

# United States Senate

WASHINGTON, DC 20510

May 2, 2023

The Honorable Janet Yellen  
Secretary  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, Northwest  
Washington, D.C. 20220

Dear Secretary Yellen:

In March, the Senate passed H.J. Res. 30, a joint resolution disapproving of the Department of Labor's "Prudence and Loyalty in Selecting Plan Investment and Exercising Shareholder Rights" rule. Unfortunately, President Biden vetoed this resolution.

Though this was disappointing, it was not surprising given the persistence of the Biden administration in adopting environmental, social, and governance (ESG) policies as part of its effort to force its unrealistic environmental agenda onto the American public. And while there are countless examples of irresponsible and misguided efforts to adopt ESG through various federal rules, regulations, and guidance, we write today to highlight our concerns with recent climate-related actions taken by the Department of the Treasury's Federal Insurance Office (FIO), including its proposed data climate call notice.

As you know, the FIO was created in 2010 by the Dodd-Frank Wall Street Reform and Consumer Protection Act (P.L. 111-203), and it is tasked with monitoring the insurance industry. In August 2021, the FIO published a request for information in which it sought public input on climate-related issues ranging from views on the FIO's climate priorities, like assessing gaps in the supervision and regulation of insurers, to assessing how climate change could affect the insurance market.<sup>1</sup> Furthermore, in October 2022, the FIO proposed an unworkable data collection effort to obtain certain insurance data that the FIO believes is necessary in determining what insurance coverage areas are most susceptible to climate-related risks.<sup>2</sup>

Across the nation, insurers work day in and day out to provide reliable coverage to the public to ensure they are protected when adverse weather events strike or accidents occur. And, to be clear, it is in insurers' best interest to take into account various risks – whether it be weather risks or otherwise – that could affect their customers and integrity of their policies. Therefore, it is concerning that the Biden administration is ignoring steps insurers and state insurance regulators are already taking and instead utilizing the FIO to continue pushing ESG policies as part of its unrealistic environmental agenda.

Insurance is regulated at the state level and has been over 150 years. And though the FIO's actions to date do not enact formal rules or regulations, they do place pressure on state insurance regulators and insurers themselves. We are concerned that this may ultimately result in state insurance regulators and insurers feeling coerced into adopting one-size-fits-all climate-risk mitigation policies rather than building on existing efforts to mitigate risks and manage

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<sup>1</sup> <https://www.federalregister.gov/documents/2021/08/31/2021-18713/federal-insurance-office-request-for-information-on-the-insurance-sector-and-climate-related>

<sup>2</sup> <https://home.treasury.gov/system/files/311/FIO-Proposed-Climate-Data-Call-Federal-Register-Notice.pdf>

policyholders' exposure to changing weather patterns as deemed appropriate by the insurers and state insurance regulators on the ground, which has served the industry and public well.

State insurance regulators and the National Association of Insurance Commissioners (NAIC) have long focused on requiring insurers to examine exposures to financial risks, including climate and weather risks. Additionally, the NAIC has several tools at its disposal, such as the NAIC Climate and Resiliency Task (EX) Force, the Climate Risk and Resiliency Resource Center, as well as an Insurer Climate Risk Disclosure Survey, which was adopted in 2010 and has been updated as recently as April 2022 to capture additional information.

We are not in any way writing to suggest that insurers and their state insurance regulators should not be conscientious of changing weather patterns and the industry's exposure to such. However, it is vitally important that the FIO and the entire Biden administration understand that efforts strong arming insurers and state insurance regulators into potentially adopting certain ESG strategies, all in the name of climate-risk mitigation, would have real-world impacts. These impacts would come in the form of higher compliance costs on insurers and higher premiums on Americans, all while families and businesses across our nation continue to deal with a persistent inflation crisis.

As you continue your work, it is of utmost importance that the FIO resist pressures to insert ESG policies into the heart of its work and pressure insurers and state insurance regulators into adopting tenets of the Biden administration's unrealistic environmental agenda. Instead, we hope that the FIO will recognize that insurers and state insurance regulators are best positioned to make determinations about what risk mitigation strategies (environmental or otherwise) to implement, as they have responsibly done up to this point.

Thank you for your attention to our concerns, and we hope that you will be receptive.

