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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 As You Sow – 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 As You Sow (the "Representative"), on behalf of Warren Wilson College, Jubitz Family Foundation, and Meyer Memorial Trust (collectively, the "Proponents"), 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 7, 2022, Chubb received the following proposal for consideration at Chubb's 2023 annual general meeting of shareholders:

> **BE IT RESOLVED:** Shareholders request that Chubb issue a report, at reasonable cost and omitting proprietary information, disclosing 1.5°C aligned medium and long-term GHG targets for its underwriting, insuring, and investment activities.

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 Proponents.

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 the particular method for the Company to align its activities with achievement of the 1.5 degrees Celsius (1.5°C) by 2050 goal.

2. **Rule 14a-8(i)(10):** The Proposal has been substantially implemented. Chubb has already taken significant actions and made public disclosures regarding its strategy and approach for aligning its underwriting, insuring and investment activities with the 1.5°C greenhouse gas ("GHG") emission targets of the Paris Agreement, which is the underlying concern and essential objective of the Proposal.

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 should be excluded under Rule 14a-8(i)(7) because it requires the Company to set medium and long-term GHG targets for underwriting, insuring, and investment activities to achieve the 1.5°C by 2050 goal, thereby directly inserting shareholders into the Company's core business decisions.

Though the Proposal attempts to mask its prescriptive mandate by requesting a "report," the Proposal seeks to direct the Company to measure GHG emissions and set GHG targets as the way for the Company to properly address climate change as an insurer. While it may be appropriate, as the Staff has previously concluded, to seek a report on a company's general approach to climate change, this Proposal goes well beyond such a general request and seeks to dictate the Company's specific actions, directly interfering with the Board's and management's discretion to make informed judgments about the conduct of the Company's business. In doing so, the Proposal attempts to micromanage the Company by asking shareholders to make judgments about specific, climate-related business decisions involving, for example, how the Company can best advance its and the Proponent's goal to support the transition to a net zero economy in alignment with "the Paris Agreement's 1.5 degrees Celsius (1.5°C) goal."

Whatever general understanding of the risks of climate issues shareholders may have, such general knowledge does not equip them to make an informed judgement on the technical, multifaceted subject of what steps insurance companies can take to meaningfully impact the global net zero by 2050 goal, while avoiding unintended consequences. Chubb's management has already determined its path to address the transition to net zero, which is fully laid out in a report regarding the Company's climate policy, *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 using the Task Force on Climate-Related Financial Disclosures reporting framework (the "TCFD Report"),[2] issued on November 30, 2022, as well as below in part II regarding substantial implementation. 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 the Staff "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."

The Proposal micromanages the Company in two critical ways:

- the Proposal 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 net zero by 2050 goal; and

[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

- the Proposal is ultimately intended to require the Company to refuse to insure particular people, companies, industries, regions or countries, thereby directly inserting shareholders into the Company's core business decisions.

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

As the Company has repeatedly stated, the Company agrees with the net zero by 2050 goal of the Paris Agreement 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."

The goal of a net zero global economy is not the same as, and does not require, each individual company in the world to be a net zero company. There is no single path towards achieving net zero by 2050. The Proposal articulates one single approach: setting medium and long-term GHG targets for underwriting, insuring, and investment activities. However, the Company, using its judgment and appropriate discretion, considered and rejected that approach and instead applies a more holistic, fact-based strategy.

a. Board and management considered and rejected the Proposal's approach.

An informed vote on the Proposal requires an understanding of the extent to which an insurance company can realistically impact the net zero by 2050 goal through setting and measuring GHG targets for its insurance clients. However, the Proponent has not provided, and the Company has not found evidence of, available data or robust public discussion and analysis on the subject of setting unsubstantiated targets with very limited or no understanding of how to accurately measure or achieve such targets and how such target-setting would positively impact the net zero by 2050 goal. In fact, the limited evidence from experience with net zero commitments in other sectors demonstrates that climate target-setting has tended to encourage public companies to sell or otherwise transfer high-emitting assets/clients to move them off their books, but has had little to no impact on actual GHG emissions on the planet.[3] The Company believes that company-specific target setting in the insurance industry is similarly likely to simply lead high-emitting industries to seek alternative forms of insurance, while having an immaterial impact on GHG emissions in the real economy.

