



15 December 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 most recent iteration of 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 commend the working group for the significant changes the working group has made to date to address industry concerns regarding the Disclosure Proposal. AHIP, as the voice of the health industry, however, has some lingering concerns that relate specifically to health insurers and health plans.

The primary issue that has not been addressed is the applicability of these disclosures to the business operations and business models of health plans and insurers. We have participated in all working group and task force discussions over the last year, and while we are cognizant of the issues surrounding global warming and climate change, we remain unclear how these specific disclosures will be applicable to health carriers. The Disclosure Survey requires carriers to "answer all questions in good faith and with meaningful responses." With respect to the health insurance industry, many of these questions are not answerable in any meaningful fashion. It is important that regulators understand and acknowledge, from the beginning, that a good-faith answer to many of these questions is likely to be, "The question is not applicable to the business of health insurers or health plans."

We also continue to question the NAIC's purpose in requiring disclosures intended to assist shareholders with information the regulators believe shareholders wish to receive. Regulatory frameworks designed to assist shareholders – as opposed to policyholders – of publicly traded companies already exist. The NAIC and state insurance regulators should not duplicate or overlay those frameworks. State regulators should focus on developing requirements that will protect the policyholders of regulated entities, not ones that will protect corporate investors. There is nothing in the disclosures that will assist policyholders of health insurers to make better choices with respect to their health insurance coverage. The impact of climate change on health insurance operations, as we have pointed out in earlier comment letters, is just as likely to be positive as it is to be negative. Given this, there is no regulatory purpose served by requiring carriers to publicly respond to questions such as #6, #7, and #8, for example, which in the case of the health insurance industry are irrelevant and do nothing more than open industry participants up to special interest pressures.

Carriers that are required to offer coverage statewide once they enter a market, as are many small group carriers, or that are prohibited from cancelling coverage once issued, as are many individual market writers, do not have any flexibility to write or not write coverage based on weather conditions or other climate influenced events. By requiring these companies to make negative public disclosures about activities over which they have no control serves no regulatory purpose but opens those carriers to a public scrutiny and pressure to which they can not respond. We do not believe this serves anyone – consumer, regulator or carrier – well.

Conclusion

In conclusion we suggest again 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 suggest that if it is deemed relevant and appropriate for other insurers, that it not be required from filers of the health annual statement blank, and that responses not be required with respect to health insurance from filers of other blanks..

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