairman and CEO, General Counsel, Chief Risk Officer and the Vice Chairman who has responsibility for Chubb's global environmental program and climate sustainability strategy, provide oversight for the Company's climate and sustainability policies, strategies and programs. To carry out the above strategies and commitments, in 2021 Chubb bolstered its governance around climate and environmental strategy, and has the mechanisms in place to further assess underwriting of specific risks, including those relating to fossil fuel risks. In particular Chubb created two committees composed of senior leaders: (i) an Operational Climate Committee which oversees operationally-focused climate and sustainability policies, strategies and programs, including GHG measurement and reduction activities; and (ii) a Climate Advisory Group which pursues opportunities to develop and expand climate-relevant products and services.

The Company agrees with the Proponent's concerns, but disagrees about how Chubb can address those concerns in the most practical and responsible way. Chubb has made a careful, analytical and thoughtful determination of the role it is best suited to play to support the transition, and its views and strategies are evolving. The Company is prudently evaluating its underwriting of fossil fuels, including through the established and robust governance mechanisms noted above. Chubb assesses each risk presented to it on an individual basis, including risks associated with climate change, and makes underwriting decisions accordingly. In looking at individual energy risks, for example, Chubb may consider the environmental consequences of a particular project, and whether there are alternative methods of producing the energy that pose less risk.

While Chubb continues to monitor and assess its underwriting of fossil fuels, it is continuing to develop and offer new insurance solutions for low- and zero-emission technologies, such as renewables, solar, wind, and clean technology. For example, Chubb's Offshore Wind Farm Policy has been developed to support green energy providers through the entire offshore wind farm process – from project inception through to energy production, storage, and distribution. The Company believes and has expressed that, with supporting actions by governments, this is the path to reduce dependence on fossil fuels. Conversely, blanket underwriting exclusions on energy sources that at this time do not have suitable broadly available energy replacements would neither benefit society or the economy, nor efficiently address the Proponent's objectives.

Shareholderproposals@sec.gov

January 14, 2022

Page 7

In terms of risk management, page 13 of the TCFD Report discloses Chubb's offerings and continuing development of insurance coverages supporting the clean tech industry:

As climate change effects and our collective response progress, risks inherent in transitioning to a low-carbon economy will concurrently increase. For several years, Chubb has offered a suite of coverages through the specialized clean tech industry insurance program. We also support transitional efforts through specialized products, such as our green building restoration coverages. We will continue developing products and services as the opportunities and need arise.

Chubb's commitment to the renewal energy industry is discussed further on pages 13-14 of the TCFD Report, with its specialized clean tech industry insurance program providing coverage in the following areas:

- Renewable and alternative energy producers;
- Software and hardware companies, including energy efficiency and smart grid technologies;
- Emerging companies, including those in research and development stage with a focus on biorenewables; and
- Manufacturers and service providers, especially component parts manufacturers or distributors supporting clean technologies, renewable energy producers and clean transportation.

Furthermore, as part of its policy to support a transition to a net zero economy, Chubb is in the process of reviewing its coverage of carbon-intensive industries and their strategies and plans for transitioning to a lower-carbon economy, ensuring that its underwriting positions evolve as practical alternatives become available. While it seems, based on the language in the Proposal and supporting statement, the Proponent seeks for Chubb to adopt blanket restrictions for all fossil fuels now, the Company is instead taking a more nuanced, thoughtful and pragmatic approach to move away from fossil fuels that is still consistent with the Proponent's intent. This is not a disagreement on the ultimate goal, but the optimal and most realistic way to get there. Again, the purpose of the Proposal is to adopt and disclose a policy ensuring Chubb's underwriting practices do not support new fossil fuel supplies. The Company clearly supports the transition away from fossil fuels and has documented its methods and approach in doing so, including adopting underwriting restrictions on coal. While the Company does not believe adopting further blanket exclusions is currently the right course of action, there are other ways that the Company is already limiting fossil fuel support that are substantially in line with the objective of the Proposal.

The Proponent's supporting statement says that Chubb should set the "scope, time frames and parameters" of its policy. But Chubb has already done so in a way that makes the most practical sense to the Company while still delivering on the goal to transition away from carbon-intensive energy sources. The coal policy, coupled with the pledges and other disclosures set out above in its TCFD Report to reduce fossil fuel reliance and promote cleaner energy sources,

Shareholderproposals@sec.gov

January 14, 2022

Page 8

demonstrate that Chubb's underwriting policies are in line with the Proponent's objective and the specific requests of the Proposal.

Chubb's corporate greenhouse gas reduction program. Chubb's TCFD Report also discusses Chubb's corporate greenhouse gas reduction goals, further demonstrating its support of a transition away from fossil fuel use. Page 10 of the TCFD Report notes that while its own contribution to global greenhouse gas emissions is comparatively small, Chubb announced a company-wide goal to reduce its:

global greenhouse gas (GHG) emissions 20% on an absolute basis by 2025 and established a long-term goal to reduce absolute GHG emissions 40% by 2035. Both goals use 2016 emissions as the baseline and are aligned with the two-degree Celsius target outlined in the Paris Climate Agreement as well as the quantitatively supported science-based standards methodology of the United Nations Environment Program.

As of year-end 2019, Chubb achieved the first of its two goals. We reduced our GHG emissions by 22% off a 2016 baseline, exceeding our goal of reducing emissions 20% by 2025. As of year-end 2020, Chubb also reached the second of its two goals by reducing our GHG emissions 41% off a 2016 baseline. However, because of the anomalous effects of the Covid-19 pandemic, we do not consider the second goal "achieved" on a year-over-year basis. Chubb continues to pursue our long-term goal to reduce GHG emissions 40% by 2035.

In addition, page 10 of Chubb's TCFD Report disclosed that in 2021, as part of its support for a global transition to a net zero economy by 2050, Chubb pledged to achieve carbon neutrality in its own global operations (Scope 1 and Scope 2 emissions) by year-end 2022. Chubb's metrics and targets for GHG reduction are further discussed on page 16 of the TCFD Report.

Chubb's Environmental Statement. Chubb's substantial implementation of the Proposal is also reflected in its Environmental Statement on pages E-1 and E-2 of its 2020 Annual Report, available at https://s1.q4cdn.com/677769242/files/doc_financials/2021/Chubb-Limited-Annual-Report-2020.pdf. Chubb intends to include an updated Environmental Statement in its 2021 Annual Report. The Environmental Statement provides detailed information regarding Chubb's companywide goals to reduce GHG emissions globally 20% on an absolute basis by 2025 and 40% by 2035, as described above. The Environmental Statement provides detailed information regarding, Chubb's corporate GHG inventory program which uses methodology based on the World Resources Institute and the World Business Council for Sustainable Development (WRI/WBCSD) GHG Protocol for data collection and analysis. The Environmental Statement also contains an independent third-party Verification Opinion Declaration from Apex Companies, LLC.

