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Sean Dilweg, Chair
Joel Ario, Vice Chair
Climate Change and Global Warming (EX)
Task Force
National Association of Insurance Commissioners
2301 McGee Street, Suite 800
Kansas City, MO 64108-2662

Dear Commissioners Dilweg and Ario:

This is in response to the request for comments to the latest draft (11/26/08) of the Insurer Climate Risk Disclosure Survey. At the outset, we wish to strongly commend your exceptional efforts and those of your negotiating partners in attempting to find a productive consensus and the significant progress you have made in doing so. We are also encouraged by the innovation and advocacy on the issue increasingly exhibited by insurers.

Over the course of the NAIC's climate change related efforts, we have set forth our concerns in written and oral comments, and to the extent relevant to this and any future draft, we incorporate them by reference. We assume that the revised draft will not raise again such issues through substantive changes to the 11/26/08 draft. We, therefore focus our comments on several issues uniquely presented by the latest draft and request that the comments of AIA companies be fully considered, as well.

The Survey should clarify that the climate change questions are not to be part of the Financial Annual Statement.

The intent seems to be clear that the survey and all climate change questions are not to be part of the Financial Annual Statement and that intent was further clarified during the Winter 2008 NAIC meeting of the Executive Committee and on the December 3, 2008, telephone conference call meeting of the Climate Risk Disclosure Working Group. However, the language in the survey document is not so clear. Therefore, at the end of the first paragraph, we request the following addition: "However, the survey and its climate change questions are free-standing and are not part of the Financial Annual Statement."

States should be strongly advised to use the questions without additions and the NAIC and the states should not add more requirements for several years, if at all.

There continues to be great concern among our members, that despite the hard work that has gone into the survey, states may depart from it and create unproductive and wasteful non-uniformity. We are also concerned about the potential for frequent additions by the NAIC in future years, all of which would add wasteful new compliance costs. Further, we request that any comments submitted by AIA companies be considered. As of the writing of this letter, we are aware that Zurich-American Insurance Group has filed such comments, and there may well be others. Finally, we request the following language be added at the end of the first paragraph: "States are strongly advised to use these questions without additions for at least the first three reporting years."

Sample answers are not necessary and the effort to issue them could reverse the progress made so far.

We believe that the survey's questions and guidance, as now written, neither need nor would benefit from, sample answers. In order to receive meaningful feedback, respondents should be encouraged to respond candidly, rather than conforming to a prescribed NAIC answer. In fact, should the NAIC attempt to provide such answers, we fully expect that many serious disagreements would re-surface.

We also think it would be most useful to go through several reporting years to determine if sample answers are needed, and if so, what they should be. Nonetheless, if sample answers are to be considered, we request the opportunity to participate meaningfully in the process and to comment on them.

Conclusion

Thank you again for the dedication that you have displayed on this issue. We hope our comments have been useful and can be incorporated as we move forward. We also request your consideration of AIA member company comments. Finally, we request another round of comments if the 11/26/08 draft were to be changed in a manner to raise concerns we have previously noted or if sample answers are to be issued.

Sincerely,

David F. Snyder
Vice President and Assistant General Counsel