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January 13, 2023

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 – 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. (the "Representative"), on behalf of the Green Century Equity Fund (the "Proponent"), from the proxy materials for Chubb's 2023 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 2023 Proxy Materials with the SEC; and
- concurrently sent copies of this correspondence to the Proponent.

The Proposal

On December 5, 2022, Chubb received the following proposal for consideration at Chubb's 2023 annual general meeting of shareholders:

> **RESOLVED:** Shareholders request that the Board of Directors adopt and disclose a policy for the timebound phase out of Chubb's underwriting risks associated with new fossil fuel exploration and development projects, aligned with the IPCC's recommendation to limit global temperature rise to 1.5 degrees Celsius.

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, (collectively, the "Proposal") and the cover letter, as transmitted to Chubb as Exhibit A. A copy of this letter is simultaneously being sent to the Representative and the Proponent.

Bases for Exclusion

Chubb believes that the Proposal may be properly omitted from Chubb's 2023 Proxy Materials pursuant to Rule 14a-8 under each of the following grounds for exclusion, each of which is analyzed in separate sections of this letter:

1. **Rule 14a-8(i)(7):** 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, dictating a particular method – a categorical underwriting prohibition on all new fossil fuel projects – for the Company to align its activities to limit global temperature rise to 1.5 degrees Celsius.

2. **Rule 14a-8(i)(10):** The Proposal has been substantially implemented. The underlying concern and essential objective of the Proposal is for the Company to align its activities to limit global temperature rise to 1.5 degrees Celsius. Chubb has already taken and publicly disclosed its significant actions to align the strategy, approach and policies of its underwriting practices, including with respect to the fossil fuel industry, with this goal.

I. The Proposal is excludable under Rule 14a-8(i)(7) because it 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.

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 Exchange Act Release No. 40018 (May 21, 1998), 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 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 Proposal micromanages the Company by (i) inappropriately interfering with the discretion of management and the Board to implement the approach that in their judgement would be the most effective manner for the Company to align itself with the net zero by 2050 goal and (ii) requiring the Company to refuse to insure fossil fuel-related activities, thereby directly inserting shareholders into the Company's core business decisions.

The Proposal seeks to micromanage the Company by directing the Board of Directors to adopt a policy for the timebound phase out of underwriting of new fossil fuel exploration and development projects as the way for the Company to properly address limiting global temperature rise to 1.5 degrees Celsius (1.5°C). This asks shareholders to probe too deeply into and interfere with the Company's core business – underwriting – as well as the complex question of the best ways for this insurance company to be aligned with the goal of limiting long-term global temperature rise to 1.5°C, a goal that requires the global economy to reach net zero emissions by 2050.

Whatever general understanding of climate issues shareholders may have, such general knowledge does not equip them to make an informed judgment on the technical, multifaceted subject of what steps insurance companies can take to meaningfully impact the global net zero by 2050 goal, avoiding unintended consequences. Chubb's management and the Board has already determined its path to address limiting global temperature rise to 1.5°C by 2050. This strategy and related actions and initiatives are publicly disclosed in *Chubb and Climate Change: Our Policy* (the "Climate Change Policy")[1] that was posted on Chubb's website in April 2022 and the *Chubb 2022 Climate-Related Financial Disclosure* report that uses the Task Force on Climate-Related Financial Disclosures reporting framework (the "TCFD Report"),[2] issued on November 30, 2022, as well as below. Chubb's strategy is also dynamic and will continually adapt to new facts, technological developments and best practices.

The Staff explained in Staff Legal Bulletin No. 14L (Nov. 3, 2021) ("SLB 14L") that it "will focus on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management" and that it "would expect the level of detail included in a shareholder proposal to be consistent with that needed to enable investors to assess an issuer's impacts, progress towards goals, risks or other strategic matters appropriate for shareholder input."