Shareholderproposals@sec.gov

January 14, 2022

Page 9

C. There is considerable no-action precedent in support of the Company's position that it has substantially implemented the Proposal in accordance with Rule 14a-8(i)(10).

The Staff has a long history of concurring with the exclusion of a shareholder proposal on the grounds that it has been substantially implemented in accordance with Rule 14a-8(i)(10), even if the company did not implement every aspect of the proposal, where the company's actions addressed the underlying concerns of the Proposal. See *Masco Corporation* (Mar. 29, 1999) (permitting exclusion on substantial implementation grounds where the company adopted a version of the proposal with slight modification and clarification as to one of its terms). See also *JPMorgan Chase & Co.* (Feb. 5, 2020) (concurring with the exclusion on substantial implementation grounds where the proposal requested the board review the Statement of the Purpose of a Corporation, provide oversight and guidance as to how the new statement of stakeholder theory should alter the Company's governance and management system, and publish recommendations regarding implementation where "the board's actions compare favorably with the guidelines of the Proposal"); *Exxon Mobil Corp. (Rossi)* (Mar. 19, 2010) (permitting differences between a company's actions and a shareholder proposal so long as the company's actions satisfactorily address the proposal's essential objectives); and *Exxon Mobil Corp. (Burt)* (Mar. 23, 2009) (concurring with the exclusion on substantial implementation grounds of a proposal requesting a political contribution report where the proponent argued there were differences between the company's current procedures and practices and actions sought by the proposal). Further, the Staff has concurred with the exclusion of shareholder proposals seeking a report when the contents of the requested report were disclosed in multiple pages or in multiple tabs on the company's corporate website. *Comcast Corp.* (Apr. 9, 2021).

The substantial implementation standard has been applied to environment-related shareholder proposals in situations where the company has already provided the requested information in a report satisfying the "essential objective" of a proposal, even if the company did not take the exact action requested by the proponent, did not implement the proposal in every detail, or exercised discretion in determining how to implement the proposal. See *Exxon Mobil Corp. (As You Sow/Schubiner)* (Mar. 9, 2021) (permitting exclusion of a proposal requesting a report on the risk of stranded assets related to environmental impacts of its petrochemical investments based on disclosures the company already made in its energy and carbon summary and its sustainability report that address the essential objective of the proposal); *Hess Corporation* (Apr. 11, 2019) (permitting exclusion of a proposal requesting that the company issue a report on how it can reduce its carbon footprint in alignment with greenhouse gas reductions necessary to achieve the Paris Agreement's goal where the company had already provided the requested information in its sustainability report and CDP (formerly known as Carbon Disclosure Project) report); and *Exxon Mobil Corporation* (Apr. 3, 2019) (permitting exclusion of a proposal requesting the company issue a report on how it can reduce its carbon footprint in alignment with greenhouse gas emissions reductions in line with the Paris Agreement where the requested information was readily available in the company's public disclosures).

Shareholderproposals@sec.gov

January 14, 2022

Page 10

D. In conclusion, the Company has substantially implemented the Proposal.

As explained above, the Company has carefully considered its ongoing approach to greenhouse gas emissions, including with respect to its fossil fuel and clean energy underwriting practices. It has already adopted a policy restricting coal-related underwriting. It has further adopted and publicly disclosed additional policies, goals and strategies to reducing greenhouse gas emissions and support a global transition away from new fossil fuel supplies. The actions Chubb has taken compare favorably with the Proposal's request and objective. Accordingly, Chubb has substantially implemented the Proposal. Therefore, the Proposal may be omitted from the Company's Proxy Materials pursuant to Rule 14a-8(i)(10).

II. The Proposal may be omitted under Rule 14a-8(i)(3) and Rule 14a-9 because it is vague and indefinite, rendering it in violation of the proxy rules.

Rule 14a-8(i)(3) provides that a shareholder proposal may be excluded from a registrant's proxy materials "[i]f the proposal or supporting statement is contrary to any of the Commission's proxy rules, including Rule 14a-9, which prohibits materially false or misleading statements in proxy soliciting materials." As described below, exclusion of the Proposal is warranted because the inclusion of the supporting statement *and* the proposed resolution contained in the Proposal in the Company's forthcoming Proxy Materials would result in the Company filing a proxy statement containing a proposal so inherently vague and indefinite that it is materially misleading, even if certain elements or statements included therein were to be excluded.

A shareholder proposal should be excluded under Rule 14a-8(i)(3) if shareholders cannot make an informed decision as to whether to vote for a proposal. The Staff has explained that exclusion of a proposal may be appropriate where "the resolution contained in the proposal is so inherently vague or indefinite that neither the stockholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires." Staff Legal Bulletin No. 14B (Sept. 15, 2004); *see also Cisco Systems, Inc.* (Oct. 7, 2016) and *Alaska Air Group, Inc.* (Mar. 10, 2016). The Staff has concurred in a registrant's exclusion of a proposal on vague and indefinite grounds where the registrant and its shareholders might interpret the proposed resolution differently such that actions taken by the registrant could significantly differ from the action intended by the shareholders voting on the proposal. *See Puget Energy Inc.* (Mar. 7, 2002) (citing *Occidental Petroleum Corp.* (Apr. 4, 1990)). Recently, the Staff concurred in the exclusion of a shareholder proposal that sought to "improve guiding principles of executive compensation," noting that such proposal "lack[ed] sufficient description about the changes, actions or ideas for the company and its shareholders to consider that would potentially improve [such] guiding principles." *Apple Inc.* (Dec. 6, 2019). Additionally, courts have ruled on cases involving vague proposals, finding that "shareholders are entitled to know precisely the breadth of the proposal on which they are asked to vote" and that a proposal should be excluded when "it [would be] impossible for the board of directors or the stockholders at large to comprehend precisely what the proposal would entail." *New York City Employees' Retirement System v. Brunswick Corp.*, 789 F. Supp. 144, 146 (S.D.N.Y. 1992); *Dyer v. SEC*, 287 F.2d 773,

Shareholderproposals@sec.gov

January 14, 2022

Page 11

781 (8th Cir. 1961). In Staff Legal Bulletin No. 14G (Oct. 16, 2012), the Staff explained that “[i]n evaluating whether a proposal may be excluded on this basis, we consider only the information contained in the proposal and supporting statement and determine whether, based on that information, shareholders and the company can determine what actions the proposal seeks.”

