



16 September 2008

Honorable Sean Dilweg
Commissioner of Insurance
State of Wisconsin
Chair, Climate Change and Global Warming
(EX) Task Force
P.O. Box 7873
Madison, Wisconsin 53707-7873

Re: Climate Risk Disclosure Proposal

Dear Commissioner Dilweg:

We write today on behalf of America's Health Insurance Plans (AHIP) to provide comments on the revised exposure to the *Climate Risk Disclosure Proposal*. AHIP is the nation's trade association representing nearly 1,300 member companies providing health, long-term care, dental, disability and supplemental coverage to more than 200 million Americans.

We note that this disclosure proposal is not substantially different in content than the prior exposure. While we recognize, and applaud, the NAIC's willingness to explore maintaining even some level of confidentiality for the sensitive financial information required to be reported under this proposal, we suggest that to date, the objections and concerns raised in our earlier letter of June 30 have not been addressed. Therefore, AHIP supports and adopts the comment letter filed on behalf of the interested parties, to which AHIP is a signatory, and suggests that until such time as the issues and concerns raised in that letter are addressed, this proposal should not be adopted.

We would also like to reiterate our concerns about the application of this proposal to health business specifically. We remain concerned with the adoption of any disclosure document that does not have a significantly agreed upon scientific background. The working group's proposal presupposes that climate change will have an impact on health carriers and health insurers – and that the impact will be either measurable or negative. Yet, as we pointed out in our June letter:

It is important to keep in mind that climate change is not a sudden phenomenon. It occurs gradually over time, and hence, its effects on human health likewise can be expected to occur gradually over many years. The effects of climate change on human health are difficult to predict and current thinking is anything but uniform. Some experts posit that the effects of climate change will be largely negative as many diseases and harmful medical conditions are more prevalent in hot or warm areas. However, others hypothesize the opposite, noting the potential for offsetting improvements in temperate areas of the world because of a decrease in the diseases,

medical conditions, and injuries that are associated with cold temperatures and winter weather. There are also potential positive and negative factors of a secondary nature, such as how climate change will impact food production (by increasing growing seasons in northern regions, for example) and the resulting impact on nutrition-related medical conditions. Some who have considered the subject have concluded that while the effects on health in tropical regions may be largely negative, the effects on health in temperate regions, which include most of the United States, ultimately may be favorable.

It is difficult, if not impossible, to associate any given trend in human health with any particular aspect of climate change. The effects of climate change on weather, disease incubation and transmission, and other relevant conditions are largely speculative and are difficult to disentangle from other contributing factors. Climate change is best addressed by health insurers in the same way that other developments in both diseases and treatments have been addressed in the past. Careful monitoring and analysis of emerging trends in companies' own claims data and in publicly available data with respect to both insurance experience in particular and health conditions in general, rather than speculation about future unknowns, will permit insurers to incorporate the effects of all health trends into their underwriting, pricing and capital management decisions regardless of causation.

It is also true that in general health insurers' actions likely will not be attributable directly to climate change, or to any other specific cause. Instead, those actions will reflect emerging trends in data that are impacted by a variety of factors, only one of which may be climate change. It will not be possible, or productive, to single out that factor among all the others. The matters of importance to health insurers in the long term are the observable effects on experience, not the more remote causes to which they might be attributed on some speculative basis.

We again urge the working group to remove health insurers and health carriers from the scope of the proposed disclosure until these issues and concerns have been addressed. There is no reason to believe that the completion of these disclosures by health carriers or insurers will provide any information that will serve a useful or legitimate regulatory purpose. There is no solvency implication for health carriers; indeed there are no financial implications at all given that climate change will have little if any impact on the conduct of a health carrier or insurer's business operations.

Conclusion

In conclusion we suggest that the *Disclosure Proposal* lacks any meaningful basis for the health insurance industry. We do not opine as to its relevance for any other industry, but urge that regardless, it not be included in the health annual statement blank, and that carriers filing other blanks into which this proposal may be adopted be similarly exempted from any filing with respect to health business.

We thank you for the opportunity to provide comments regarding this proposal. I would be happy to provide you with any further information you need or to answer any questions you may have. I can be reached at (301) 774-2268 or at rreichel@ahip.org.

Thank you.

Sincerely

Randi Reichel