In this case, the Proposal seeks to micromanage the Company by prescriptively asserting that the way for the Company to be aligned with the 1.5°C by 2050 goal must be to cease

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[1] Available at https://about.chubb.com/content/dam/chubb-sites/chubb/about-chubb/citizenship/environment/pdf/Chubb-Our_Climate_Change_Policy.pdf

[2] Available at https://about.chubb.com/content/dam/chubb-sites/chubb/about-chubb/citizenship/environment/pdf/chubb_2022_climate-related_financial_disclosure_report.pdf

underwriting risks associated with new fossil fuel exploration and development projects, on a timeline set now. This micromanages the Company in two critical ways:

- it inappropriately interferes with the discretion of management and the Board to implement the approach that in their business judgment would be the most effective manner for the Company to holistically align itself with the 1.5°C by 2050 goal; and
- it requires the Company to ultimately refuse to insure all new fossil fuel exploration and development projects, thereby directly inserting shareholders into the Company's core business decisions.

i. The Proposal inappropriately interferes with the Board and management's discretion.

The Company agrees with the Proposal's net zero by 2050 goal and has publicly committed to it. As Chubb explained in its Climate Change Policy: "Chubb recognizes its responsibility to encourage the transition to a net zero carbon economy and we support the global goal of net zero carbon emissions by 2050."

There is no single path towards achieving the objective of the global net zero by 2050 goal. The Proposal articulates one single approach — complete cessation of underwriting risks associated with new fossil fuel exploration and development projects — as the way for the Company to achieve the goal. However, the Company already applies a more holistic, fact-based strategy towards reaching the objective articulated by the Proposal.

a. Chubb's Board and management considered and rejected the Proposal's approach of a ban on all new fossil fuel exploration and development projects.

An informed vote on the Proposal requires an understanding of the extent to which an insurance company can realistically impact the 1.5°C by 2050 goal through implementing a timebound phase-out of fossil fuel underwriting as well as the potential consequences of such a ban. However, the Proponent has not provided, and the Company has not found evidence of, available data or robust public discussion and analysis regarding the various effects of a complete ban on such fossil fuels underwriting and how such a ban would positively impact the net zero by 2050 goal. To the contrary, many energy transition scenarios, including the IEA Net Zero Energy Emissions by 2050 (NZE) Scenario, still project that a more limited use of fossil fuels will be necessary in 2050.[3] The Company currently believes that industry-specific bans on fossil fuel underwriting are likely to simply lead the fossil fuel industry to seek alternative forms of insurance, while having an immaterial impact on GHG emissions in the real economy. Our Board and management should have discretion to determine that the better role for Chubb to

[3] International Energy Agency, World Energy Outlook 2022 at page 133, available at https://iea.blob.core.windows.net/assets/830fe099-5530-48f2-a7c1-11f35d510983/WorldEnergyOutlook2022.pdf

support the net zero transition is to make the remaining production of fossil fuels as responsible as possible.

Chubb's Board and management have affirmatively determined and publicly disclosed why a prescriptive, all-encompassing exclusion on new fossil fuels is not a realistic approach to achieving the objective of the Proposal. As stated in the TCFD Report:

> We will continue to carefully listen to the views of those who seek a total exclusion on underwriting fossil fuel activity, or variations such as a ban on supporting new fossil fuel supplies. We respect and appreciate the underlying concerns for the environment, and we agree on the importance of accelerating the transition to a net-zero economy.
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> But we are also committed to energy security, and alternative energy sources cannot yet provide enough power to sustain civil society; Chubb cannot agree to a categorical exclusion of fossil fuels. It would be irresponsible for us to do so as it would preclude Chubb from applying its data, insights and capabilities to help manage the complexities of an orderly transition to a net-zero carbon economy. To give just one example of the complexities involved: A ban on "new fossil fuel supplies" could discourage the transition from the most carbon-intensive fossil fuels (e.g., coal) to less carbon-intensive fossil fuel (e.g., natural gas) while clean energy sources remain insufficient to meet total energy demand.
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> [A] blanket refusal to underwrite an entire industry sector would create perverse incentives. Denying access to the traditional insurance market will not end or dramatically reduce fossil fuel activity. Instead, the fossil fuel industry could resort to alternative types of risk transfer, such as forming a mutual insurance company, a captive insurance company or other risk-financing measures without any additional impetus to prioritize emissions-reduction efforts. Forcing the fossil fuel industry to turn to alternative risk transfer mechanisms with no consideration of local conditions and energy supply also has the potential to lead to inequitable outcomes, placing a disproportionate cost burden on those communities that are least able to afford it or impairing their access to reliable, affordable energy. (TCFD Report at page 6)