A. The proposed resolution in the Proposal is inherently vague and indefinite because it fails to define external guidelines central to the Proposal.

The Staff has consistently concurred with the exclusion of proposals pursuant to Rule 14a-8(i)(3) to the extent that the proposal fails to define key terms. *See, e.g., Boeing Co.* (Feb. 23, 2021) (concurring with the exclusion of a proposal that failed to define key terms related to a requirement that the registrant’s directors have an “aerospace/aviation/engineering executive background” but setting forth “incomplete and often conflicting explanations” of such requirement); *AT&T Inc.* (Feb. 21, 2014) (concurring in the exclusion of a proposal requesting a review of policies and procedures related to the “directors’ moral, ethical and legal fiduciary duties and opportunities,” where such phrase was undefined); *Berkshire Hathaway Inc.* (Jan. 31, 2012) (concurring in the exclusion of a proposal seeking to require specified company personnel “to sign-off by means of an electronic key . . . that they have observed and approve or disapprove of [certain] figures and policies,” noting that the proposal “does not sufficiently explain the meaning of ‘electronic key’ or ‘figures and policies’ and that, as a result, neither stockholders nor the company would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires”); *AT&T Inc.* (Feb. 16, 2010) (concurring in the exclusion of a proposal that sought disclosures on, among other things, payments for “grassroots lobbying” without sufficiently clarifying the meaning of that term); *Moody’s Corp.* (Feb. 10, 2014) (concurring in the exclusion of a proposal when the term “ESG risk assessments” was not defined).

More specifically, the Staff has concurred with the exclusion of proposals pursuant to Rule 14a-8(i)(3) when a central aspect of the proposal relies on an understanding of a definition that is not included in the proposal or the supporting statement. For instance, the Staff granted no-action relief to McKesson Corporation for a proposal requesting that the board adopt a policy that the chairman of the board be independent “according to the definition set forth in the New York Stock Exchange listing standards.” In granting relief, the Staff explained:

There appears to be some basis for your view that McKesson may exclude the proposal from its proxy materials under rule 14a-8(i)(3), as vague and indefinite. In arriving at this position, we note that the proposal refers to the “New York Stock Exchange listing standards” for the definition of an “independent director,” but does not provide information about what this definition means. In our view, this definition is a central aspect of the proposal. As we indicated in Staff Legal Bulletin No. 14G (Oct. 16, 2012), we believe that a proposal would be subject to exclusion under rule 14a-8(i)(3) if neither the shareholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with reasonable certainty exactly what actions or measures the proposal requires. In evaluating whether a proposal may be excluded on this

Shareholderproposals@sec.gov

January 14, 2022

Page 12

basis, we consider only the information contained in the proposal and supporting statement and determine whether, based on that information, shareholders and the company can determine what actions the proposal seeks. Accordingly, because the proposal does not provide information about what the New York Stock Exchange's definition of "independent director" means, we believe shareholders would not be able to determine with any reasonable certainty exactly what actions or measures the proposal requires.

McKesson Corporation (Apr. 17, 2013, *recon. denied* May 31, 2013). *See also Ashford Hospitality Trust, Inc.* (Mar. 15, 2013); *KeyCorp* (Mar. 15, 2013); *Chevron Corporation* (Mar. 15, 2013).

As further examples, the Staff has concurred with the exclusion of proposals pursuant to Rule 14a-8(i)(3) when the proposals referenced an SEC Staff Legal Bulletin (*General Electric Company* (Jan. 15, 2015)) and an SEC rule (*Dell Inc.* (Mar. 30, 2012)) without providing an explanation of what those references entailed. In *Dell Inc.*, the Staff in its no-action letter explained its reasoning:

[T]he proposal provides that Dell's proxy materials shall include the director nominees of shareholders who satisfy the "SEC Rule 14a-8(b) eligibility requirements." The proposal, however, does not describe the specific eligibility requirements. In our view, the specific eligibility requirements represent a central aspect of the proposal. While we recognize that some shareholders voting on the proposal may be familiar with the eligibility requirements of rule 14a-8(b), many other shareholders may not be familiar with the requirements and would not be able to determine the requirements based on the language of the proposal. As such, neither shareholders nor Dell would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires.

Similarly, the Staff has concurred with the exclusion of proposals pursuant to Rule 14a-8(i)(3) where the proposals requested that the companies take action applying the board independence standards set by the Council of Institutional Investors, without explaining what those standards entailed. *See Boeing Co.* (Feb. 10, 2004) (concurring with the exclusion of a proposal requesting that the board amend the by-laws to require that the chairman of the board be "an independent director, according to the 2003 Council of Institutional Investors definition"). *See also JPMorgan Chase & Co.* (Mar. 5, 2008); *PG&E Corporation* (Mar. 7, 2008); and *Schering-Plough Corporation* (Mar. 7, 2008) (all concurring with the exclusion of proposals requesting that the board appoint an independent lead director applying the standard of independence set by the Council of Institutional Investors).

Here, the Proposal requests that Chubb's Board of Directors "adopt and disclose new policies...in alignment with the IEA's Net Zero Emissions by 2050 Scenario." The IEA's Net Zero Emissions by 2050 Scenario (the "IEA Report") is a central aspect of the Proposal because implementation requires knowledge of the content of the IEA Report.

Shareholderproposals@sec.gov

January 14, 2022

Page 13

The Proposal's supporting statement does not provide any information with respect to what the IEA Report entails or how the Company could adopt policies in alignment with it. In fact, while the Proponent used the limited number of words available for a supporting statement to provide information about several *different* organizations and publications focused on climate change, such as the Intergovernmental Panel on Climate Change, the United Nations Environment Programme Finance Initiative and the Paris Agreement, there is only one reference to the contents of the IEA Report. That reference provides no insight into what the IEA Report entails for insurance companies. Instead, the Proposal states:

the International Energy Agency (IEA) issued a report, *Net Zero by 2050*, which provides a comprehensive pathway for the energy sector to transition to net zero emissions by 2050. The report is unequivocal about the expansion of fossil fuel supplies, saying "Beyond projects already committed as of 2021, there are no new oil and gas fields approved for development in our pathway, and no new coal mines or mine extensions are required" to ensure stable and affordable energy supplies.

