

Testimony of Tom Swan

Executive Director, Connecticut Citizen Action group (CCAG)

Before the Insurance and Real Estate Committee

In support of

SB 1047 AN ACT CONCERNING INSURANCE AND CLIMATE CHANGE

SB 1043 AN ACT CONCERNING THE HARTFORD COURANT

MARCH 18, 2021

Senator Lesser, Representative Wood and other members of the Insurance and Real Estate Committee my name is Tom Swan, and I am the Executive Director of the Connecticut Citizen Action Group (CCAG). On behalf of our thousands of member families I want to voice our strong support for SB 1047 AN ACT CONCERNING INSURANCE AND CLIMATE CHANGE and SB 1043 AN ACT CONCERNING THE HARTFORD COURANT.

We believe SB 1047 AAC Insurance and Climate Change is an important bill that will protect shareholders, policyholders, and the general public. We're not the only ones that think this. In a recent report Moody's said

(<https://documentcloud.adobe.com/link/review?uri=urn:aaid:scds:US:431a9c2b-e88f-42db-9c1a-3f0a63a069ff>):

"Closer regulatory scrutiny of climate risk is positive for insurers because it will push the industry to better evaluate and monitor climate-related threats. It will also support insurers in making difficult choices in response to climate risks, such as reducing exposure to certain profitable but carbon-intensive sectors."

Our insurance Department is already part of a compact with several states that have insurers report their potential risks from Climate Change through the NAIC that is housed on the California Insurance Department's webpage. We believe

this legislation will have the CID also make these reports available on its web page, hopefully in a more user-friendly manner. Since insurers are already reporting this it will not be an onerous requirement on industry.

We also know that the California Insurance Department has successfully required the disclosure of investments in fossil fuel companies. Their most recent data is from 2017. With many insurers rethinking their approach towards this industry and the fact that fossil fuels have underperformed most sectors of our economy over the past decade, it is important for shareholders to understand each companies' investments and how they square with the companies stated positions on climate change on an annual basis. Last year we and the [Insure our Future Campaign release a report](#) on the 2017 data. Our discussions with insurers leave us hopeful they are beginning to see the need for change.

Just today, [Bloomberg reported on a study from the International Energy Agency](#) that found that a global portfolio of renewable power companies posted an annual average return of 18% in the decade to December 2020, compared with 4.7% for fossil-fuel stocks. The total return for renewables for the period was 426%, more than seven times the figure for fossil fuels. This is fiduciary issue that stakeholders have a right to know.

We applaud what is a groundbreaking clause in this legislation where property casualty insurers (we believe the legislation may need to be clearer it is only P&C insurers that are subjected to this clause) will be required to report the fossil fuel projects that they are underwriting. We believe this is a crucial step forward that can help guide future policy initiatives in both the private and governmental sector. We were happy to see a representative from The Hartford play an active role in the recent GC3 process including advancing ideas for how we finance adaptation efforts related to climate change. The irony was not lost on us that they were looking to have items financed by means other than insurance while at the same time underwriting some of the most destructive projects and companies in regard to climate change. It is essential that stakeholders are aware of these practices and this clause speaks to what Moody's is calling for in my earlier reference.

I also want to express our support for SB 1043. We have often been critical of the Hartford Courant, but what Alden Global Capital has done and will do if left to their own devices is unconscionable and a threat the public's right and need to know. We believe the fact the Courant's corporate charter is included state legislation that you have a unique ability to protect a free press and we urge you use whatever levers there are to protect the public's right to know and stop the hedge fund destruction of our nation's longest continuously published newspaper.

Thank you for your consideration.