Chubb also stated:

> By limiting underwriting of the most carbon-intensive fossil fuels and supporting low-carbon alternatives, insurers are encouraging the transition to a net-zero economy. But underwriting limitations must be balanced against the essential and core purpose of insurance to provide risk protection for lawful activity, including ensuring energy security across society. Any such limits on entire classes of activity interfere with this purpose and must be an exception based on analytical, fact-based examination of realistic alternatives.
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> . . .

> Our climate-related commitments and actions are grounded in a fact-driven assessment of the extraordinary challenges that the world faces in reaching the goal of net-zero carbon emissions by 2050. An orderly and equitable transition to a net-zero economy from the current reality, in which about 80% of the world's energy comes from fossil fuels, will require government action to drive innovation and massive private sector investment in alternative energy production. As this transition continues, society will continue to rely on fossil fuel use to sustain access to reliable and affordable power for many years.[4] The net-zero transition therefore requires making fossil fuel production and use as efficient as possible and also rapidly deploying cleaner alternatives. (TCFD Report at page 4)

In the Company's view, the Proponent's approach has significant flaws, including that its focus on elimination of insurance for the fossil fuel industry without consideration of available alternative energy is not consistent with accelerating the economy-wide transition to net zero, and that it seeks to impose a Company underwriting policy without addressing the effectiveness or consequences of such action. Chubb, using sophisticated data, analysis and dedicated insurance, technical and legal professionals, has considered the prescriptive objective advocated by the Proponent, but has affirmatively determined that it believes it is currently an inadvisable risk for the Company. The Proponent takes a misguided and overly simplistic view on how insurance companies can positively impact the carbon transition to net zero.

b. Chubb's strategy to contribute to the global goal of net zero emissions

The Company's strategy to contribute to the global goal of 1.5˚C by 2050 is not to mandate blanket underwriting exclusions on all new fossil fuel activity, but instead to reduce emissions by fostering client engagement and developing best practices with the Company's clients. Chubb plans to work with its clients in high-emitting industries to reduce GHG emissions, including through (1) underwriting criteria, including criteria the Company is developing for the oil and gas industry, to drive GHG emissions reduction of insureds and support their transition plans; and (2) expanded product and service offerings to support the development of clean energy alternatives and climate risk mitigation. Relevant facets of the Company's strategy to align itself with the global goal of net zero emissions are set forth in Part II of this letter (addressing substantial implementation).

ii. The Proposal intends to interfere with underwriting decisions, which are the core business of the Company.

As discussed above, the Company's consideration of a ban on fossil fuel underwriting is a complex decision that must weigh uncertain and unintended consequences of such a ban for the Company, its customers and other stakeholders. The Proposal would improperly delegate to shareholders the decision to determine the type of clients to which the Company may provide its insurance underwriting products. The directive to ban underwriting of new fossil fuel exploration

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[4] IEA (2022), Global Energy and Climate Model, IEA, Paris https://www.iea.org/reports/global-energy-and-climate-model, License: CC BY 4.0

and development projects would result in shareholders, on their own, directing the Company to restrict and potentially prohibit insurance coverage to its existing and potential clients. For a global 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.

Insurance underwriting, which is at the very core of the Company's business model, is a very complex activity that involves the interplay of a wide range of factors necessitating the judgement, knowledge and experience of insurance professionals. Among the many required areas of specialized expertise in conducting a global insurance business are:

- Actuarial analysis,
- Scientific assessments of risks associated with various types of businesses the company insures,
- Evaluation of exposures with data and analytics by country, by line of business and by individual portfolio, including through complicated techniques such as catastrophe modelling,
- Pricing determinations,
- Understanding of complicated geopolitical situations affecting clients' businesses, and
- Assessment of impacts of insurance products (environmental and otherwise).