This brief mention of the report bears no relation to what the Proposal is asking of the Company and does not provide adequate information about what "alignment with" the report means. In fact, it refers only to the IEA Report's application to the energy sector, not the insurance sector. (The subtitle of the IEA Report, "A Roadmap for the Global Energy Sector", was omitted from the Proposal.) It provides no guidance to shareholders voting on the Proposal as to what they are being asked to vote for.

The IEA Report that provides the Net Zero Emissions by 2050 Scenario is over 200 pages long and contains a vast amount of detail. For instance, it provides more than 400 milestones "for what needs to happen, and when, to transform the global economy..." The foreword to the report explains that the IEA's Net Zero Emissions by 2050 Scenario "requires vast amounts of investment, innovation, skilful policy design and implementation, technology deployment, infrastructure building, international cooperation and efforts across many other areas." In addition to the IEA's Net Zero Emissions by 2050 Scenario being admittedly complicated to implement, it is notable that nowhere in the report is "underwriting" mentioned, and the single reference to "insurance" is to distance-based vehicle insurance, which is not relevant to the Proposal's focus on new fossil fuel supplies. It would be difficult for anyone who has read the report to understand how to implement a policy in accordance with it; it would be unreasonable to expect shareholders voting on the Proposal to understand with any reasonable certainty what actions or measures the Proposal requires of one particular insurance company.

The Proponent nonetheless asks shareholders to commit the Company to blanket restrictions on its underwriting, without providing an understanding of what it would mean to Chubb or if it would have any realistic impact on the Proponent's ultimate societal goal beyond what the Company has already pledged to do.

The Proposal is similar to the proposal in *Exxon Mobil Corp. (Naylor)* (Mar. 21, 2011) in which the Staff considered the following proposal:

Shareholderproposals@sec.gov

January 14, 2022

Page 14

Resolved: Shareholders request the Board of Directors oversee the publication of a report (issued at a reasonable expense and excluding proprietary information) on the community and environmental impact of its logistics decisions, using guidelines from the Global Reporting Initiative.

The Staff agreed with the company that the proposal could be excluded under Rule 14a-8(i)(3) as being vague and indefinite, stating “We note in particular your view that the proposal does not sufficiently explain the ‘guidelines from the Global Reporting Initiative’ and that, as a result, neither stockholders nor the company would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires.” The Staff’s position in *Exxon Mobil Corp.* is consistent with prior no-action letters issued by the Staff concurring with the exclusion under Rule 14a-8(i)(3) of proposals requesting sustainability reports based upon the Global Reporting Initiative. *See, e.g., The Ryland Group* (Jan. 19, 2005); *The Kroger Co.* (Mar. 19, 2004).

The Proposal is distinguishable from those where the Staff did not concur with the argument that a proposal could be excluded under Rule 14a-8(i)(3) for having an undefined term. For instance, in *Cheniere Energy, Inc.* (Mar. 20, 2020), the company argued that the proposal could be excluded under Rule 14a-8(i)(3) for failing to define the terms “net zero emissions” and “2C target.” While the meaning of those specific terms has become better understood by the general public in recent years, the undefined term at issue in the Proposal is a several-hundred page report that not only would it be unreasonable to expect shareholders to have read, but the Proposal does not even explain how it would be applied to the Company or insurers generally. Because the Staff considers only the information contained in the proposal and supporting statement to determine whether, based on that information, shareholders and the company can determine what actions the proposal seeks, this Proposal should be excluded pursuant to Rule 14a-8(i)(3) for failing to define the IEA Report and what alignment with it actually means. The principles described by the Staff in *McKesson Corporation* above are directly applicable to the Proposal. The resolution contained in the Proposal specifies alignment with IEA’s Net Zero Emissions by 2050 Scenario. Though this alignment is a central aspect of the Proposal, the Proposal does not specify what alignment means thereby making the Proposal vague and indefinite for voting shareholders.

B. The Proposal is misleading because it is inherently vague and indefinite and subject to multiple interpretations.

The Proposal requests “alignment with the IEA’s Net Zero Emissions by 2050 Scenario.” As discussed above, the IEA Report is a long, complex and detailed document that is external to the Proposal. There are multiple possible interpretations of what is meant by a request to adopt policies that align with the IEA Report. For example, it is not clear whether the Proposal is requesting that the Company discontinue underwriting certain customers that have any involvement with fossil fuels. Would the Proposal permit the Company to underwrite other insurance risks of customers unrelated to fossil fuels, even if the customer engages in fossil fuels as all or a component of its business? Is the Proposal requesting that the Company cease any

Shareholderproposals@sec.gov

January 14, 2022

Page 15

underwriting relating to fossil fuels, or only related to projects committed to as of 2021? How is the Company expected to treat existing contracts that relate to fossil fuel supplies or those that come up for renewal? What if the Company seeks to insure a replacement energy project that uses fossil fuels but is environmentally more friendly than the energy source being replaced? The answers to these real-world scenarios are not clear from reading the Proposal, but are necessary to understand it and what implementing it would entail.

In addition, the Proposal asks that the Board of Directors of the Company to adopt policies to ensure that its underwriting practices “do not support new fossil fuel supplies.” The Proposal provides no clear guidance as to what is intended by the term “support,” and it is not reasonably ascertainable from either the Proposal itself or the supporting statement. For example, as discussed in Section I, the Company already believes it has substantially implemented the Proposal through its coal policy and other actions demonstrating that it supports net zero, including its public support and concrete actions to promote through its insurance offerings the transition to low or no-carbon alternative energy sources.

Additionally, while certain companies, such as fossil fuel exploration and extraction companies, may be said to directly support new fossil fuel supplies, the Proposal does not distinguish between direct and indirect support. As such, it is unclear whether companies that indirectly support new fossil fuel supplies should be covered by the policy. Companies and entities that could also possibly be subject to the Proposal would include the following:

- individual homes using gas as a source of heating;
- automobiles and other forms of transportation;
- national and sub-national governments that implement policies that permit, facilitate or incentivize the extraction of fossil fuels from their territories;
- energy generation companies, which are significant purchasers of global fossil fuels;
- companies that provide the equipment and other materials to exploration and extraction companies, such as heavy machinery manufacturers;
- direct and indirect participants in the transportation sector, which are among the largest consumers of fossil fuels in the United States;
- companies and other entities that provide services to exploration and extraction companies and any other direct participants in the fossil fuel exploration and extraction industries, such as professional service providers, like legal service providers and accountants; and
- any other business or individual that is a consumer of fossil fuels, and thus contributes to global demand for fossil fuels.

