



# SIERRA CLUB

*Connecticut Chapter*  
*P.O. Box 270595*  
*West Hartford, Connecticut 06127*  
connecticut.sierraclub.org

## Testimony Before the Insurance Committee 3/18/21

Dear Insurance and Real Estate Committee Chairs Lesser and Wood, Vice Chairs Anwar and Comey, Ranking Members Hwang and Pavalock-D'Amato, and distinguished members of the Committee,

On behalf of the Sierra Club and our more than 40,000 members and supporters in Connecticut, thank you for the opportunity to provide testimony in support of Senate Bill 1047.

### Senate Bill 1047- An Act Concerning Insurance and Climate Change

The Sierra Club is committed to solving the climate crisis with just and equitable solutions that will result in a healthy world for everyone. The science is clear: to avoid the worst impacts of climate change, we must reduce our reliance on and use of fossil fuels, and we must do it quickly. In 2018, the UN's Intergovernmental Panel on Climate Change (IPCC)<sup>1</sup> warned that we must significantly reduce our fossil fuel dependence in less than 10 years to avoid catastrophic warming.

It is also abundantly clear that fossil fuels are causing profound human health impacts. A Harvard report released last month shows that an annual 8 million premature deaths worldwide and over 350,000 in the United States were a direct consequence of burning fossil fuel.<sup>2</sup> The report identifies the Northeastern United States as one of the hardest hit areas in the world. Here in Connecticut, environmental justice communities face a disproportionate burden of exposure to air pollution and experience poorer health outcomes.

Connecticut has long been a leader in the effort to address climate change, passing one of the first laws in the nation to reduce greenhouse gas emissions, the Global Warming Solutions Act. But while our state has taken action to address climate change, our flagship insurance industry has largely not taken action. It continues to play an outsized role in climate-destroying fossil fuel production by providing insurance to and by investing assets in fossil fuel companies. In 2020, Sierra Club Connecticut joined with other organizations to release a report "Connecticut Insurers: Ensuring the Climate Crisis"<sup>3</sup> that shows insurers operating in Connecticut are some of the biggest investors in fossil fuels with over \$220 billion invested in fossil fuel companies. Underwriting figures are unknown. A link to the report [is here](#).

We applaud the Committee for raising Senate Bill 1047. The bill will vastly improve the information available about investments and underwriting associated with fossil fuels as well as the risks associated. This will result in an incredibly important tool to protect our state from the climate and financial risks of fossil fuel investment and insurance.

The financial risks of investing in and insuring fossil fuels include:

---

<sup>1</sup> <https://www.ipcc.ch/sr15/>

<sup>2</sup> <https://www.seas.harvard.edu/news/2021/02/deaths-fossil-fuel-emissions-higher-previously-thought>

<sup>3</sup> <https://www.insureourfuture.us/ct-insurance-report>

Climate-driven disasters: Wildfires, damaging hurricanes, and more are increasing due to climate change and are expensive for the insurance industry: global industry losses from natural catastrophes amounted to \$76 billion<sup>4</sup> in 2020, according to Swiss Re Institute, up 40% from 2019, mostly from severe storms and wildfires in the U.S.

Fossil fuels are a bad investment: In the past 10 years, the S&P 500 Index has gained 191% in value but U.S. oil and gas companies have fallen 43%. The U.S. coal industry lost a staggering 98% of its value over this period. Renewables are a better option: It is cheaper to generate energy from new renewables than new gas or coal.<sup>5</sup>

Climate inaction is a liability for successful recruitment and retention of much-needed young talent. The insurance industry is aging, and younger generations are deeply concerned about climate change.

Given the current and predicted impacts of climate change, shareholders, employees, residents and decision makers here in Connecticut have a real need to know the anticipated risks of investing in and insuring fossil fuels being taken by the insurance industry.

We urge your support of SB 1047, and thank you for consideration of our testimony.

Sincerely,

Samantha Dynowski, State Director  
Sierra Club Connecticut

---

<sup>4</sup><https://www.reuters.com/article/swissre-disasters/natural-disasters-cost-insurance-industry-76-billion-in-2020-swiss-re-idUSKBN28P12>

K

<sup>5</sup> <https://www.lazard.com/media/451419/lazards-levelized-cost-of-energy-version-140.pdf>