Each type of insurance product and each business sector requires the Company to make multiple, intricate business decisions with input from across the Company's various, specialized departments and, in some cases, with the assistance of outside experts. This is especially true with respect to the fossil fuel industry, where the Company needs to evaluate the availability of sources of alternative energy adequate for civil society's needs, the consequences of any ban on underwriting fossil fuels development and exploration may have on various segments of the population and the impact of such a ban on other business of the Company, including with respect to any legislation banning state or local governments from doing business with any company that boycotts fossil fuel industries. Shareholders, as a group, are not in a position to make an informed judgment on the complex and competing factors required for insurance underwriting decisions. To be clear, Chubb is not using the specter of complexity to avoid making difficult decisions to deny coverage based on its alignment with the 1.5˚C by 2050 goal where appropriate. Chubb has denied and expects in the future to deny insurance coverage under its fossil fuel policies and sustainability underwriting criteria further discussed in Section II.a.i below. Chubb's experience underscores that the Company, rather than shareholders, is best equipped to consider, understand and address the nuances and complexities of both insurance underwriting and how insurance underwriting can best be deployed to support the net zero goal.

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, mandated method of achieving its goal, when there are multiple, more effective and more prudent ways to achieve the goal of the Proposal, which the Company's public disclosures demonstrate that it is pursuing.

The Proposal would constrain the decision-making process of the Company's Board and management. 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 Company has a robust governance structure with 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, its shareholders and its clients. In addition to Chubb's existing climate sustainability management team, who already have deep expertise in the field of climate change and the insurance industry, Chubb recently appointed Margaret Peloso as its Global Climate Officer. Peloso has a Ph.D in Environment at Duke University, a law degree from Stanford University, and had led the climate change practice at a major law firm for more than a decade. Yet, the Proponent seeks to substitute the Company and Board's informed judgment for its own. It is unwise to allow a shareholder proposal mandating Chubb's path on the scientific and underwriting-centric matter of its response to climate change, rather than leaving these decisions with Chubb's Board and management. Further, allowing these types of proposals discourages companies from investing significant resources to construct an effective climate strategy, as Chubb has.

The Company's net zero strategy, policies and practices, as described here and more fully described in its Climate Change Policy and TCFD Report, appreciate and understand the complexities of an orderly transition and take into account real-world facts, scenarios and circumstances. The Company believes that the approach it has outlined is the best path forward to create shareholder value by pursuing new climate-related opportunities, continue to develop its abilities to measure and manage the risks of climate change and contribute to the global goal of 1.5˚C by 2050.

The Proposal does not provide discretion to the Board and management to implement its approach to meaningfully use its underwriting capabilities to support a net zero transition. Because the Proposal seeks to micromanage the Company, the Company believes that the Proposal should be omitted from its Proxy Materials pursuant to Rule 14a-8(i)(7).

B. There is considerable precedent in support of the Company's position that the Proposal may be excluded as micromanagement in accordance with Rule 14a-8(i)(7).

