



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

NOTICE

TO: Licensed Insurers in the State of California

FROM: Insurance Commissioner Ricardo Lara

DATE: July 7, 2022

RE: Notice to Licensed Insurers with instructions for Climate Risk Disclosure Survey Reporting Year 2021

In cooperation with the Connecticut Insurance Department, the District of Columbia Department of Insurance, Securities and Banking, the Delaware Department of Insurance, the Maine Bureau of Insurance, the Maryland Insurance Administration, the Massachusetts Division of Insurance, the Minnesota Department of Commerce, the New Mexico Office of Superintendent of Insurance, the New York Department of Financial Services, the Oregon Division of Financial Regulation, the Pennsylvania Insurance Department, the Rhode Island Department of Business Regulation, the Vermont Department of Financial Regulation, and the Washington State Office of the Insurance Commissioner, the California Department of Insurance is conducting the Climate Risk Disclosure Survey for Reporting Year 2021.

For Reporting Year 2021, all participating insurers are required to report using the new NAIC Climate Risk Survey, which aligns with the guidelines of the Task Force on Climate related Financial Disclosures (TCFD). The new TCFD-aligned survey and due date were adopted on April 8, 2022 at the NAIC Spring National Meeting after being developed by the “Climate Risk Disclosure” workstream of the NAIC’s Climate Risk and Resilience Executive Committee Task Force. Commissioner Lara serves as Co-Chair of the Climate Risk and Resiliency Executive Committee Task Force and has prioritized TCFD reporting for the past three years. The Climate Risk Disclosure workstream met for fourteen months, including multiple public comment opportunities, to develop the survey. For guidance on the new survey, reference the [NAIC Climate Risk Disclosure Survey document](#).

The TCFD standard is the international benchmark for climate risk disclosure and will help insurance regulators and the public to better understand the climate-related risks to the U.S. insurance market. The TCFD framework, which was approved by the G-20 Finance Ministers and created by an industry-led task force, is also endorsed by many institutions, and supported by the International Association of Insurance Supervisors. The NAIC Climate Risk and Resiliency Task Force determined that implementing a TCFD-aligned disclosure framework

would enhance transparency about how insurance companies manage climate-related risks and opportunities and incorporate international best practices, among other benefits.

All insurance companies who are licensed in the State of California and who collected direct written premium amounts of more than \$100 million dollars nationwide during 2021 must respond to the survey for California; except for insurers required to respond to the survey by one of the partner states and jurisdictions. Insurers required to respond to the survey by another partner state or jurisdiction may instead respond to that particular state or jurisdiction. Each insurance company will receive a notice from the insurance regulator that will act as the point-of-contact for that company. Companies within the same group whose policies and practices are the same and whose answers would not be materially different from each other may submit uniform group responses. **When submitting group responses, please be certain to check the premium amounts for each individual company in the group that you are responsible for and submit responses for all companies with more than \$100 million in direct written premium nationwide.**

The completed survey responses are due **November 30, 2022**. Please register and submit your survey responses to the Department by going to the [survey registration on our interactive web application](#) and following the submission instructions. Consistent with the new TCFD-aligned Climate Risk Disclosure Survey document, if your company has already produced a TCFD report for 2022, you may upload a PDF of that report using the following naming format: YYYY_Company-Name_TCFD.pdf.

In addition to the new NAIC Climate Risk Disclosure Survey, we ask companies to consider responding to the following voluntary closed-ended questions on this [SurveyMonkey](#) link. The voluntary closed-ended questions align with the NAIC Climate Risk Disclosure Survey. Closed-ended questions are voluntary for reporting year 2021 and individual states may elect not to request them.

Consistent with previous years, [Climate Risk Disclosure Survey responses](#) for the current and prior years are available to the public and can be found on the Department's website. Additional information and guidance related to the survey can also be found on the Department's [Climate Risk Disclosure website](#).

Substantive and technical questions can be directed to: ClimateRiskSurvey@insurance.ca.gov

Attachment: [Survey Questions and Guidelines](#)