The Proposal nonetheless asks the Company to establish medium- and long-term GHG targets for clients it insures, as well as for investments backing the loss reserves and claims-paying ability of the Company's insurance businesses.

In the Company's conversations directly with the Proponent, the Proponent openly asserted and acknowledged that (1) there is currently no accepted or accurate methodology to

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[3] https://www.nytimes.com/2022/05/10/climate/oilfield-sales-pollution.html

measure GHG emissions of its clients (underwritten Scope 3 emissions), (2) the Proponent believes the Company should set an underwriting and investment Scope 3 emissions target now and decide later how the Company can measure and achieve the target, and (3) the Proponent believes setting targets for underwritten Scope 3 emissions is the best way that an insurance company can support a carbon-free economy (despite the lack of evidence to support this conclusion and the Proposal failing to offer any). The Proponent's own characterization of the facts and its approach highlight that this Proposal is micromanagement, imposing an unsound, "cart-before-the-horse" method to attempt to address climate change, instead of allowing the Company to drive its own publicly disclosed climate strategy backed by facts, analysis, science and the Company's risk and underwriting expertise.

The Company has considered and explicitly rejected the Proponent's unsound approach, publicly disclosing in its reports its skepticism of the theory that setting company-specific targets will have a meaningful impact on a realistic and orderly transition to net zero global emissions. As set forth in the Company's Climate Change Policy, the Company seeks to adopt a science-based principles approach to net zero with the same level of intellectual rigor that the Company employs in its core underwriting businesses. In the Company's view, the Proponent's approach has significant flaws, including that its focus on individual company goals is inconsistent with accelerating the economy-wide transition to net zero, and that it encourages company goal-setting without a clear-eyed and methodically rigorous view of how such goals may be attained, which has significant potential to mislead shareholders and others.

The Company's Climate Change Policy says:

> [V]arious groups have encouraged companies to make specific pledges about their climate–related activity. We are concerned that some of the pledges are tied to goals that are currently difficult, if not impossible, to measure, let alone achieve. Pledge participants may be exposed to greenwashing allegations if the methodologies necessary to measure emissions across every aspect of economic activity cannot be developed in a timely fashion; if no consensus develops as to how to account for carbon offsets; and if the pace of technology necessary to reduce carbon emissions fails to meet the pledge timeline. (Climate Change Policy at page 5)

Chubb believes it is currently an inadvisable risk for the Company to create targets without having a way to properly measure or achieve the targets.

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 net zero emissions is not through setting crude targets, but to reduce emissions by fostering client engagement and developing best practices with the Company's clients. Chubb plans to work with its clients and high-emitting industries to reduce GHG emissions, including through underwriting criteria the Company is developing and through expanded product and service offerings. The Company's strategy to align itself with the global goal of net zero emissions is 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.

A net zero underwritten and investment emissions (Scope 3 emissions) targets rule is designed to require the Company to change its underwriting coverage (resulting in uninsured or underinsured customers) and its scope of investments, which could have significant and uncertain consequences for the Company and its customers. The Proposal would thus improperly delegate to shareholders the decision to determine the type of clients to which the Company may provide its insurance underwriting products and the type of investments the Company may make. The Proposal also fails to acknowledge the market access risks that may arise in some jurisdictions from adopting policies that foreclose insuring or investing in the oil and gas industry and the broader repercussions to the Company. For a global insurance company, the development, generation and selection of clients and the identification of investments to support claims paying ability are core functions 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.

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 climate change, it seeks to micromanage the Company by requiring compliance with a mandated method of achieving its goals (although the Proposal tries to appear non-prescriptive by couching itself as simply a report on that mandated method), 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 fails to address the dynamics that would be important to consider as part of a complex strategy to assist in the transition to a net zero economy by 2050, such as whether the Proposal's inflexible and far-reaching restrictions on the Company's day-to-day business would aid or meaningfully contribute to a realistic, orderly and effective transition to a net zero economy.

The Proposal would also 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 goal of net zero emissions by 2050.

