



6 December 2018

URGENT: Adani Carmichael mine

To the CEOs of Suncorp/Vero and QBE (Australia); Hamilton Insurance Group (Bermuda); AXA and SCOR (France); Allianz, Hannover Re, HDI and Munich Re (Germany); Generali (Italy); Sompo and Tokio Marine (Japan); Mapfre (Spain); Chubb, Swiss Re and Zurich (Switzerland); Beazley, Canopus, Chaucer, CNA Hardy, Lloyd's, and Marsh (United Kingdom); and AIG, Axis Capital, Berkshire Hathaway, FMO Global, Great American Insurance Group, Liberty Mutual, the Markel Corporation, Starr, and W.R. Berkley (United States):

This letter is sent on behalf of seventy-three organisations with a combined membership reach of over 76 million people.

We write to urgently request that you rule out any insurance services for all aspects of the Carmichael coal mine and rail project in Queensland, Australia, proposed by the Adani Group of companies.

The Carmichael project consists of a new thermal coal mine in the Galilee Basin region of Queensland, starting at 10 million tonnes of thermal coal per annum (mtpa), ramping up to 27 mtpa. Approval has been given for a 60 mtpa full scale mine. It also involves the construction of an approximately 200 km long rail line, necessary to connect it to the existing Queensland rail network. All of the coal would be for export, the initial 10 mtpa is slated for export to India.

On 29 November 2018, Adani announced plans to self-finance the entirety of the mine and rail line. This leaves insurance as a critical source of financial support for the project.

The Carmichael coal mine is arguably the most environmentally and socially contentious project in Australia's history. Of primary concern is the impact the Carmichael project would have on climate change. The coal burned over the lifetime of the Carmichael coal mine would produce 4.6 billion tonnes of CO₂ emissions, equivalent to over eight years of Australia's annual greenhouse gas emissions.

Moreover, the Galilee Basin is one of the largest untapped coal reserves in the world. The Carmichael mine would effectively open up the Galilee Basin to thermal coal mining, after which there are several other proposals for mines at the same scale as Carmichael or larger.

The insurance industry worldwide is rapidly coming to terms with the existential threat climate change poses to its business model. Providing insurance services to a project that would open up the Galilee Basin, effectively removing any remaining chance of staying within the goals of the Paris climate change agreement, would be the ultimate undermining of your industry's viability.

A myriad of other social and environmental impacts would result from the Carmichael project, including:

- Increased industrialisation of the Great Barrier Reef World Heritage Area, through which the coal would be shipped;
- Opening a massive new, untapped thermal coal basin at a time when the world needs to rapidly transition beyond coal;
- Putting agriculture at risk, as Adani intends to drain billions of litres of water per year;
- Denying the human rights of traditional owners that oppose the mine. The Carmichael mine would be built on the lands of the Wangan and Jagalingou Traditional Owners, who continue to oppose the project and are contesting a proposed Indigenous Land Use Agreement in the Federal Court of Australia.

The Adani Group of companies itself has an appalling record of corporate behaviour, including bribery and corruption, human rights abuses and exploitation of workers, environmental destruction and tax avoidance. We note that Adani is currently being investigated by the Directorate of Revenue Intelligence over fraud allegations relating to the inflation of equipment import costs to India, lowering taxes for Adani and increasing power prices for the public.

The campaign against the Adani mine is the biggest corporate campaign in Australia's history. The issue dominated the last State election in Queensland and is set to be a major political issue in the upcoming Australian federal election in May 2019.

A survey in January 2018 found 65% of Australians either opposed or strongly opposed the Carmichael mine. Adani's decision to self-fund the mine is a reflection of the project's unpopularity among financial institutions--to date, thirty-seven financial institutions have ruled out investment in all or part of the Carmichael project including many of the largest banks in the world and several Chinese and Korean state-owned institutions.

Financial institutions and companies that have worked with or been close to working with Adani on this project have suffered significant reputational impacts, and others have noted how unfavourably they would be viewed if they worked with Adani. Queensland rail operator Aurizon has spoken of its fear that working with Adani would make it "public enemy number one".

The project is yet to secure a number of approvals and permits. Its groundwater management plan has not been approved by the federal government. Its proposed Indigenous Land Use Agreement is being contested in front of the full bench of the Federal

Court. It also has not announced a partner for the construction of the mine or rail line, and has not received approval to access the existing rail network, operated by Aurizon.

The opportunity still exists to prevent this disastrous project from proceeding, but a critical financial service Adani will now be seeking is insurance.

We urge you to publicly rule out any insurance services that would enable the construction and operation of the Adani Carmichael coal mine and rail project. This project would be so destructive and Adani's track record on human rights and environment is so appalling that we are calling on you to exclude not only the Adani Carmichael project but the Adani group in its entirety from any insurance coverage, and facultative or treaty reinsurance, until such time as the Carmichael project is cancelled.

We ask that you respond to our letter by the 14th of December 2018, and welcome the opportunity to discuss this issue during that time. If we do not hear from you in that time, we will assume that your company is a likely provider of insurance to this destructive project.

Yours sincerely,

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