SONC 02/08/2021
Item 6c2 - Climate Change

Motion

BUDGET & FINANCE

Climate change is one of the greatest existential threats facing communities throughout the world and it is critical for cities like Los Angeles to thoroughly pursue multiple strategies - including working with its suppliers - to reverse devastating climate trends.

Over the last century, the oceans have warmed by one degree Fahrenheit, land ice sheets have begun melting, increasing sea level by an eighth of an inch per year, and both flooding and hurricanes are becoming more frequent and severe. Fisheries are threatened by rising levels of carbon dioxide acidifying the ocean and dissolving the shells of small animals crucial to the food chain.

According to NASA, the last six years are the warmest on record. In California, 'fire season' now extends year-round, with fires forcing evacuations of hundreds of thousands of people throughout the region, burning communities down to their foundations, and leaving municipal governments with billions of dollars in damages. And Australia's recent wildfires show how much worse fire season could become.

While the City of Los Angeles is taking steps to decrease its carbon footprint, it also has many opportunities to use its leverage as a large customer to encourage suppliers to reduce their own climate impact. One such opportunity is its insurance purchasing.

According to the CAO's 2018 RFP for property and liability insurance, Los Angeles spends approximately $2 million per year on these policies, largely from companies which were identified by the California Insurance Commissioner's Climate Risk Carbon Initiative database as having billions of dollars of investments in coal and other fossil fuels.

It is time for Los Angeles to lead by example, and stop giving business to insurers that contribute to the global problem of climate change by investing and underwriting in fossil fuel operations that pose the greatest harm to our climate, such as coal mining and tar sand drilling.

Two major cities have already moved to avoid purchasing insurance from companies that fail to acknowledge the risk to the climate in insuring and investing in fossil fuel companies that continue to focus on coal mining and tar sand drilling instead of moving toward renewables. On August 3, 2018 the San Francisco Board of Supervisors voted to urge the city to end ties to insurers involved in coal and tar sand projects, following a similar resolution by the city of Paris, France on May 2, 2018.

I THEREFORE MOVE that the Council instruct the City Administrative Officer, Risk Management, with the cooperation of Department Chief Sustainability Officers, to report in 30 days with:

1. An inventory of insurance policies held by the city, and;
2. A scoring system to rate insurers based on the extent to which they invest in and underwrite companies engaged in fossil fuel operations that pose the greatest harm to the environment, specifically coal mining and tar sand drilling, and;

I FURTHER MOVE that the Council request the City Administrative Officer and the Airport, Water and Power, and Harbor departments to report in 90 days with options for how to take the above rating into account when choosing companies from which to purchase or renew insurance.

Presented by
BOB BLUMENFIELD
Councilmember 3rd District

Seconded by

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