



ADOPTED VERSION
March 28, 2010

Insurer Climate Risk Disclosure Survey

Discussion

The goal of the *Insurer Climate Risk Disclosure Survey* is to provide regulators with substantive information about the risks posed by climate change to insurers and the actions insurers are taking in response to their understanding of climate change risks. Disclosure of climate change risks is important because of the potential impact of climate change on insurer solvency and insurance availability and affordability across all major categories of insurance: property casualty, life and health. The *Insurer Climate Risk Disclosure Survey* contains a set of questions to help regulators assess insurers’ risk assessment and management efforts and follow up with questions as necessary, subject to applicable examination and confidentiality provisions. The proposed disclosure builds upon existing climate risk disclosure mechanisms, but has an increased focus on issues related to insurer solvency and insurance availability and affordability. The objective is for initial disclosure by some insurers for Financial Reporting Year 2009.

Qualifications

- i. **This survey, and the questions contained herein, do not endorse, reject or otherwise express an opinion on the existence or absence of climate change. Further, this survey, and the questions contained herein, do not express an opinion regarding scientific confirmation or refutation of the existence or absence of climate change.**
- ii. **Neither this survey, nor any reply to any question propounded in this survey, shall be construed, submitted, considered or relied upon for any purpose relating to regulatory consideration of a proposed rate change, including but not limited to any public or administrative hearing relative to an insurer’s proposed rate change.**

Application and Instructions

- i. **Participating insurers should** submit the *Climate Risk Disclosure Survey* to the domestic regulator by May 1 each year. Surveys are intended to be submitted to the domestic regulator of insurer group’s lead state (i.e. the regulator overseeing the insurer within the group that reports the largest direct written premium volume.)
- ii. **Requirement for completion of the survey is at the discretion of each state. The chart below provides a suggested guideline for mandatory or voluntary filing based on premium and financial year.** Please note, the direct written premium amounts listed in the table below are for each insurer group—not each entity within a group.

Financial Reporting Year	Mandatory Disclosure	Voluntary Disclosure
2009	Premium over \$500M	All Others
2010 and thereafter	Premium over \$300M	All Others

- iii. Narrative responses are acceptable. Where an insurer’s response to other disclosure mechanisms (such as the Carbon Disclosure Project or Global Reporting Initiative) explicitly addresses the subject matter of a question in this survey, the insurer may reference and attach their most recent response to that external mechanism in lieu of providing a duplicative response.
- iv. Insurers are required to answer all questions in good faith and with meaningful responses. However, there is no requirement to provide information that is immaterial to an assessment of financial soundness (insurers may choose to disclose such information voluntarily, with no implication that such information is in fact material).

- v. Insurers are **not** required to:
 - a. Provide quantitative information,
 - b. Provide information that they in good faith believe is commercially sensitive or proprietary,
 - c. Provide forward-looking information. If an insurer chooses to provide forward-looking information, the insurer may disclaim any responsibility for the accuracy of such forward-looking information. Provided the insurer supplies such information in good faith, it may condition its response with a waiver of any claim under any theory of law based on the inaccuracy of such information.

Public Disclosure

Survey responses are **confidential**. The **participating states** shall coordinate **with the NAIC to develop a public report giving information in the aggregate regarding** insurer responses.

Climate Change and Global Warming (EX) Task Force Review

The Task Force shall review **information contained in the** survey responses annually. In the event the Task Force is dissolved, the NAIC shall designate a new body to carry out the review functions of the Task Force.

Insurer Climate Risk Disclosure Survey Questions

Questions	Comparable CDP Questions
1. Does the company have a plan to assess, reduce or mitigate its emissions in its operations or organizations? If yes, please summarize.	CDP: Performance Question 21
2. Does the company have a climate change policy with respect to risk management and investment management? If yes, please summarize. If no, how do you account for climate change in your risk management?	
3. Describe your company’s process for identifying climate change-related risks and assessing the degree that they could affect your business, including financial implications.	CDP: Risks and Opportunities Questions 1-3
4. Summarize the current or anticipated risks that climate change poses to your company. Explain the ways that these risks could affect your business. Include identification of the geographical areas affected by these risks.	CDP: Risks and Opportunities Questions 1-3
5. Has the company considered the impact of climate change on its investment portfolio? Has it altered its investment strategy in response to these considerations? If so, please summarize steps you have taken.	CDP: Risks and Opportunities Question 3: “Other Risks” Question 6: “Other Opportunities”
6. Summarize steps the company has taken to encourage policyholders to reduce the losses caused by climate change-influenced events.	CDP: Risks and Opportunities Questions 4-6
7. Discuss steps, if any, the company has taken to engage key constituencies on the topic of climate change.	CDP: Governance Question 24, 26, 27
8. Describe actions your company is taking to manage the risks climate change poses to your business including, in general terms, the use of computer modeling.	CDP: Risks and Opportunities Questions 1-3