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 shareowner proposals that seek to micromanage a company by substituting shareowner 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.

The Proposal requests that Chubb issue a report disclosing its medium- and long-term GHG targets, which align with the Paris Agreement's 1.5°C goal, for its underwriting, insuring and investment activities. As discussed above, following Chubb's 2022 annual general meeting, the Company posted the Climate Change Policy and the TCFD Report on its website.

Together, the Climate Change Policy and the TCFD Report reflect both Chubb's strategies and recent actions with respect to climate risk management and climate strategy for transitioning towards the 1.5°C by 2050 goal of the Paris Agreement. As described in more detail below, the actions that the Company has taken, and will continue to develop and refine, are in clear alignment with the essential objective of the Proposal, which is for Chubb to do its part towards achievement of global transition to a net zero economy by 2050. In fact, Chubb already has substantially implemented the Proposal and the Proposal may therefore be excluded from its Proxy Materials pursuant to Rule 14a-8(i)(10).

A. Chubb's public support and related pledges 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 – from the first "whereas" clause through the last sentence – is for the Company to be aligned with "the Paris Agreement's 1.5 degrees Celsius (1.5°C) goal, which will require net zero greenhouse gas (GHG) emissions by 2050." Chubb has substantially implemented the underlying concern and essential objective of the Proposal, and also has two reports, one of which is updated annually, providing ample disclosure to the shareholders about the Company's commitment to, and methods for achieving, the net zero by 2050 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 – setting medium and long-term GHG targets for underwriting, insuring, and investment activities. However, the Company already applies a holistic, fact-based strategy towards reaching the essential objective articulated by the Proposal. Details are provided below on five of the facets of the Company's climate strategy that address the Proposal's underlying concern and essential objective, and compare favorably with the guidelines of the Proposal: (1) public disclosure; (2) underwriting criteria; (3) expanded product and service offerings; (4) investments; and (5) methodology assessment.

1. Public Disclosure

Chubb has already recently issued two public reports addressing the same subject and underlying concern as the Proposal: its Climate Change Policy, issued in April 2022, and its annual TCFD report using the Task Force on Climate-Related Financial Disclosures reporting framework, most recently issued on November 30, 2022, prior to the submission of the Proposal to the Company. The items highlighted below, as well as Chubb's focus on underwriting criteria and expanded product and service offerings, have all been included in the Climate Change Policy, TCFD Report or subsequent press releases related to those public disclosures.

Chubb's Climate Change Policy, available on Chubb's website, explains "our views and actions on climate change as Chubb seeks to responsibly make a difference by using our data, products and services to advance the orderly and equitable transition to a net-zero carbon economy." (Climate Change Policy at page 1) The Climate Change Policy sets out Chubb's support for a net zero transition, for the global net zero by 2050 goal, Chubb's specific fossil fuel commitments with respect to underwriting, insuring and investments, and other climate actions and commitments.

Chubb's TCFD Report, also available on Chubb's website, further highlights Chubb's progress in addressing climate change and specific actions and strategies the Company is employing to support the net zero by 2050 transition. These efforts include working to seek consensus on a scientifically sound methodology to measure Scope 3 underwritten emissions, implementing underwriting and investment limitations for certain fossil fuels, developing underwriting criteria for the oil and gas sector to assist Chubb's clients' transition plans and the global goal of net zero, as well as Chubb's engagement efforts around how the insurance industry can assess and track climate risk and opportunities, and develop meaningful metrics to communicate progress. (TCFD Report at pages 1-2) In addition, the Climate Change Policy and TCFD Report review Chubb's Scope 1 and Scope 2 GHG emissions goals that Chubb recently met, its consideration of future targets, and Chubb's work to develop its own GHG emissions offset programs.

2. Underwriting Criteria

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 greenhouse gas emissions with clients and educate them on ways to responsibly do so.

