



WHEREAS: The physical impacts of climate change and coordinated mitigation response present systemic challenges and opportunities to our global economy. The insurance sector has a unique position as society's risk managers and institutional investors. Insurance regulatory bodies including the National Association of Insurance Commissioners¹ and UK Prudential Regulation Authority² recognize insurer climate risks, ranging from physical, to legal liability, to investment risks amidst climate change and transition to a low-carbon economy.

Investors require increased transparency on the resilience and adaptability of insurance companies to ensure their long-term stability and profitability. Supported by over 230 CEOs, including insurance leaders, the Financial Stability Board's industry-led Task Force on Climate Related Financial Disclosures (TCFD) identifies scenario analysis as essential to climate disclosure.³ For insurance companies, TCFD recommends assessing climate risks across core business operations - underwriting and investment portfolios.⁴ Insurance supervisors and regulators support TCFD recommendations, identifying scenario analysis as a "critical tool to understand how the insurance sector could be impacted by both physical climate impacts as well as the transition to a low-carbon and climate resilient economy."⁵

BE IT RESOLVED: Given the profound societal impacts of climate change and our company's potentially critical role in mitigating harm to society, shareholders request that AIG, beginning in 2019, with board oversight, publish an assessment, at reasonable cost and omitting proprietary information, of the plausible impacts of a climate change scenario consistent with a globally agreed upon target of limiting warming to 2 degrees Celsius, as well as additional scenarios reflecting higher global average temperatures.

SUPPORTING STATEMENT: This requested report can be incorporated into existing reporting and should address business impacts related to the physical effects of climate change and transition to lower-carbon economy. Recognizing there is not yet a standardized approach for AIG to analyze different climate scenarios, there is instead an opportunity for AIG to lead the industry and establish best practices for disclosure that complies with TCFD recommendations. This includes TCFD's supplemental guidance for insurance companies and asset owners, their technical guidance for scenario analysis, and the following considerations:
Assessment of various, feasible climate-related scenarios and their potential impact on business, including a greater than 2°C scenario corresponding to greater physical risk and a lesser than 2°C scenario corresponding to greater transition risk
Reporting of critical input parameters, assumptions and considerations, and analytical choices used in scenario analysis⁶
Reporting of time frames used for the scenarios, including short-, medium-, and long-term milestones⁷

¹ http://www.naic.org/cipr_newsletter_archive/vol18_warming_world.pdf

² www.bankofengland.co.uk/prd/documents/supervision/activities/pradefra0915.pdf.

³ <https://www.fsb-tcf.org/tcf-supporters-december-2017/>

⁴ <https://www.fsb-tcf.org/wp-content/uploads/2017/06/FINAL-TCFD-Annex-062817.pdf>

⁵ http://unepinquiry.org/wp-content/uploads/2017/07/SIF_TCFD_Statement_July_2017.pdf

⁶ <https://www.fsb-tcf.org/wp-content/uploads/2017/06/FINAL-TCFD-Annex-062817.pdf>

⁷ <https://www.fsb-tcf.org/wp-content/uploads/2017/06/FINAL-TCFD-Annex-062817.pdf>



AS YOU SOW

2018 Shareholder Resolution

AIG, Inc.

Request: Report on Climate Risk

Lead Filer: Presbyterian Church USA

Drawing upon internal scenario assessment tools and external models such as transition scenarios from the International Energy Agency (IEA) and physical impact scenarios from the Intergovernmental Panel on Climate Change (IPCC)⁸
How business strategies across underwriting and investment activities may change to align with climate scenarios.

⁸ <https://www.fsb-tcf.org/publications/final-technical-supplement/>