The Staff has consistently permitted exclusion of shareholder proposals that seek to micromanage a company by substituting shareholder judgment for that of management with respect to complex day-to-day business operations that are beyond the knowledge and expertise of shareowners. 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. For example, in *JPMorgan Chase & Co.* (*The Christensen Fund et al.)* (Mar. 30, 2018), the Staff concurred 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, and specified certain assessments that should be included in the report. In its reply, the Staff stated that the proposal "seek[s] to impose specific methods for implementing complex policies." Similarly in *JPMorgan Chase & Co. (Harrington Investments Inc.)* (Mar. 30, 2018) the Staff applied a similar analysis when concurring with exclusion of a proposal requiring the board to establish a human and Indigenous peoples' rights committee. *See also The Coca-Cola Company* (Feb. 16, 2022) (concurring with the exclusion of a proposal that would require prior shareholder approval for any proposed company political statement); *Tesla, Inc.* (May 6, 2022) (concurring with the exclusion of a proposal that micromanaged the investment and fiscal decisions of management where the proposal would require the company to liquidate all cryptocurrency assets, and minimize the environmental impact of any high-impact cryptocurrencies it continues to accept); *JPMorgan Chase & Co. (AFL-CIO Reserve Fund)* (Mar. 22, 2019) (concurring with the exclusion of a proposal because it micromanaged the company by requiring the company to adopt a policy prohibiting the vesting of equity-based awards for senior executives due to a voluntary resignation to enter government service); *Royal Caribbean Cruises Ltd.* (Mar. 14, 2019) (permitting exclusion of a proposal because it micromanaged the company by requiring stockholder approval for any new share repurchase program and all stock buybacks); *Walgreens Boots Alliance, Inc.* (Nov. 20, 2018) (concurring with exclusion of a proposal that would require shareholder approval for each new share repurchase program and every stock buyback); *Amazon.com, Inc. (Sacks)* (Jan. 18, 2018) (concurring with exclusion of a proposal due to micromanagement where the proposal would require the company to list items in a certain order on its website due to the complex nature of the matter upon which shareholders could not make an informed decision); and *The Wendy's Company* (Mar. 2, 2017) (concurring with the exclusion of a proposal addressing the company's purchase of produce as micromanaging the company).

Additionally, a proposal may 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 a policy issue, whether or not the proposal is considered to involve a significant social policy. In *Verizon Communications* (Mar. 17, 2022), the Staff concurred with the exclusion of a proposal requesting the annual publication of the content of diversity, inclusion, equity or related employee-training materials offered to the company's employees as micromanagement because the proposal probed too deeply into matters of a complex nature by seeking disclosure of intricate details regarding the Company's employment and training practices. The Staff reached the same conclusion in *American Express* (Mar. 22, 2022). *See also Deere & Company* (Jan. 3, 2022) (concurring with exclusion of a proposal that sought publication of all employee training materials); and *Exxon Mobil Corporation* (Mar. 6, 2020) (concurring with the exclusion of a proposal requesting that the company's board create a new committee on climate risk, noting that as a result, "the [p]roposal unduly limits the board's flexibility and discretion in determining how the board should oversee climate risk").

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." Further, a proposal micromanages a company if the proposal "prob[es] too deeply into matters about which shareowners as a group are not in a position to make an informed judgment." *The Coca-Cola Company* (Feb. 16, 2022).

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

A. Chubb's public support and related commitments for a global transition to a net zero economy by 2050 set forth in the Climate Change Policy and the TCFD Report demonstrate substantial implementation of the Proposal.

Rule 14a-8(i)(10) requires a holistic analysis of a proposal's underlying concern and essential objective to determine if a company has substantially implemented a shareholder proposal submitted for inclusion in the company's proxy statement. While the Proposal's "Resolved" statement is overly prescriptive and micromanaging, the underlying concern and essential objective of the Proposal is for the Company to align with the goal of limiting "global temperature rise to 1.5 degrees Celsius." Chubb has substantially implemented the underlying concern and essential objective of the Proposal. As the Company has repeatedly stated, the Company agrees with the 1.5°C by 2050 goal and has been actively working towards achievement of that goal. As Chubb explained in its Climate Change Policy:

> Chubb recognizes its responsibility to encourage the transition to a net–zero carbon economy and we support the global goal of net–zero carbon emissions by 2050. Chubb has already taken significant actions to address climate change through a holistic effort across our business, including limitations on underwriting and investing in certain fossil fuel activities. (Climate Change Policy at page 2)

There is no single path towards achieving the essential objective of the net zero by 2050 goal. The Proposal articulates one approach – a complete ban on the underwriting of new fossil fuels development and exploration projects. However, the Company already applies a more holistic, fact-based strategy towards reaching the essential objective articulated by the Proposal. Below we provide detail on three facets of the Company's climate strategy that address the Proposal's concern and essential objective, comparing favorably with the guidelines of the Proposal: (1) fossil fuel industry underwriting policies and criteria; (2) expanded product and service offerings; and (3) methodology assessment.