As an initial step in this effort, Chubb is focusing on underwriting criteria for the oil and gas industry. Chubb has commenced a partnership with an internationally recognized environmental non-profit to support the Company's development of climate and sustainability underwriting criteria for the oil and gas sector. As Chubb set out in its TCFD Report:

> 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.
>
> In 2022, we signed a memorandum of understanding with a globally leading science-focused NGO to support our development of sustainable underwriting criteria for the oil and gas sector. We are excited about this new opportunity to build industry-specific insurance guidelines for both Chubb and others to follow, further aiding the insurance industry's support of the energy transition. (TCFD Report at page 6)

Chubb has also taken specific action against certain types of fossil fuels. For example, in 2019, Chubb was the first major insurer in the United States to limit coal-related underwriting and investment activity. 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. (TCFD Report at pages 1, 5-6)

Chubb's focus on its underwriting process and criteria demonstrates its commitment to its greenhouse gas emissions reduction goals and approach for underwriting and insurance activities.

3. 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 greenhouse 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.

4. Investment Portfolio

For many reasons, principally Chubb's need to support the payment of insurance claims in a timely manner, Chubb maintains a large investment portfolio. Chubb is actively evaluating approaches to addressing Scope 3 emissions in its investment portfolio. As Chubb has disclosed in the TCFD Report:

> Chubb employs outside investment managers to manage and execute strategies for the company's investment portfolio; the majority of our investment holdings are corporate bonds with an average credit quality of A (S&P) and A (Moody's). We provide instruction to our investment managers to follow our climate-related investment policies, which include our 30% limitation on coal-related energy production and mining. We are in the process of developing investment strategies to increase our investment in companies engaged in alternative energy and clean tech. (TCFD Report at page 6)

5. Scope 3 Methodology Assessment

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) However, there are fundamental questions about whether, how and to what extent insurers can measure, attribute to insurance, and consequently impact Scope 3 emissions produced by its clients.

As the Company explained in the TCFD Report:

> We are working to seek consensus on a scientifically sound methodology to measure the full range of Scope 3 emissions produced by our clients, from millions of individual customers to the largest multinational corporations. This is an extraordinarily complex task. A particular challenge is accounting for emissions associated with dollar values in underwriting and investment activities. For example, Chubb provides a wide array of insurance products, and the generated emissions from providing $1 million of property damage coverage may not be the equivalent of providing $1 million of employment practices liability insurance to the same company. But in order to attribute generated emissions to insurance products, the effect of insurance on the existence of emissions in the measured industries and product lines must be determined. In some cases, the presence of insurance may reduce total emissions of insured clients. The absence of insurance may have no effect on the level of emissions from would-be clients. (TCFD Report at page 1)

Chubb has reported, then, that there is no consensus yet on the appropriate methodology for the measurement of the insurance industry's Scope 3 underwriting emissions. In direct engagement with the Proponent, the Proponent has acknowledged the lack of a methodology and asserted that Chubb should establish Scope 3 targets even in the absence of tools to measure those emissions. The Company's Climate Change Policy says:

> [V]arious groups have encouraged companies to make specific pledges about their climate–related activity. We are concerned that some of the pledges are tied to goals that are currently difficult, if not impossible, to measure, let alone achieve. Pledge participants may be exposed to greenwashing allegations if the methodologies necessary to measure emissions across every aspect of economic activity cannot be developed in a timely fashion; if no consensus develops as to how to account for carbon offsets; and if the pace of technology necessary to reduce carbon emissions fails to meet the pledge timeline. (Climate Change Policy at page 5)

The Proposal's requirement for Chubb to set medium- and long-term Scope 3 GHG emissions targets would be an imprudent way, in Chubb's judgment, to address the concern and essential purpose of the Proposal. 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. In other words – Chubb has substantially implemented a plan to achieve the Proposal's essential objective, and has already publicly disclosed that plan in its reports.

In language that directly addresses the Proposal's request, page 1 of the TCFD Report states that "[f]ocusing in the near term on the highest GHG emitting activities could provide scientifically sound metrics that we can use internally to measure Scope 3 emissions for certain industries in 2023" and "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." Chubb therefore already discloses its plan and the timeframe in which it expects to measure relevant emissions of its insureds, which will then enable Chubb to evaluate its progress over time to support the overall reduction in GHG emissions.

