

<b>PRIMARY WORKSTREAMS</b>
Solvency
Climate risk disclosures
Pre-disaster mitigation
Innovation
Technology

***Proposed 2021 Climate and Resiliency (EX) Task Force Strategy on Addressing Climate-Related Risks***

	<b>NAIC Department/Committee Partners</b>
1. Determine NAIC/state-specific and differentiated role, policy and potential actions related to climate risk.	International Insurance Relations (G) Committee
a) Provide a centralized repository for use by other agencies, academics, and others in evaluating/studying climate risk's impact on insurance.	Center for Insurance Policy and Research (CIPR) and Communications
b) Maintain leadership role on efforts to enhance private market alternatives to address climate risk (e.g., flood, earthquake, wind, etc.) and coordinate with other stakeholders (e.g., National Council of Insurance Legislators [NCOIL], National Governors Association [NGA], etc.).	Government Relations
c) Maintain congressional pressure for the long-term National Flood Insurance Program (NFIP) program, explore ways to increase private market for flood, and consider federal/state actions to incentivize mitigation.	Government Relations, Property and Casualty Insurance (C) Committee
<b>Solvency</b>	
<b><i>Participating States: Maryland (Vice Chair), Florida, Massachusetts, New York, Virginia, Washington</i></b>	
2. Consider the potential solvency impact of insurers' exposures, including investments, to climate-related risks.	Financial Stability (EX) Task Force
a) Recommend enhancements to regulator solvency tools, including a risk framework for addressing wildfires and flood within the property/casualty (P/C) risk-based capital (RBC) formula, modifications to the Own Risk and Solvency Assessment (ORSA), the <i>Financial Analysis Handbook</i> and the <i>Financial Condition Examiners Handbook</i> . Develop climate risk stress tests and scenario	Financial Condition (E) Committee

analyses to evaluate potential financial exposure to both the physical and transition impacts of climate change. Provide scenarios, assumptions, and parameters for the stress testing exercise.	
b) Determine methodology for quantifying insurers' exposure to climate-related investments.	Capital Markets Bureau
<b>Climate risk disclosures</b>	
<i>Participating States: Oregon (Vice Chair), Minnesota, New York, Washington</i>	
3. Consider modifications to the Climate Risk Disclosure to align with Task Force on Climate-related Financial Disclosures (TCFD) and promote uniformity in reporting requirements.	Financial Condition (E) Committee, CIPR, International Insurance Relations (G) Committee
<b>Pre-disaster mitigation</b>	
<i>Participating States: Nebraska (Vice Chair), Colorado, Florida, Hawaii, Louisiana, Minnesota, Washington</i>	
4. Participate in multi-agency/stakeholder educational efforts on coverage gaps and pre-disaster mitigation related to climate risks.	Property and Casualty Insurance (C) Committee, CIPR
5. Incentivize insurer recognition of enhanced building codes in underwriting and rating.	Property and Casualty Insurance (C) Committee, CIPR
6. Continue consumer education and awareness on coverage gap and pre-disaster mitigation related to climate risks and natural catastrophe exposure, including possible strategic partnerships.	Communications, CIPR, Property and Casualty Insurance (C) Committee
<b>Technology</b>	
<i>Participating States: Louisiana (Vice Chair), Colorado, Hawaii, Washington</i>	
7. Apply technology, such as early warning systems and predictive modeling tools, to understand and evaluate climate risk exposures.	Property and Casualty Insurance (C) Committee, CIPR
<b>Innovation</b>	
<i>Participating States: Puerto Rico (Vice Chair), Colorado, Florida, Hawaii, Washington</i>	
8. Discuss the use of innovative insurance products that respond to climate-related risks.	