i. Fossil fuel underwriting policies and criteria

Chubb already has in place policies governing fossil fuels underwriting, developed as part of its complex and multi-faceted underwriting process. In 2019, Chubb was the first major insurer in the United States to limit coal-related underwriting and investment activity. Chubb no longer underwrites risks for the construction and operation of new coal–fired electric generating plants. Chubb will not underwrite new risks for companies that generate more than 30% of revenues from thermal coal mining and has phased out coverage of existing risks that exceed this threshold. Chubb will not underwrite new risks for companies involved in power generation that generate more than 30% of their energy production from coal and began to phase out coverage of existing risks exceeding this threshold at the start of 2022 (accounting for the viability of alternative energy sources in the impacted region). In addition, in 2022, Chubb adopted a policy that it will no longer underwrite risks for projects involving direct mining or in-situ extraction and processing of bitumen from oil sands. (*See* TCFD Report at pages 1, 5 and 6). In formulating our coal and oil sands policies, our Board and management thoughtfully considered a variety of factors relating to the production and use of both, including carbon intensity, environmental degradation and the availability of less carbon-intensive alternatives. (TCFD Report at page 6)

In addition, Chubb is at the leading edge of assessing trends in frequency and severity of natural perils like wind, flood and wildfire, which it incorporates into its pricing, underwriting and risk management decisions, recognizing that pricing and underwriting decisions may drive individual and corporate behavior. Chubb uses the annual policy renewal process and ongoing client engagement to establish expectations on reducing GHG emissions with clients and educate them on ways to responsibly do so.

As an initial step in this effort, Chubb is focusing on the development of sustainable underwriting criteria for the oil and gas sector to build industry-specific underwriting guidelines and further aid the insurance industry's support of the energy transition. Chubb is partnering with an internationally recognized environmental non-profit to support these efforts. Chubb expects these criteria will be directly applied to our underwriting decisions. As described in the TCFD Report:

> The criteria will likely assess, e.g., whether a client has a realistic plan to transition away from higher carbon activity, whether there are lower-carbon alternatives for the specific project for which a client seeks insurance, and the extent of environmental impact associated with a particular activity. While our work in this area continues to evolve, we currently anticipate that we will initially seek to track the Scope 1 and Scope 2 emissions of our insureds in the oil and gas sector to evaluate our progress over time. Additionally, we are working to develop approaches that would allow for benchmarking the companies we underwrite in a particular industry against the progress of that industry segment as a whole. (TCFD Report at page 1)
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> Going forward, we will continue to consider realistic alternatives to [fossil fuels (other than coal)] and the extent to which our fossil fuels clients (which we consider to be those companies involved in fossil fuel-based exploration and production, power generation and refining activities) have acknowledged the reality of climate change and, where appropriate, developed long-range plans to support the transition to a net-zero economy. We may decline coverage if a potential policyholder cannot provide information on climate risk mitigation plans and add new climate-related exclusions to policies where appropriate. Chubb expects its fossil fuel risk assessment process to evolve as data quality and availability improve, climate-related regulatory requirements develop, and as our clients advance on their own low-carbon transition plans. (TCFD Report at page 6)

Chubb's fossil fuel underwriting policies and criteria are directly responsive to the Proposal's request to reduce underwriting of fossil fuels and have been designed to contribute towards the achievement of the net zero by 2050 goal, the essential objective of the Proposal, while also taking into account the consequences and effects of such action.

ii. Expanded product and service offerings

Chubb also believes it can best contribute to a global goal of net zero emissions through its innovative product and service offerings that are designed to provide new insurance solutions for low emission technologies and assist its clients on their transition to net zero GHG emissions.

Chubb insures a third of the Global Cleantech 100, the top private innovation companies in clean technologies, and Chubb engages deeply with this industry to ensure that its insurance solutions are tailored for the segment. Chubb offers climate-relevant products in its property, casualty and financial lines, which are all major areas of its business. For example, Chubb offers an offshore wind farm policy to support green energy providers through the entire offshore wind farm process — from project inception through to energy production, storage and distribution.