The Proposal does not provide a limitation as to what level of involvement in the fossil fuel industry is necessary to be subject to its requested policy. In fact, the Proposal could require the Company to cease providing insurance to companies that have or are developing a strategy to reduce their participation in the fossil fuel industry. Without more specificity as to what policy the Proposal is asking shareholders to endorse, shareholders would have difficulty determining

Shareholderproposals@sec.gov

January 14, 2022

Page 16

how to vote. Moreover, management would not have reasonable certainty as to exactly how the Proponent or shareholders intended such a policy to be implemented. Shareholders must understand the proposed scope and breadth of the policy in order to make any informed judgment on the Proposal, especially in light of its possible far-reaching effects on the Company's business.

The supporting statement to the Proposal further increases the confusion as to what is requested, compared to what the Company is already doing. The supporting statement provides that the "board and management, in its discretion, should define the scope, time frames and parameters of the policy." However, the Company has already done so through implementation of its coal policy, public support for a global transition to a net zero economy and the actions it pledges to take including reviewing the carbon intensity of its portfolio and evolve its underwriting positions, and develop and offer new insurance solutions for low- and zero-emission technologies. The Company has also set parameters on this by stating in the TCFD Report it is declining to adopt any further blanket policies at this time regarding fossil fuel underwriting, since it does not believe it represents a reasonable path to a net zero economy. Therefore, it is confusing to see how the Proposal is giving the Board and management any discretion to implement the Proposal if passed that differs from the current course, policies and actions.

As a result of the alternative interpretations of the Proposal and because of the lack of clarity with respect to terms central to the Proposal, neither the shareholders voting on the Proposal, nor the Company in implementing the Proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the Proposal requires. This makes the Proposal impermissibly vague and indefinite so as to be misleading. Accordingly, the Company believes that the Proposal may be omitted from its Proxy Materials pursuant to Rule 14a-8(i)(3).

III. The Proposal is excludable under Rule 14a-8(i)(7) because it deals with matters relating to the Company's ordinary business operations.

Under Rule 14a-8(i)(7), a registrant may omit from its proxy materials a shareholder proposal that relates to the registrant's "ordinary business" operations. In the 1998 amendments to Rule 14a-8, the Commission noted that the term "ordinary" in "ordinary business" "is rooted in the corporate law concept of providing management with flexibility in directing certain core matters involving the company's business and operations." Exchange Act Release No. 40018 (May 21, 1998) (the "1998 Release"). In the 1998 Release, the Commission noted that the principal policy for this exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting," and identified two central considerations that underlie this policy. The first was that "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight" and the second "relates to the degree to which

Shareholderproposals@sec.gov

January 14, 2022

Page 17

the proposal seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” *Id.*

A. The subject matter of the Proposal is fundamental to management’s ability to run the Company’s day-to-day business because it requests that the Board of Directors adopt new policies applicable to its underwriting practices, which is at the very core of the Company’s business model.

When evaluating whether the actions sought by a proposal implicate tasks that are so fundamental to management’s ability to run a company on a day-to-day basis that they could not be subject to direct shareholder oversight, the Staff has consistently acknowledged that shareholder proposals that could undermine a company’s core business model and/or relate to the products and services offered by the company are appropriately excludable under Rule 14a-8(i)(7). In *Wells Fargo & Co.* (Jan. 28, 2013, *recon. denied* Mar. 4, 2013), for example, the Staff granted no-action relief under Rule 14a-8(i)(7) where the proposal requested that the company prepare a report discussing the adequacy of the registrant’s policies in addressing the social and financial impacts of the registrant’s direct deposit advance lending service, noting in particular that “the proposal relates to the products and services offered for sale by the [registrant]” and that “[p]roposals concerning the sale of particular products and services are generally excludable under rule 14a-8(i)(7).” Similarly, in *JPMorgan Chase & Co.* (Mar. 16, 2010), the Staff concurred in the exclusion of a proposal under Rule 14a-8(i)(7) where such proposal sought that the company’s board of directors implement a policy mandating that the company cease issuing refund anticipation loans, which the proponent claimed were predatory loans. There, the company acknowledged that the proposal addressed an issue that the Staff itself recognized as a “significant policy issue.” The company noted, however, that its “decisions as to whether to offer a particular product to its clients and the manner in which the [c]ompany offer those products and services, including pricing, are precisely the kind of fundamental, day-to-day operational matters meant to be covered by the ordinary business operations exception under Rule 14a-8(i)(7).” *See also Pfizer Inc.* (Mar. 1, 2016) (excluding a shareholder proposal requesting a report describing steps taken by Pfizer to prevent the sale of its medicines for use in executions, commenting that the proposal “relates to the sale or distribution” of the company’s products); *The Walt Disney Co.* (Nov. 23, 2015) (excluding a proposal requesting Walt Disney’s Board approve the release of a certain film on Blu-ray, noting that the proposal “relates to the products and services offered for sale by the company.”). The Company’s ability to write insurance is, indeed, its core business model.

The subject matter of the Proposal relates to certain of the Company’s insurance product offerings, *i.e.*, insurance policies involving new fossil fuel supplies. The Staff has consistently permitted proposals relating to the content and sale of particular products and services to be excluded pursuant to Rule 14a-8(i)(7) as dealing with a matter relating to a company’s ordinary business operations even when the proposal touches upon a social issue. The Staff has repeatedly affirmed this position, stating in its replies to no-action requests regarding such shareholder proposals that: “[p]roposals concerning the sale of particular products and services are generally

Shareholderproposals@sec.gov

January 14, 2022

Page 18

excludable under rule 14a-8(i)(7).” See, for example, *Amazon Inc.* (Mar. 11, 2016) (concurring with the exclusion of a proposal relating to animal cruelty in the supply chain) and *Rite Aid Corporation* (Mar. 24, 2015) (concurring with the exclusion of a proposal requesting that Rite Aid’s board adjust its governance policies with the aim of it reconsidering the sale of tobacco products in its stores). See also *The Home Depot, Inc.* (Mar. 20, 2020) (concurring with the exclusion of a proposal requesting that the company’s board of directors provide an annual report to shareholders on prison labor, summarizing the extent of known usage of prison labor in the company’s supply chain) and *Viacom Inc.* (Dec. 18, 2015) (concurring with exclusion of a proposal requesting a company to issue a report assessing the company’s policy responses to public concerns regarding linkages of food and beverage advertising to impacts on children’s health).

