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The US Insurance Sector's Mixed Messages on Climate Change

New report details efforts to weaken emerging climate-risk regulation

Key players within the US insurance sector are actively trying to weaken or delay emerging climate-related insurance regulation at both a federal and state level, *new analysis* from climate think tank InfluenceMap shows.

The research shows that despite some of the country's major insurance companies - such as **New York Life** and **Prudential Financial** - publicly acknowledging the need to act on climate, their industry associations have been pushing the opposite message to policymakers.

This pushback from insurance sector industry associations is in contrast to the latest warnings from the IPCC, which *stated in April 2022* that "insurance payouts for catastrophes have increased significantly over the last 10 years" and that "this trend is expected to continue".

InfluenceMap Sustainable Finance Analyst Cleo Rank said: *"There's a striking disconnect between what major insurance companies are publicly saying about climate change risks and what their industry associations are telling policymakers."*

"Scientists and regulators are clear that climate change, along with associated extreme weather events, will have a material impact on the insurance sector. Yet it appears that key industry voices are pushing back on various climate-risk disclosure regulations intended to address this."

"Given that the momentum for climate-related financial regulation is expected to increase, the insurance sector's lobbying against emerging policy proposals sends a concerning signal."

The research focuses on four industry associations which have engaged with various climate-related insurance policies. These groups are the **American Property Casualty Insurance Association (APCIA)**, the **American Council of Life Insurers (ACLI)**, the **National Association of Mutual Insurance Companies (NAMIC)**, and the **Reinsurance Association of America (RAA)**.

These associations count among their members the top 10 insurance companies in the US by total assets in 2021, including **Prudential Financial**, **Berkshire Hathaway**, **MetLife**, **New York Life**, and **TIAA**.

The report details some of the conflicting messages coming from companies and their industry associations. For example, the New York-headquartered **MetLife** said climate change "represents a serious challenge that will require action from multiple stakeholders to address". It also said: "The type of risk posed by climate change is unique in human history, and we want to play our part in finding a solution".

However it is a member of the **APCIA**, which told federal regulators: "There is no foundation for assuming that climate change could result in systemic risk to the insurance industry".

It is also a member of **ACLI**, which similarly told federal regulators: “From a macroprudential perspective, it is not clear that impacts on the life insurance industry due to climate change would be transmitted to the broader financial system or necessitate government intervention”.

There has been little transparent policy engagement from the 10 companies themselves. However, lobbying reports filed with the US Congress suggest they may be more engaged than publicly available reporting shows.

The research shows the industry pushback has already been effective in delaying or watering down some proposals:

- Lobbying by all four associations successfully delayed and weakened aspects of the **National Association of Insurance Commissioners (NAIC)** 2022 redesigned Climate Risk Disclosure Survey (which is required in 15 states), including making certain questions voluntary in 2022 and removing certain scenario analysis requirements.
- In 2022, **APCIA** lobbied against a bill in California that would require insurance companies to disclose investments in and underwriting of fossil fuel-related entities. Subsequently the Insurance Committee declined to hold a hearing on the bill, effectively killing it for the legislative session.

The research details instances where negative industry lobbying has been unsuccessful. For example, a 2021 bill in Connecticut requiring insurers to disclose fossil fuel investments and exposure to climate risk, and a 2021 'guidance' in New York directing insurers to incorporate climate risk considerations into governance and decision-making.

It also points to policy work where the outcome of lobbying is yet to be determined. For example, all four industry groups have pushed back on aspects of the Federal Insurance Office’s work to “assess climate-related issues or gaps in the supervision and regulation of insurers”.

[Click here for full report](#)

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About InfluenceMap

InfluenceMap is a London-based think tank with offices in Tokyo and New York. It provides data driven analysis to investors, corporations and the media on issues related to energy and climate change. Our metrics for measuring corporate influence over climate policy are used by investors, including the global Climate Action 100+ investor engagement process.