Moreover, in January 2023, the Company announced the launch of a global climate change practice to help address climate change. This practice will focus on expanding the Company's already market-leading position in the clean tech industry to provide a range of global solutions that will support the Company's customers in their transition to a net zero economy and increasing their resilience to the physical impacts of climate change. The practice draws on Chubb's extensive technical capabilities in underwriting and risk engineering, bringing together Chubb units engaged in traditional, alternative and renewable energy, climate tech, agribusiness and risk engineering services. The unit will provide a full spectrum of insurance products and services to businesses engaged in developing or employing new technologies and processes that support the transition to a low-carbon economy. It will also provide risk management and resiliency services to help those managing the impact of climate change.

iii. Scope 3 methodology assessment

As part of its strategy to contribute to the goal of net zero by 2050, Chubb measures and publicly discloses Scope 1, Scope 2 and limited categories of its Scope 3 GHG emissions where it can do so with consistent, accurate and verifiable methodology accepted by consensus. (TCFD Report at page 13)

Although there is no consensus yet on the methodology for insurance companies to measure GHG emissions produced by their clients, Chubb is actively involved in industry-leading efforts to reduce Scope 3 emissions that it believes can be most effective, and already reports on those efforts in the Climate Change Policy and the TCFD Report. Chubb is a thought leader on this topic, working extensively internally and externally with stakeholders. For example, Chubb is sponsoring a series of workshops that began in November 2022, before Chubb received the Proposal, and are expected to end in February 2023, hosted by the University of Pennsylvania, titled *Private Climate Governance: "Net Zero" Prospects and Challenges for the Insurance Sector*. The workshops are designed to further the conversation between insurance companies, its investors and other stakeholders, including regulators, emissions measurement groups and academics, around how the insurance industry can assess and track climate risk and opportunities and develop meaningful metrics to communicate progress.

B. 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, a company may demonstrate substantial implementation of a proposal through disclosures spread among multiple documents. For example, the Staff has concurred with the exclusion of a proposal requesting an audit and report on the Company's employee training on civil rights and non-discrimination in the workplace, and the impacts of those issues on the company's business, where the company made available multiple disclosures regarding training, impacts on civil rights and non-discrimination in the workplace, and the importance of those issues to the Company's business. *See Starbucks Corporation* (Jan. 19, 2022); *see also Comcast Corp*. (Apr. 9, 2021) (contents of the requested report were disclosed in multiple pages or in multiple tabs on the company's corporate website).

The substantial implementation standard has been consistently 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 IDACORP, Inc.* (Apr. 1, 2022) (permitting exclusion of a proposal requesting a report on the company's short, medium and long term greenhouse targets aligned with the Paris Agreement's goal as substantially implemented by the company's public disclosures addressing the primary goals of the requested report, even though the disclosures were not precisely in the manner contemplated by the proponents.); *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 GHG reductions necessary to achieve the Paris Agreement's goal where the company had met the essential objective because the requested information was included in its sustainability report and CDP (formerly known as Carbon Disclosure Project) report); *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 and GHG emissions in line with the Paris Agreement where the requested information was readily available in the company's public disclosures); and *Devon Energy Corp.* (Apr. 1, 2020) (concurring with the exclusion of a proposal requesting a report on company plans to align operations and investments with the Paris Agreement's goals as substantially implemented by the company's public disclosures).

Chubb has adopted policies, established goals and prominently disclosed its strategies related to fossil fuel underwriting and supporting net zero, which are the essential objectives of the Proposal. Accordingly, Chubb has substantially implemented the Proposal and the Proposal may be omitted from the Company's Proxy Materials pursuant to Rule 14a-8(i)(10).

III. 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 2023 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) 701-7100 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, Shareholder Advocate, of Green Century Capital Management, Inc.