In addition, the Staff repeatedly has acknowledged that proposals addressing a company’s management of its relationship with customers implicates ordinary business concerns under Rule 14a-8(i)(7). For example, the Staff concurred with the exclusion under Rule 14a-8(i)(7) of a proposal involving customer relations in the context of monitoring customers’ adherence to and compliance with contracts, particularly concerns raised by employees regarding highly public policy issues. See *Amazon.com, Inc. (Dan Phung)* (Apr. 1, 2020). Similarly, the Staff has consistently recognized that a company’s decisions regarding the way it advertises and communicates with customers about certain products relate to a company’s ordinary business operations and thus may be excluded under Rule 14a-8(i)(7). See, for example, *Campbell Soup Co.* (Aug. 21, 2009) (concurring with the exclusion of a proposal requesting that the company “take a leadership role in educating people on [a] healthy diet” and use “its wonderful advertising techniques” to highlight consumer health because it addressed the “manner in which a company advertises its products”); and *The TJX Companies, Inc.* (Apr. 16, 2018) (concurring with the exclusion of a proposal requesting the company’s board to develop and disclose a new universal and comprehensive animal welfare policy applying to the company’s sale of products, with the majority of the proposal focusing on the company’s sale of products containing fur).

B. Even though the Proposal touches upon a significant social policy issue, its primary focus is ordinary business matters.

The Staff has recognized that, regardless of whether certain proposals may extend beyond the topic of the subject companies’ practices to implicate broader societal issues, if the essence of the proposal nevertheless impermissibly targets the ordinary business operations of a company, such proposals are excludable. See *Amazon.com, Inc.* (Mar. 17, 2016) (concurring with the exclusion of a proposal asking the company’s board to prepare a report on the company’s policy options to reduce potential pollution and public health problems from electronic waste generated as a result of its sales to consumers, and to increase the safe recycling of such wastes under Rule 14a-8(i)(7), noting that “the proposal relate[d] to the company’s products and services and [did] not focus on a significant policy issue”); *Chipotle Mexican Grill, Inc.* (Dec. 30, 2015) (concurring with the exclusion of a proposal asking the company’s board to adopt principles for minimum wage reform under Rule 14a-8(i)(7) because the proposal “relate[d] to general compensation matters”); *CIGNA Corp.* (Feb. 23, 2011) (concurring with the exclusion under

Shareholderproposals@sec.gov

January 14, 2022

Page 19

Rule 14a-8(i)(7) when, although the proposal addressed the potential significant policy issue of access to affordable health care, it also asked CIGNA to report on expense management, an ordinary business matter); *General Electric Co.* (Dec. 7, 2007) (concurring with the exclusion of a shareholder proposal requesting that the company's board establish an independent committee to prepare a report on the potential damage to the registrant's brand as a result of sourcing products and services from the People's Republic of China, with the Staff noting in its response that the proposal "relat[ed] to [the company's] ordinary business operations (*i.e.*, *evaluation of risk*)" (emphasis added)); and *PPG Industries, Inc.* (Feb. 26, 2015) (concurring in the exclusion of a proposal requesting a report on options for policies and practices the company could adopt to reduce health hazards by eliminating the use of lead in paint and coatings under Rule 14a-8(i)(7) because the proposal related to the company's product development).

The Staff recently explained in Staff Legal Bulletin No. 14L (Nov. 3, 2021) ("SLB 14L") that during the past four years, "an undue emphasis was placed on evaluating the significance of a policy issue to a particular company at the expense of whether the proposal *focuses on a significant social policy*" (emphasis added). While SLB 14L specified that the Staff will no longer consider whether a sufficient "*nexus*" exists between a proposal and the company at issue, there is a separate and distinct argument for exclusion under Rule 14a-8(i)(7) for a proposal that does not *focus on* a significant social policy issue. The requirement that a proposal must focus on a significant social policy issue was explained by the Commission in the 1998 Release: [P]roposals . . . *focusing on* sufficiently significant social policy issues. . . generally would not be considered to be excludable, because the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote" (emphasis added). The question of the *nexus* of a proposal to a *company* discussed in SLB 14L is different from the examination of whether a proposal that references a significant policy issue *focuses* primarily on such issue. SLB 14L does not address or affect the excludability under Rule 14a-8(i)(7) of a proposal that references a significant social policy where the central focus of the proposal is on products that a company offers as part of its ordinary business operations. The Staff has a long history of excluding proposals on this basis, which is consistent with the realigned approach explained in SLB 14L.

The Staff has concurred with the exclusion of proposals submitted to financial institutions requesting policies regarding lending and credit decisions that arguably involved a social issue. For example, the proposal in *Bank of America Corporation* (Feb. 24, 2010) requested a report describing, among other things, the company's policy regarding funding of companies engaged predominantly in mountain top removal coal mining. The Staff concurred with the exclusion of the proposal under Rule 14a-8(i)(7) stating "the proposal addresses matters beyond the environmental impact of Bank of America's project finance decisions, such as Bank of America's decisions to extend credit or provide other financial services to particular types of customers. Proposals concerning customer relations or the sale of particular services are generally excludable under rule 14a-8(i)(7)." *See also JPMorgan Chase & Co.* (Mar. 12, 2010) (concurring in the exclusion of a proposal requesting a report assessing the adoption of a policy barring future financing of companies engaged in mountain top removal coal mining).

Shareholderproposals@sec.gov

January 14, 2022

Page 20

The Company is in the business of underwriting insurance. Although the Proposal refers to greenhouse gas emissions, at its core it is an attempt to influence the ordinary business operations of the Company by restricting its product offerings. The action requested by the Proposal is literally for the Company to “adopt...new policies” for “its underwriting practices,” which relate to the products that the Company offers to its customers, and, therefore, are at the core of the Company’s ordinary business. The Proposal makes clear that its target is the Company’s underwriting of policies relating to fossil fuels. The recitals, an integral part of the Proposal, asserts that it is “fundamentally incompatible” for the Company to underwrite insurance policies protecting homes and businesses while simultaneously underwriting policies for the fossil fuel industry. The underlying thrust of the Proposal is to request the Company cease or limit certain of its product offerings, *i.e.*, insurance policies involving new fossil fuel supplies, and therefore the Proposal involves itself directly in the Company’s core business function – blanketly determining which risks it should and should not accept in exchange for premium. Consequently, the Proposal’s subject matter falls squarely within the Company’s ordinary business operations and if implemented would substitute the judgment of shareholders for that of management on critical day-to-day business operations and is therefore excludable under Rule 14a-8(i)(7).

