Insurance and Real Estate Committee

JOINT FAVORABLE REPORT

Bill No.: SB-979
Title: AN ACT ESTABLISHING A TASK FORCE TO STUDY THE IMPACT OF CLIMATE CHANGE ON THIS STATE AND INSURANCE IN THIS STATE.
Vote Date: 3/14/2019
Vote Action: Joint Favorable
PH Date: 3/7/2019
File No.:

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SPONSORS OF BILL:
Insurance and Real Estate Committee

REASONS FOR BILL:

The bill establishes a task force to study the impact of climate change in Connecticut along with insurance within the state. The task force is being formed because of the growing concern from several top scientific private and public interest groups relating to accelerated sea levels and more intense heat waves in the state in regard to cost of insurers and reinsurers helping those demanding need for insurance once major climate change takes place.

RESPONSE FROM ADMINISTRATION/AGENCY:

STATE OF CONNECTICUT INSURANCE DEPARTMENT: Supporting the bill as originally drafted. The department sites work and research on both state and federal levels concerning the growing concern of climate change’s direct effect on the state’s insurance infrastructure. The department has been an active member of The National Association of Insurance Commissioners (NAIC) Climate Change and Global Warming Working Group distinguishing information regarding “the use of modeling by insurers and their reinsurers concerning climate change and global warming”. Along with this, the department looks into the sustainability issues and solutions with regard to the insurance industry within Connecticut. The conclusion outlines the necessary steps in preparedness for insurers to take in areas of investments, litigations, financial solvency and risk management for Connecticut insurance companies to be a step ahead of neighboring states who have not taken the same steps.

KATIE DYKES, COMMISSIONER, DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION (DEEP): Supporting the bill as originally drafted. The department urges steps laid out throughout the bill as well as additional steps to keep Connecticut ahead of the curve
pertaining to the growing concern of climate change in regards to its citizens as well as insurers in the state. Going as far as to recommend the addition of “a targeted evaluation of climate change impacts on the states infrastructure and assets” even outside of the proposed insurance-only needs the bill originally outlines.

**NATURE AND SOURCES OF SUPPORT:**

**David Sutherland, Director of Government Relations of The Nature Conservancy:** In support of the proposed bill. The department begins with a strong support for the state to establish a cabinet-level Climate Resilience Officer position to deal with the growing concern the bill addresses. The director believes, as others have suggested, that the most dramatic impact will be on Connecticut’s coast in which the rising sea levels can severely affect the state’s insurance pay out demand to a point no company could afford. This would in turn hurt the state’s economy a level comparable to the 2008 crisis.

**NATURE AND SOURCES OF OPPOSITION:**

None

**Reported by:** Steve Delvecchio   **Date:** 3/27/19