<u>**EXHIBIT A**</u>

Proposal and Cover Letter

GREEN CENTURY FUNDS

November 30, 2022

Via Federal Express

Attn: Joseph F. Wayland
Executive Vice President, General Counsel and Secretary
Chubb Limited
Bärengasse 32
CH-8001 Zurich
Switzerland

Re: Shareholder Proposal for 2023 Annual Shareholder Meeting

Green Century Capital Management, Inc. ("Green Century") is the investment advisor, agent, manager and representative of the Green Century Funds. Green Century is filing the enclosed shareholder proposal (the "Proposal") on behalf of the Green Century Equity Fund to be included in the proxy statement of Chubb Limited (CB) (the "Company") for its 2023 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 Limited'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 2023 annual shareholders' meeting. Verification of ownership from a DTC participating bank is enclosed.

Green Century Capital Management, Inc. is available to meet with the Company on 16 December between 3 p.m. and 4 p.m. and 4 January between 4 p.m. and 5 p.m. Central European Time. Please let us know within 10 days if the Company would like to meet at one of these times. After 10 days we may no longer be able to hold these dates and times.

We will send a representative to the stockholders' meeting to move the shareholder proposal as required by the SEC rules.

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] or [redacted]

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

Thank you for your attention to this matter.

Sincerely,

Leslie Samuelrich

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, thereby averting the worst impacts of climate change.

Experts (and Chubb) agree that weather-related natural catastrophes are tied to the upward trend of insured losses. Last year marked the fourth time in five years global insured losses exceeded $100 billion from weather related disasters alone.

Chubb acknowledges that climate change poses an "existential" risk but continues to underwrite new risks for the fossil fuel industry. For example, Chubb is a major insurer of Brazil's national oil company, which intends to increase its oil production 40% by 2026.

According to scientific consensus, limiting warming to 1.5 degrees Celsius means that the world cannot develop new oil and gas fields or coal mines beyond those already approved for exploration and development. Existing fossil fuel supplies are sufficient to satisfy global energy needs, and developing new oil and gas fields would not produce in time to mitigate energy market turmoil resulting from the Ukraine War.

Without a policy to phase out underwriting new fossil fuel exploration and development, Chubb may be subject to material risk related to:

- Climate: Fossil fuel emissions drive stronger and more frequent natural catastrophes challenging insurers' abilities to cover claims or offer policies in existing markets.[1]
- Transition: Without early action toward an orderly transition to a low-carbon economy, availability of capital for the insurance industry could drop precipitously.[2]
- Competition: Twelve global insurers now restrict underwriting conventional oil and gas projects and/or companies, signaling responsiveness to climate risk.[3]
- Reputation: Campaigns targeting Chubb's climate policies bring negative attention to the Company, and may adversely affect its ability to attract customers and employees.[4]

Investors remain concerned that despite Chubb's stated support for a transition to a net-zero economy, the Company's efforts are not sufficiently aligned with the IPCC's 1.5 degrees Celsius no/low overshoot pathways, which describe the trajectories of greenhouse gas emissions reductions needed to stabilize the global climate.

RESOLVED: Shareholders request that the Board of Directors adopt and disclose a policy for the timebound phase out of Chubb's underwriting risks associated with new fossil fuel exploration and development projects, aligned with the IPCC's recommendation to limit global temperature rise to 1.5 degrees Celsius.

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[1] https://www.mckinsey.com/industries/financial-services/our-insights/climate-change-and-p-and-c-insurance-the-threat-and-opportunity

[2] https://www.iaisweb.org/uploads/2022/01/210930-GIMAR-special-topic-edition-climate-change.pdf

[3] https://us.insure-our-future.com/fidelis-becomes-first-north-american-insurer-to-restrict-support-for-the-oil-and-gas-industry/

[4] https://us.insure-our-future.com/2021-9-10-chubb-at-the-us-open-climate-hypocrisy/

Supporting Statement: The board and management, in its discretion, should define the scope, time frames and parameters of the policy, with an eye toward:

- the well accepted definition that new fossil fuel exploration and development projects include exploration for and/or development of oil, gas, and coal resources or reserves beyond those fields or mines that have already been permitted;
- the pathways and time frames set forth by the International Energy Agency's Net Zero by 2050 scenario or the IPCC's low/no overshoot scenarios.