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September 15, 2008

Commissioner Sean Dilweg, Chair
Climate Change and Global Warming (EX) Task Force
Attention: Pamela Simpson
National Association of Insurance Commissioners
2301 McGee Street, Suite 800
Kansas City, MO 64108-2662

Re: NAIC Climate Change and Global Warming (EX) Task Force Draft Climate Risk Disclosure Proposal Dated August 15, 2008 (Received on August 19, 2008)

Commissioner Dilweg and members of the NAIC Climate Change and Global Warming (EX) Task Force:

On behalf of the members of the Reinsurance Association of America (“RAA”), we offer the following comments on the NAIC Climate Change and Global Warming (EX) Task Force (“Task Force”) revised draft Climate Risk Disclosure Proposal (“Proposal”), dated August 15, 2008. We appreciate the Task Force’s work on this issue and Commissioner Dilweg’s efforts to have a meaningful dialogue with the various interested parties.

The RAA is a national trade association representing property and casualty organizations that specialize in reinsurance. The RAA membership is diverse, including large and small, broker and direct, U.S. companies and subsidiaries of foreign companies.

The RAA offers the following comments on this draft Proposal. We ask that the Task Force also consider the comments in our attached June 30, 2008 letter.

Lack of Availability of Meaningful Information on Climate Change Impacts

The world’s climate is changing and there is overwhelming recognition in the scientific community that human activity is having a significant impact upon the world’s climate. At the same time, we know that the scientific community cannot yet distinguish between weather events caused by natural weather variability and those caused by climate change. While climate change is real, the specific impacts from climate change on insured risks globally, regionally, and in the various states are still uncertain. For example, it is unclear how climate change will affect storm frequency and the number of land falling storms, what are or will be local versus global changes, and whether any individual event is related to climate change.

In its white paper, the Task Force recognized that companies are “operating under conditions of uncertainty with regard to the extent of climate change risk and the models used to study those risks” and that “companies will not have complete information and therefore not be able to report with certainty.” The RAA agrees that “the framing of questions and evaluation of responses must take the inherent uncertainty into account.”

Timing of Disclosures

The Working Group met with climate scientists at its September 11, 2008 meeting in Boulder, Colorado. The RAA encourages the Task Force to consider those discussions and have any additional discussions, as needed, with climate scientists and modelers about the state of the science, what models can currently accomplish, and the practical realities faced by insurers in trying to identify climate change impacts on future natural catastrophe events, prior to adopting the Proposal. The RAA believes that finalization of specific disclosures should only take place after the NAIC considers statements from climate scientists and modelers so that the disclosure questions can be tailored to obtain meaningful information.

Although we appreciate the need for disclosure and the regulators’ obligations to protect policyholders, implementing appropriate disclosure in early 2009 will be difficult for some companies. Interested parties and regulators should work to refine these questions to ensure that they can be answered by insurers and will elicit meaningful information.

It is critical, however, that the Task Force consider and develop a plan for maintaining confidentiality of the confidential survey and protecting forward-looking information. The Task Force should confer with the NAIC Committees with expertise on these matters before finalizing the Proposal to ensure these protections.

Specific Questions in the Proposal

We ask the Task Force to consider our specific comments on the individual proposed questions in our June 30, 2008 letter, and we provide the following additional comments. We also note that several of these questions are written in such a way that a negative implication may be given if a company does not answer a certain way.

The RAA opposes Questions 5-9, for the reasons discussed in our June 30, 2008 letter and as provided below.

With respect to Question 8, this revised question suggests that a company’s decisions on rates, sales, and coverages are influenced by climate change. It is highly unlikely that any decision to change rates, sales or coverages would be made in the name of climate change at this time. The disclosures will be filed on an annual basis but potential climate change risk will develop over the coming decades. It is impossible at this time to determine whether any individual weather event was caused by climate change. These factors coupled with the commercially sensitive and proprietary nature of the information

requested will result in answers that will not provide meaningful information to regulators. Moreover, the question has been broadened to potentially include catastrophes that would have no relation to climate change, such as terrorism.

Confidentiality Concerns

Although we welcome the revision to the Proposal to make responses to Questions 7-9 confidential, the Proposal fails to state how confidentiality will be maintained and enforced. Although the Proposal provides that answers to Questions 7-9 will be filed separately as a “confidential survey” and that states with whom the information is shared must first enter into information sharing agreements to maintain confidentiality, there is no explanation of how confidentiality will be ensured in the domestic regulators’ states or in the states in which a regulator has signed an information sharing agreement. A mere reference to confidentiality in the Annual Statement Instructions or the Proposal is not sufficient. The various state freedom of information laws and related laws significantly limit the ability of regulators to maintain the confidentiality of information absent a law explicitly protecting its confidentiality. States would need to adopt appropriate laws to ensure that the courts uphold the confidentiality of this information, including when it is shared between states. Therefore, in addition to our objections to the substance of these questions (as discussed in our June 30 letter), we also object to these questions because we do not know how the NAIC can and will guarantee this promised confidentiality.

Forward-Looking Information Needs Legal Protection

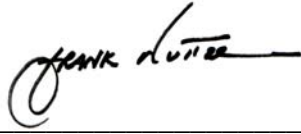
The Proposal provides that because responses to the questions will contain some forward-looking information, “[t]he insurer may disclaim any responsibility for the accuracy of such forward-looking information and condition the delivery of such information upon a waiver of any claim under any theory of law based on the inaccuracy of such information; provided that the insurer supplied such information in good faith.”

The SEC requires publicly traded companies to submit certain forward-looking information in the MD&A section of their SEC filings. Because this information is forward-looking and therefore, uncertain, companies receive a statutory “safe harbor” in any private actions for such forward-looking statements in the MD&A that are untrue. The NAIC does not provide such statutory protection. The NAIC Annual Statement Instructions encourage companies to provide forward-looking information in the MD&A, and include the same language as suggested in the Proposal for protecting the information. However, it is not clear whether this will provide enforceable legal protection in each state.

We agree that legal protection for providing forward-looking information is critical, but we question how the Task Force and the individual states will achieve this and ask the Task Force to resolve this important legal issue before finalizing the Proposal.

Thank you for the opportunity to provide our comments. The RAA looks forward to continuing to work with the Task Force on its analysis of climate change disclosures.

Sincerely,



Franklin W. Nutter
President



Tracey W. Laws
Senior Vice President &
General Counsel