Chubb is not using the lack of consensus around measuring Scope 3 emissions as a smokescreen to avoid pursuing more accurate and accepted measurement methodologies. On the contrary, the TCFD Report has disclosed how Chubb is a thought leader on this topic, working extensively internally and with external groups. For example, Chubb is sponsoring a series of workshops that began in November 2022, before it 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, investors and other stakeholders, including regulators, emissions measurement groups and academics, around how the industry can assess and track climate risk and opportunities and develop meaningful metrics to communicate its progress. These workshops are designed in part to analyze the various methodologies for insurance companies to measure and reduce their Scope 3 emissions, and how such tools can establish consistent, accurate and verifiable emissions accounting methodologies. (TCFD Report at pages 4-5)

Chubb also advances the insurance industry's expertise in climate change mitigation and adaptation. For example, Chubb is a member of the United Nations Global Compact, the largest corporate sustainability project in the world. Chubb has formally committed to making the Compact's environmental principles part of its culture and day-to-day operations. Chubb is also a member of the Geneva Association, an international insurance think tank representing 90 global insurance organizations, and participates in its Climate Change Working Group.

Through all of the actions described above, and with a more purposeful and, it believes, effective approach, Chubb has substantially implemented the essential objectives of the Proposal. Consequently, the Proposal should be excluded under Rule 14a-8(i)(10).

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 existing public disclosures detailing how the Company is actively working towards the 1.5°C by 2050 goal through its underwriting, insurance and investment activities from a net zero perspective, which is the essential objective 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
Danielle Fugere, President & Chief Counsel of As you Sow
Benjamin Linthicum
Austin Wilson

EXHIBIT A

Proposal and Cover Letter

AS YOU SOW
30 YEARS 1992 - 2022
2020 Milvia St. Suite 500
Berkeley, CA 94704
www.asyousow.org
BUILDING A SAFE, JUST, AND SUSTAINABLE WORLD SINCE 1992

VIA FEDEX & EMAIL

December 5, 2022

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

Dear Mr. Wayland,

As You Sow is filing a shareholder proposal on behalf of Warren Wilson College ("Proponent"), a shareholder of Chubb Limited for inclusion in Chubb Limited's 2023 proxy statement and for consideration by shareholders in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934.

A letter from the Proponent authorizing *As You Sow* to act on its behalf is enclosed. A representative of the Proponent will attend the stockholder meeting to move the resolution as required.

We are available to discuss this issue and are optimistic that such a discussion could result in resolution of the Proponent's concerns.

To schedule a dialogue, please contact me, at [redacted]. Please send all correspondence **with a copy to** shareholderengagement@asyousow.org.

Sincerely,

Danielle Fugere
President and Chief Counsel

Enclosures
- Shareholder Proposal
- Shareholder Authorization

cc: Karen Beyer, Senior Vice President, Investor Relations
investorrelations@chubb.com

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December 5, 2022

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

Dear Mr. Wayland,

As You Sow is co-filing a shareholder proposal on behalf of the following Chubb Limited shareholders for action at the next annual meeting of Chubb Limited:

- Jubitz Foundation (S)
- Meyer Memorial Trust (S)

Shareholders are co-filers of the enclosed proposal with Warren Wilson College who is the Proponent of the proposal. *As You Sow* has submitted the enclosed shareholder proposal on behalf of Proponent for inclusion in the 2023 proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. Co-filers will either: (a) be available on the dates and times offered by the Proponent for an initial meeting, or (b) authorize *As You Sow* to engage with the Company on their behalf, within the meaning of Rule 14a-8(b)(iii)(B).

As You Sow is authorized to act on Jubitz Foundation (S)'s or Meyer Memorial Trust (S)'s behalf with regard to withdrawal of the proposal. A representative of the lead filer will attend the stockholders' meeting to move the resolution as required.

Letters authorizing *As You Sow* to act on co-filers' behalf are enclosed.

We are hopeful that the issue raised in this proposal can be resolved. To schedule a dialogue, please contact me, at [redacted]. Please send all correspondence **with a copy to shareholderengagement@asyousow.org**.

