

**DEPARTMENT OF INSURANCE**

EXECUTIVE OFFICE  
300 CAPITOL MALL, SUITE 1700  
SACRAMENTO, CA 95814  
(916) 492-3500  
[www.insurance.ca.gov](http://www.insurance.ca.gov)



February 22, 2016

**VIA ELECTRONIC MAIL & U.S. Mail****RE: Coal Divestment & Carbon-Based Investment Data Call – Clarification**

In late January I sent your company a letter regarding two separate actions I am taking in response to concerns I have about the potential for financial risk to insurers associated with their investments in oil, gas and coal. First, I asked that your insurance company voluntarily divest from direct investments it has in companies that hold thermal coal assets, extract or process thermal coal, or utilities that burn thermal coal. Second, I informed you about new financial disclosures that I will require through a data call I will issue later this year after 2015 data has been filed with your annual statement. That data call will be obtain disclosures about insurance companies' potential exposure to financial risks resulting from investments in the carbon economy.

In response to my first letter, many insurance company representatives have contacted my office either directly or through insurance trade associations. I am pleased to learn that a number of insurers have already declared their intention to voluntarily comply with my request to divest from thermal coal investments. Initially I asked that your company respond to my divestment request by February 24, 2016. However, in light of the many questions raised by insurers and the extent to which insurers have not, prior to my request, been analyzing their portfolios to determine the extent of their holdings in thermal coal companies, I have decided to extend the date for insurers to reply my thermal coal divestment request – to June 1, 2016. Responses to my request should be submitted to [Coal.Divest@insurance.ca.gov](mailto:Coal.Divest@insurance.ca.gov).

In my letter, I also informed your company that we will be conducting a technical conference call, the purpose of which is to answer questions about the upcoming data call. I have decided to expand this technical conference call to include technical questions companies might have about my request that they divest from thermal coal investments. Having one technical conference call to address insurer questions about the carbon-based investment data call and the thermal coal divestiture request, will allow companies to be in a better position to both understand the data call and give you the answers you need to decide whether you are willing to commit to divesting from thermal coal.

The technical conference call is set for 10:00 a.m. (PST) on March 2, 2016. Your company may join the call by dialing 888-428-4476. Please RSVP to [Shannon.Heinzer@insurance.ca.gov](mailto:Shannon.Heinzer@insurance.ca.gov) to indicate whether anyone will be attending from your company and who specifically will attend. Please be sure to include your NAIC entity number, company name, and group number. I had initially asked that you RSVP by February 16, 2016, but, now that I have added the thermal coal discussion to the technical conference call, I am extending the date by which your company may RSVP to February 29, 2016.

I encourage you to view the Department of Insurance's website where you will find additional information about these Carbon Initiatives, including answers to many of the questions we have received since I announced these two initiatives in January of this year – [www.insurance.ca.gov/Carbon-Initiative](http://www.insurance.ca.gov/Carbon-Initiative). This information will help facilitate your understanding of how we intend to proceed.

Again, thank you for your consideration of my voluntary call for divestment from thermal coal and your participation in the upcoming data call. I look forward to continuing to work with you on these very important initiatives.

Sincerely,

**DAVE JONES**  
Insurance Commissioner