C. The Proposal seeks to micromanage the Company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.

Even if a proposal involves a significant social policy issue, the proposal may nevertheless be excluded under Rule 14a-8(i)(7) if it seeks to micromanage the company by specifying in detail the manner in which the company should address the policy issue. *See Exxon Mobil Corporation* (Mar. 6, 2020) (concurring with the exclusion of a proposal requesting that the company’s board charter a new board committee on climate risk, noting that as a result, “the Proposal unduly limits the board’s flexibility and discretion in determining how the board should oversee climate risk”); *JPMorgan Chase & Co. (Christensen Fund)* (Mar. 30, 2018) (concurring on the basis of micromanagement with the exclusion of a proposal that requested a report on the reputational, financial and climate risks associated with project and corporate lending, underwriting, advising and investing for tar sands production and transportation, noting that the proposal sought to “impose specific methods for implementing complex policies”); and *Amazon.com, Inc.* (Jan. 18, 2018) (concurring with the exclusion of a proposal requesting the company list certain efficient showerheads before others on its website and describe the benefits of these showerheads).

The Staff recently explained in SLB 14L that “in order to assess whether a proposal probes matters “too complex” for shareholders, as a group, to make an informed judgment, [the Staff] may consider the sophistication of investors generally on the matter, the availability of data, and the robustness of public discussion and analysis on the topic.” In addition, the Staff stated with respect to proposals that request companies adopt timeframes or targets to address climate change: “Going forward we would not concur in the exclusion of [] proposals that

Shareholderproposals@sec.gov

January 14, 2022

Page 21

suggest targets or timelines *so long as the proposals afford discretion to management as to how to achieve such goals.*" (emphasis added).

An informed vote on the Proposal requires an understanding of the IEA Report because the requested action must be "in alignment with the IEA's Net Zero Emissions by 2050 Scenario." A reasonable investor would not be sophisticated on the matter as it relates to insurance underwriting because it is an emissions reduction scenario applicable to the global energy sector, not insurance companies. Additionally, the Proponent has not provided, and Chubb is not aware of, any evidence of, available data or robust public discussion and analysis on the subject of insurance underwriting practices and the "support" of new fossil fuel supplies. Furthermore, even if the Staff will no longer concur in the exclusion of proposals that provide a target, the Proposal does not afford discretion to the Board or management as to how to achieve the goal of "ensur[ing] that its underwriting practices do not support new fossil fuel supplies." Rather, the Proposal requires that in order to reach this goal, the Company must do so in alignment with the IEA's Net Zero Emissions by 2050 Scenario, despite the fact that the supporting statement references several different groups and publications. Additionally, there are many other publications or scenarios that also provide roadmaps to achieve net zero emissions. The IEA's Net Zero Emissions by 2050 Scenario is not a well-established framework that a reasonable investor would be well-equipped to evaluate.

Management has already determined its path to address the transition away from carbon-intensive energy sources, which is fully laid out in the Company's TCFD Report and in Sections I and II above. The Company's fossil fuel goals, policies and practices appreciate and understand the complexities of an orderly transition and takes into account real-world facts, scenarios and circumstances, including that there are currently insufficient alternative energy sources to completely replace fossil fuels at this time but that action can be taken to promote the growth and development of such sources. The Proponent is substituting its judgment for the judgment of the Company's Board and management, which has a robust governance structure of active Board and executive oversight, dedicated climate and risk committees and other experts analyzing the issues closely and providing strategies, goals and commitments aligned with reducing the threat of global warming in a manner that it believes is appropriate for the Company, the industry and the global economic and social order.

While the Company is committed to an orderly transition to a net zero economy, with government involvement, the Proposal advocates a singular method of implementing this complex objective – namely, having shareholders decide that the Company cannot provide its core services to customers, which the Proponent believes will reduce the new fossil fuel supply. Implementing a sweeping policy such as the one proposed is an overly simplistic approach to address the critical and complicated objective of reducing global fossil fuel dependence, an objective that the Company has already publicly addressed in its TCFD Report. The Proposal fails to address any of the dynamics that would be important to consider as part of a complex strategy to assist in the transition to a low carbon economy. Cutting off access to the Company's underwriting coverage could have significant and uncertain consequences for the Company and its customers, all while neither the Company nor its shareholders know whether this policy will

Shareholderproposals@sec.gov

January 14, 2022

Page 22

achieve any objective related to responsible climate policy. The Proposal is not supported by any facts or data that suggest that by terminating or avoiding relationships with particular companies, the Company will, on its own, have any significant impact to promote a realistic, orderly and effective transition to a carbon-free economy.

The Proposal here is similar to the proposal in *Marriott International, Inc.* (Mar. 17, 2010), where the proposal required that in order to achieve the goal of saving energy, the company install showerheads in test properties that “deliver no more than 1.6 gallons per minute (gpm) of flow” as well as a “mechanical switch that will allow for full water flow to almost no flow.” The Staff concurred in the exclusion of the proposal under Rule 14a-8(i)(7), explaining that:

...although the proposal raises concerns with global warming, the proposal seeks to micromanage the company to such a degree that exclusion of the proposal is appropriate. We note, in particular, that the proposal would require the company to test specific technologies that may be used to reduce energy consumption.

Here, too, although the Proposal raises concerns with global warming, it seeks to micromanage the company by requiring compliance with a very specific report when there may be multiple ways to achieve the goal of the Proposal, including those already being implemented by the Company after careful thought and analysis of both micro and macro factors. The Proposal states that it has to be implemented “in alignment with the IEA’s Net Zero Emissions by 2050 Scenario,” explicitly imposing a specific method for implementation. In addition, the Proposal specifies that the direction of the policy should be to “ensure that its underwriting practices do not support new fossil fuel supplies.”

In SLB 14L, the Staff noted that as part of evaluating companies’ micromanagement arguments, a proposal would need to “afford discretion to management as to how to achieve such goals.” The Proposal calls for the Board of Directors of the Company to adopt policies that would impose inflexible and far-reaching restrictions on the Company’s day-to-day business without any understanding or study as to whether the policy would achieve the underlying objective. The Proposal seeks to impose a specific method for implementation without regard to circumstance and without any reasonable exceptions, improperly constraining the decision-making function of the Company’s management.

