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December 15, 2008

Hon. Sean Dilweg
Commissioner, Wisconsin Department of Insurance
Chair, Climate Change and Global Warming (EX) Task Force
Chair, Climate Risk Disclosure Working Group
National Association of Insurance Commissioners (NAIC)
2301 McGee Street, Suite 800
Kansas City, MO 64108
ATTN: Mr. Eric Nordman

Re: *Climate Risk Disclosure Proposal (November 26, 2008 draft)*

Dear Commissioner Dilweg:

Thank you for the opportunity to offer comments on the November 26, 2008 draft of the Climate Risk Disclosure Proposal issued by the NAIC Climate Risk Disclosure Working Group.¹ This is the fourth opportunity ACLI has had to comment on this proposal. We are very pleased that in every instance the Working Group has seriously considered and, in many cases, incorporated our suggestions. As a result of your frequent interaction with industry and other interested parties, the current version of the Proposal is clearly superior to earlier versions.

We are particularly pleased that the disclosure: (1) is now in survey form; (2) will be neither a supplement to, nor part of, the Annual Statement; (3) does not require quantitative information; (4) does not require forward-looking information; and (5) does not require insurers to provide commercially sensitive or proprietary information. This approach will allow insurers to become acclimated to climate risk disclosure as well as become more conscious of climate risk. It will also provide sufficient information for regulators to determine if climate change does indeed pose a significant risk and protect industry from frivolous litigation.

Though we support the most recent version of the Proposal, we have reservations and suggestions which we would be remiss in not pointing out. As mentioned earlier, and as noted in the White Paper, climate change will have a far greater (and far different) impact on P&C insurers than it will on life insurers. The Proposal in no way reflects this fact, both aspects of the business being treated in an identical fashion. As noted in the past, we remain unconvinced that climate risk disclosures should apply to life insurers.

In order to gather additional information and eventually adopt the most suitable disclosure possible, we suggest that the survey initially be voluntary and confidential. In this way, regulators will be able to

¹ The American Council of Life Insurers (ACLI) is the principal trade association of life insurers, representing three hundred fifty-three (353) member companies operating in the United States, of which three hundred forty-five (345) are legal reserve life insurance companies, and eight (8) are fraternal benefit societies. These 353 member companies account for 93 percent of total assets, 93 percent of the life insurance premiums, and 94 percent of annuity considerations in the United States.

gather substantive information and, if it is determined that public disclosures are needed, can develop an even more appropriate instrument. We feel that if this approach were taken it would immediately be clear that forcing life insurers to submit to mandatory disclosures would, at best, be a waste of industry resources.

In conclusion, we would like to thank you for your fair, even-handed, and collaborative approach to this matter, as well as your willingness to compromise, and look forward to working with you in the future on both climate change and other matters.

Sincerely,

A handwritten signature in cursive script that reads "Andrew Melnyk". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

Andrew Melnyk, Ph.D.