



To Members of the Committee on INSURANCE AND REAL ESTATE

March 18, 2021 Public Hearing

RE: Raised Bill 1047 --- Climate Risk Reporting Mandate

STATEMENT IN OPPOSITION TO RAISED BILL 1047

The National Association of Mutual Insurance Companies (NAMIC)¹ and its members, thank you for the opportunity to express strong opposition to legislation referenced above and urge no further action.

This bill would impose new reporting mandates on all insurers doing business in Connecticut relative to the insurer's "investments in fossil fuels" and other data related to climate risk and "underwriting for insureds involved in the fossil fuel industry and related industries." [Section 2]

NAMIC agrees that climate change could well have insurance implications, but NAMIC does not support using the insurance industry as a lever to pursue a particular point of view as it relates to climate change. Given the number of other state-regulated industries, NAMIC also questions why the insurance industry is singled-out in this bill.

The National Association of Insurance Commissioners (NAIC) adopted the "Climate Risk Disclosure Survey" in 2010² that has since been administered annually on a mandatory and public basis by a number of states in coordination with the California Insurance Department. The survey consists of eight questions regarding such matters as whether an insurer has climate change policies with respect to risk management and investment management; what current or anticipated risk climate change poses to an insurer; and what steps an insurer has taken to engage key constituencies regarding climate change. The advocacy organization Ceres³ was heavily involved in the development of the survey's content and has issued annual reports and scorecards evaluating insurers' responses to the survey. I would also note that Connecticut's

¹ The National Association of Mutual Insurance Companies is the largest property/casualty insurance trade group with a diverse membership of more than 1,400 local, regional, and national member companies, including seven of the top 10 property/casualty insurers in the United States. NAMIC members lead the personal lines sector representing 66 percent of the homeowner's insurance market and 53 percent of the auto market.

² [NAIC Assesses, Provides Insight from Insurer Climate Risk Disclosure Survey Data](#)

³ [Climate Crisis | Ceres](#)

Commissioner of Insurance, Andrew N. Mais, is a member of NAIC's "Climate and resiliency Task Force."⁴

NAMIC encourages the Committee to understand that climate risk affects each insurer in different ways and to different degrees depending on the insurer's size, complexity, geographic distribution, business lines, investment strategies, and other factors. Moreover, NAMIC would urge consideration in identifying and assisting with mitigation steps and resiliency planning to protect Connecticut property and provide a stable and safe place for people to live and work. Serving our member insurance companies from more than 125 years, NAMIC understands that protection of and service to policyholders should not be compromised for political expediency, social acceptance, or popular wisdom.

For these reasons, NAMIC and its member companies respectfully ask that you consider the potential adverse impact this legislation could have on the businesses and residents of Connecticut.

Thank you for your consideration.

Respectfully Submitted,

Rory Whelan

Regional Vice President, Northeast
National Association of Mutual Insurance Companies

⁴ [Microsoft Word - 2021 EX-Climate and Resiliency TF.docx \(naic.org\)](#)