

Questions and Answers about the Insurer Climate Risk Disclosure Survey

On February 24, 2009 the Climate Change and Global Warming (EX) Task Force adopted the *Insurer Climate Risk Disclosure Survey*. To assist in understanding the survey, below are answers to commonly asked questions.

Q. What is the Insurer Climate Risk Disclosure Survey?

A. The *Insurer Climate Risk Disclosure Survey* contains a set of 8 questions that inquire about insurers' risk assessment and management efforts in addressing climate change. 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. It will also provide additional information for consumers to incorporate into their purchasing decisions.

Q. What is the purpose of the *Insurer Climate Risk Disclosure Survey*?

A. The goal of the *Insurer Climate Risk Disclosure Survey* is to provide regulators, shareholders and the public 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.

Q. Is every insurer required to file the *Insurer Climate Risk Disclosure Survey*? What is the reporting timeframe?

A. The objective is for mandatory disclosure by applicable insurers to begin for the financial reporting year 2009 for insurance groups that meet or exceed direct written premium of \$500 million. For the financial reporting year 2010, disclosure would be mandatory for insurance groups that meet or exceed direct written premium of \$300 million. For those insurance groups that report premium under the mandatory thresholds, disclosure would be voluntary.

Insurers are required to submit the *Insurer Climate Risk Disclosure Survey* to the domestic regulator of the insurer group's lead state by May 1 each year. The insurer group's lead state is the regulator overseeing the insurer within the group that reports the largest direct written premium volume.

Q. Can State Insurance Departments choose not to participate in the *Insurer Climate Risk Disclosure Survey*?

A. Yes. However, it should be noted, that the *Insurer Climate Risk Disclosure Survey* is reported on a group basis. Therefore, the insurance group would be required to comply should any state that the group writes in require the filing of the *Insurer Climate Risk Disclosure Survey*.

Q. Is the *Insurance Climate Risk Disclosure Survey* Public or Confidential? How will the filing be received?

A. The *Insurance Climate Risk Disclosure Survey* responses are public information. The NAIC is still in the process of developing a user-friendly central access point for the survey document and insurer responses. More information will follow.

For more information please visit the Climate Change and Global Warming Task Force webpage at http://www.naic.org/committees_ex_climate.htm .