The Proposal, although directed at important objectives, would, at its core, provide shareholders with the authority to determine which clients the Company can provide its insurance underwriting products, potentially impacting any company that is directly or indirectly engaged in fossil fuel development. It does not afford discretion to the Board and management to consider and execute the appropriate response to fossil fuel use and remain flexible in introducing new strategies as more information and technologies become available. The implementation of the policy underlying the Proposal would result in the shareholders on their own directing the Company to cease to provide its insurance coverage to whole range of its existing clients, without consideration of strategic interests of the Company. For a global

Shareholderproposals@sec.gov

January 14, 2022

Page 23

insurance company, the development, generation and selection of clients is a core function of management that involves a range of considerations that shareholders are not in a position to address.

The Proposal would not provide management with any discretion to assess the risks and opportunities associated with the implementation of the underlying policy objectives, to leverage the extensive work it has done to establish its own existing climate-related business policies and to develop strategies in conjunction with its clients that could support a clean-energy transition and improved climate sustainability. Rather, shareholders are being asked to assume this managerial responsibility and dictate, by institutional policy, which companies are suitable to be the Company's clients. Without providing any analysis of the impact of the Proposal on the Company, the Proponent prescribes the specific method of implementing the Proposal in its supporting statement, specifying that the policy should include defining new fossil fuel supplies to "include exploration for and / or development of oil, gas, and coal resources or reserves beyond those fields or mines already in production."

Because the Proposal deals with the Company's ordinary business and seeks to micromanage the Company, the Company believes that the Proposal may be omitted from its Proxy Materials pursuant to Rule 14a-8(i)(7).

IV. Conclusion

For the foregoing reasons, I request your confirmation that the Staff will not recommend enforcement action to the Commission if Chubb omits the Proposal from its 2022 Proxy Materials.

If the Staff has any questions, please contact Laura Richman of Mayer Brown LLP at (312) 701-7304 or lrichman@mayerbrown.com or the undersigned at (312) 701-7199 or ebest@mayerbrown.com. We would appreciate it if you would send your response by email.

Very truly yours,



Edward S. Best

cc: Gina Rebollar, Chief Corporate Lawyer and Deputy General Counsel,
Global Corporate Affairs, of Chubb
Andrea Ranger, of Green Century Capital Management, Inc.

EXHIBIT A
Proposal



December 3, 2021

Via Federal Express

Corporate Secretary
Chubb Limited
Bärengasse 32
CH-8001 Zurich
Switzerland

Re: Shareholder proposal for 2022 Annual Shareholder Meeting

Dear Madam or Sirs,

Green Century Capital Management, Inc. is the investment advisor, agent, manager and representative of the Green Century Funds. Green Century Capital Management Inc. is filing the enclosed shareholder proposal on behalf of the Green Century Equity Fund (the "Proposal") to be included in the proxy statement of Chubb Limited ("Chubb" and the "Company") for its 2022 annual meeting of shareholders, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 (17 C.F.R. § 240.14a-8).

Per Rule 14a-8, the Green Century Equity Fund is the beneficial owner of at least \$25,000 worth of Chubb's stock. We have held the requisite number of shares for over one year, and we will continue to hold sufficient shares in the Company through the date of the Company's 2022 annual shareholders' meeting. Verification of ownership from a DTC participating bank is enclosed.

We are available to meet with the Company via teleconference on December 14 & 15 from 2 p.m. to 5 p.m. or on December 16 p.m. from 2 p.m. to 5 p.m., Central European Standard Time. Other times may be available upon request.

Due to the importance of the issue and our need to protect our rights as shareholders, we are filing the enclosed proposal for inclusion in the proxy statement for a vote at the next shareholders' meeting.

We welcome the opportunity to discuss the subject of the enclosed proposal with company representatives. Please direct all correspondence to Andrea Ranger, Shareholder Advocate, at Green Century Capital Management, Inc. She may be reached at [REDACTED] and [REDACTED]

We would appreciate confirmation of receipt of this letter via email.

Thank you for your attention to this matter.

Sincerely,



Leslie Samuelrich
President
The Green Century Funds
Green Century Capital Management, Inc.

Whereas:

The Intergovernmental Panel on Climate Change (IPCC) reported that global greenhouse gas emissions must reach net zero by 2050 in order to limit a global temperature increase to 1.5 degrees Celsius by 2100, thereby averting the worst impacts of climate change. Building on the IPCC's findings, the International Energy Agency (IEA) issued a report, *Net Zero by 2050*, which provides a comprehensive pathway for the energy sector to transition to net zero emissions by 2050. The report is unequivocal about the expansion of fossil fuel supplies, saying "Beyond projects already committed as of 2021, there are no new oil and gas fields approved for development in our pathway, and no new coal mines or mine extensions are required" to ensure stable and affordable energy supplies.

As a property and casualty insurer, Chubb Limited (Chubb) is uniquely exposed to climate risks because it underwrites policies meant to protect its customers' homes and businesses from the impacts of climate-driven catastrophes such as storms, wildfires, and heat waves. It simultaneously underwrites policies for the fossil fuel industry, whose emissions are widely believed to amplify devastating storms, wildfires, and heat waves. These practices are fundamentally incompatible.

While Chubb restricts underwriting new coal fired power plants and underwriting and investing in companies that primarily operate in coal mining and coal power, investors are concerned that Chubb's efforts are not sufficiently aligned with global efforts to reduce emissions through, for example, the Paris Agreement. Further, the Company lags behind European peers, including AXA, Allianz, Aviva, Generali, Munich Re, SCOR, Swiss Re, and Zurich, that have committed to transitioning their underwriting portfolios to net zero emissions by 2050.

To develop a credible net zero commitment, the United Nations Environmental Program Finance Initiative suggests that financial institutions including insurers engaged in underwriting "begin aligning with the required assumptions and implications of Intergovernmental Panel on Climate Change's 1.5 degrees Celsius no / low overshoot pathways as soon as possible." Further, "All no / low overshoot scenarios indicate an immediate reduction in fossil fuels, signaling that investment in new fossil fuel development is not aligned with 1.5 degrees Celsius."

RESOLVED: Shareholders request that Chubb's Board of Directors adopt and disclose new policies to help ensure that its underwriting practices do not support new fossil fuel supplies, in alignment with the IEA's Net Zero Emissions by 2050 Scenario.

Supporting Statement

The board and management, in its discretion, should define the scope, time frames and parameters of the policy, including defining "new fossil fuel supplies," with an eye toward the well-accepted definition that new fossil fuel supplies include exploration for and / or development of oil, gas, and coal resources or reserves beyond those fields or mines already in production.