

March 3, 2022

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Oregon Department of Consumer and Business Services  
350 Winter St. NE, Room 410  
Salem, OR 97309

Jennifer Gardner, Data Coordination and Statistical Analysis Manager  
National Association of Insurance Commissioners  
1100 Walnut Street, Suite 1500  
Kansas City, MO

Re: Draft Proposed Climate Risk Disclosure Survey  
Request for Public Comment

Dear Ms. Gardner & Director Stolfi:

The American Council of Life Insurers (ACLI)<sup>1</sup> appreciates this opportunity to provide comments to the National Association of Insurance Commissioners' (NAIC) Second Draft (February 23, 2022) of its Proposed Changes to the Climate Risk Disclosure Survey.

We appreciate the changes that the Workstream made in this most recent draft and the opportunity to engage with the Workstream on the public calls. We have two specific recommendations in this letter, and we are attaching a "red-lined" version of the revised survey with five additional, specific suggested changes.

Our members recommend the following:

1. Adoption in 2022, with Implementation Phased

As you and your Workstream have acknowledged, developing appropriate reporting for climate risk matters is a journey and all stakeholders – including regulators – are at various stages of that journey. While there are similarities and overlap between the existing survey and the proposed survey, the NAIC is making significant changes to the reporting requirements. Building processes to implement such changes takes significant time and resources.<sup>2</sup> Not every stakeholder is at the same place on that journey. We urge that your implementation of

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<sup>1</sup> The American Council of Life Insurers (ACLI) is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. 90 million American families rely on the life insurance industry for financial protection and retirement security. ACLI's member companies are dedicated to protecting consumers' financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, and dental, vision and other supplemental benefits. ACLI's 280 member companies represent 94 percent of industry assets in the United States.

<sup>2</sup> As the Regulatory Community knows, companies have necessary, robust processes when preparing and issuing public disclosures. These processes typically involve significant input and detailed reviews by various internal stakeholders (e.g., legal, audit, senior management and board disclosure committees). Most companies have already initiated and are implementing their 2022 required reporting.

ANDREW R. STOLFI, DIRECTOR

OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

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these significant changes take this into account.<sup>3</sup> Our members appreciate the commentary that regulators will give companies “grace” and “leeway” while completing the proposed revised survey. However, this revised survey is not a regulatory tool in the sense that no direct regulator engagement is contemplated. That is, this is a disclosure document that is intended to be published without prior regulator engagement. Therefore, our members recommend:

- The Workstream complete their charge by adopting the revised survey in 2022.
- In 2022, companies report on the same basis as was done in 2021<sup>4</sup>, with the modification that the regulatory community asks industry to make best efforts to begin reporting consistent with the revised survey (e.g., companies would respond to those TCFD questions for which they have implemented TCFD-consistent disclosure processes). Reporting in 2022 would remain public.
- Reporting in 2023 would implement the revised survey and would remain public.

This structured approach would have the further benefit of allowing the Climate & Resiliency Task Force to align the work of the Solvency and Reporting Workstreams and improve the quality of the work products.

If the Workstream believes that it does need to press forward with reporting under the revised survey in 2022, we would ask that all participating states agree that such reports need to be filed by the end of the year and not the end of August.

## 2. Take Into Account the Potential Impact of Multiple Disclosure Requirements

As has been discussed, multiple organizations are developing reporting requirements that will impact the insurance sector. We ask that the NAIC build a process to accept disclosures that are made in other formats.

Thank you for permitting us to participate in this important matter. We look forward to continuing to engage with you. Please let us know if you have any questions.

Very truly yours,



Patrick C Reeder  
Deputy General Counsel



Shelby Schoensee  
Associate Counsel



Ian Trepanier  
Policy Analyst

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<sup>3</sup> See, e.g. Task Force on Climate-related Financial Disclosures, 2021 Status Report (October 2021) at pp 27, et. seq. discussing improvement of TCFD-aligned reporting over time. <https://www.fsb.org/wp-content/uploads/P141021-1.pdf>

<sup>4</sup> The NAIC regularly uses this method of adopting and implementing. An example would be implementation of Blanks changes.