

## STATEMENT

### AMERICAN PROPERTY CASUALTY INSURANCE ASSOCIATION (APCIA)

### S.B. No. 1047 – AN ACT CONCERNING INSURANCE AND CLIMATE CHANGE

### INSURANCE AND REAL ESTATE COMMITTEE

**March 18, 2021**

The American Property Casualty Insurance Association (APCIA)<sup>1</sup> appreciates the opportunity to comment on Senate Bill No. 1047, An Act Concerning Insurance and Climate Change. With members comprising nearly 60 percent of the U.S. property casualty insurance market, APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association.

Property casualty insurers have been long-time leaders in addressing the impacts of climate change by advocating for stronger mitigation, resilience efforts, and building codes. APCIA represents a broad cross-section of companies ranging from the smallest to the largest, with varying resource capabilities and business models. We believe that the presence in the market of all of these companies benefits consumers in terms of competition and choice. Regrettably, this legislation, while well intentioned, rapidly imposes new and unproductive burdens on all companies irrespective of these differences and is therefore concerning to us.

In the U.S., climate issues do not stop at state borders. Accordingly, APCIA is working constructively and proactively with the National Association of Insurance Commissioners (NAIC) on its work to review the current nationally uniform climate risk disclosures. Connecticut is an active participant in these efforts at the NAIC. APCIA strongly believes that uniformity in this area is the more cost-effective way to address climate risk reporting and therefore we oppose unique state specific reporting mandates over and above the NAIC reporting.

The specific disclosures in this bill may be overly burdensome for some companies. The commissioner already has the authority, and does require, confidential reporting that reflects the material risks of each of company and how they are managing them. In fact, rather than helping regulators and insurers continue on our mutual journey to better manage and reduce climate risk, this bill could have the unintended result of wasting company and regulatory resources that would be much better used to actually address climate risk through mitigation and other proactive steps,

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<sup>1</sup> Effective January 1, 2019, the American Insurance Association (AIA) and the Property Casualty Insurers Association of America (PCIAA) merged to form the American Property Casualty Insurance Association (APCIA). Representing nearly 60 percent of the U.S. property casualty insurance market, APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. APCIA members represent all sizes, structures, and regions, which protect families, communities, and businesses in the U.S. and across the globe.

including how to strengthen building codes and otherwise make the state more resilient and sustainable.

For the foregoing reasons, APCIA urges your Committee NOT to advance this bill.