



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

NOTICE

TO: All Admitted and Non-Admitted Insurance Companies, All Licensed Producers, and Other Interested Parties

FROM: Insurance Commissioner Ricardo Lara

DATE: March 14, 2022

RE: Notice on Ukraine Solidarity and Russia Divestment

In the wake of Russia's unjustified military invasion of Ukraine, the United States government together with the leaders of the European Union and other nations around the world are united in their condemnation of Russia's actions and in full support for the Ukrainian people. In addition, the United States and its allies are imposing unprecedented global financial and economic sanctions on Russia. State-level actions must also play a role in imposing sanctions on the Russian government, including Governor Gavin Newsom [calling](#) on the California Public Employees' Retirement System, the California State Teachers' Retirement System, and the University of California retirement system to halt any purchase of Russian debt, prohibit any money to flow from California to Russia, and reevaluate their investments in the stock of multinational corporations, assets, and debt that have some nexus or relation to Russia's financial markets.

California stands with the world community in rejecting Russia's invasion of Ukraine and its assault on freedom and equality. As the nation's largest insurance market and the fourth largest insurance market in the world, we must not tolerate California consumers' insurance premiums funding an authoritarian regime that invades a sovereign government, terrorizes its population, and is an enemy of free expression, speech, assembly, press, and equality for LGBTQ+ people, women, and ethnic and religious minorities.

Investments by insurance companies are a major source of global capital. As a major insurance rating organization [recently reported](#), U.S.-based insurers' direct investments exposed to Ukraine and Russia include nearly \$2 billion in bonds while indirect investments in businesses that derive a share of earnings from Russia may be more substantial. Many global companies have already acted to cut off capital support for the Russian government with likely more to come. Insurance companies must send a loud and clear message of solidarity with the people of Ukraine and the global community by withdrawing any financial support for the Russian regime.

Therefore, I strongly urge all insurance companies that transact business in California to act now to review their financial holdings and to take immediate steps to identify and divest from any direct investments in Russian assets or property that have the potential to provide revenue or other financial support for Russia.

In the coming days, I intend to make sure that the insurance industry is doing its part -- not just through words, but action -- to support the unified global community in condemning Russia's invasion of Ukraine. I will explore all remedies available under California insurance law to push the industry to demonstrate that they are aligning with the global community to hold Russia accountable. If insurance companies do not voluntarily act now to dispose of direct investments in Russia, I will explore all options to compel them to follow through.

We must do all that we can to stand with the Ukrainian people and put an end to Russia's unlawful, violent aggression towards Ukraine and to global peace, stability, and freedom.