Sincerely,

Danielle Fugere
President and Chief Counsel

Enclosures
- Shareholder Proposal
- Shareholder Authorization

cc: Karen Beyer, Senior Vice President, Investor Relations, investorrelations@chubb.com

WHEREAS: Insurance companies have a critical role to play in meeting the Paris Agreement's 1.5 degrees Celsius (1.5°C) goal, which will require net zero greenhouse gas (GHG) emissions by 2050. Projections have found that limiting global warming to 1.5°C versus 2 degrees will save $20 trillion globally by 2100, [1] while exceeding 2 degrees could lead to climate damages ranging from 21 to 563 trillion.[2] According to Swiss Re, failure to meet the 1.5°C goal may shrink global economic output by 11 to 14 percent.[3]

The insurance industry is under increasing pressure to address its contributions to climate change. The United Nations Environment Program Finance Initiative has underscored the critical role of insurance companies in meeting the 1.5°C goal. Exemplifying this growing pressure, legislation was passed in Connecticut requiring regulators to incorporate emissions reduction targets in their supervision of insurers. [4]

Shareholders are concerned that Chubb is not adequately reducing the climate footprint of its insurance-related activities. The company's pre-tax catastrophe losses were almost $1.2 billion in the third quarter of 2022, with $975 million resulting from claims related to Hurricane Ian alone.[5] This follows a larger global trend: According to Munich Re, natural disasters caused losses of $280 billion in 2021, up from $210 billion in 2020 and $166 billion in 2019.[6]

Chubb is a climate laggard in the global insurance sector, scoring near the bottom in a survey of the 30 largest global insurers.[7] In contrast, peers are beginning to take action.[8] Twenty-nine global insurers (representing more than 14% of world premium volume globally) have joined the United Nations' Net Zero Insurance Alliance, committing to transition emissions from their insurance and reinsurance underwriting portfolios to net zero by 2050.[9]

While Chubb has set Scope 1 and 2 emissions reduction targets for its energy use and operational emissions and has certain coal related policies, Chubb has not adopted targets aligned with the Paris Agreement's 1.5°C goal for its underwriting, insuring, and investment activities. Chubb appears to instead rely on governments "to develop and implement climate change solutions."[10]

Insurers' activities can contribute to systemic climate risk to the global economy, investor portfolios, and insurers' profitability. By setting and disclosing medium and long-term GHG emissions reduction targets across its underwriting, insuring, and investment activities, including net zero ambitions, Chubb can assure investors that management is addressing its quickly growing climate risk, reducing its climate impact, and building on climate-related opportunities.

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[1] https://www.nature.com/articles/d41586-018-05219-5
[2] https://www.nature.com/articles/s41467-020-18797-8/
[3] https://www.swissre.com/dam/jcr:e73ee7c3-7f83-4c17-a2b8-8ef23a8d3312/swiss-re-institute-expertise-publication-economics-of-climate-change.pdf
[4] https://www.businessinsurance.com/article/20210617/NEWS06/912342605/Connecticut-bill-calls-for-regulation-of-insurers%E2%80%99-climate-risks
[5] https://www.artemis.bm/news/chubb-reports-1-2bn-of-cat-losses-for-q3-reinsurance-partners-to-take-share/
[6] https://www.munichre.com/en/company/media-relations/media-information-and-corporate-news/media-information/2022/natural-disaster-losses-2021.html
[7] https://insure-our-future.com/wp-content/uploads/2022/11/SP-IOF-2022-Scorecard-v0.8-online-1.pdf p.11
[8] https://insure-our-future.com/scorecard
[9] https://www.unepfi.org/net-zero-insurance/
[10] https://about.chubb.com/content/dam/chubb-sites/chubb/about-chubb/citizenship/environment/pdf/Chubb-Our_Climate_Change_Policy.pdf

BE IT RESOLVED: Shareholders request that Chubb issue a report, at reasonable cost and omitting proprietary information, disclosing 1.5°C aligned medium and long-term GHG targets for its underwriting, insuring, and investment activities.

SUPPORTING STATEMENT: Additionally, shareholders recommend the report disclose, at management discretion, a general timeline on which Chubb will:

- measure the emissions of its highest emitting business sectors; and
- set Paris-aligned 1.5°C targets for its highest emitting business sectors.