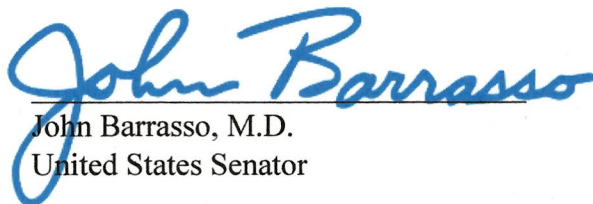
Sincerely,



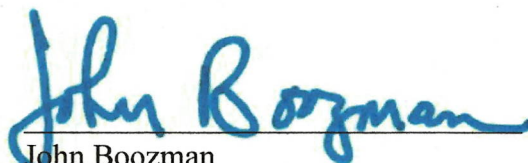
John Thune  
United States Senator



Tim Scott  
United States Senator



John Barrasso, M.D.  
United States Senator



John Boozman  
United States Senator



Mike Braun  
United States Senator



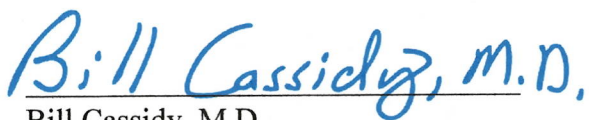
Katie Boyd Britt  
United States Senator



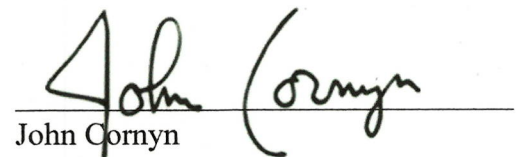
Ted Budd  
United States Senator



Shelley Moore Capito  
United States Senator



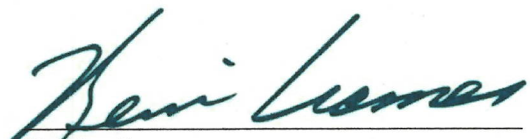
Bill Cassidy, M.D.  
United States Senator



John Cornyn  
United States Senator



Tom Cotton  
United States Senator



Kevin Cramer  
United States Senator



Mike Crapo  
United States Senator



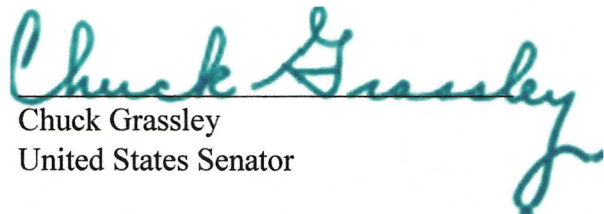
Ted Cruz  
United States Senator



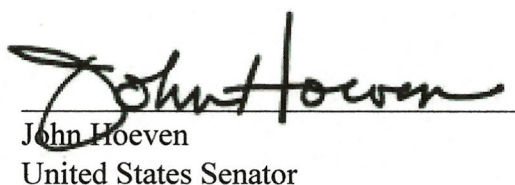
Steve Daines  
United States Senator



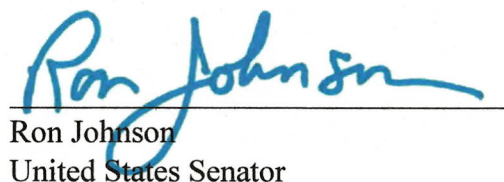
Deb Fischer  
United States Senator

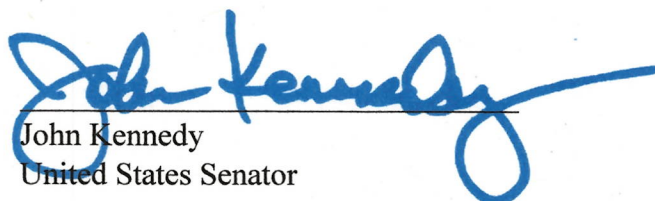
  
Chuck Grassley  
United States Senator

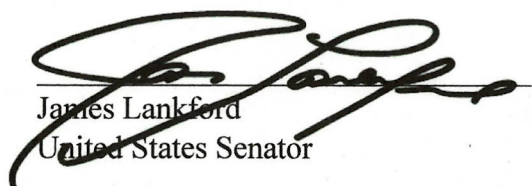
  
Bill Hagerty  
United States Senator

  
John Hoeven  
United States Senator

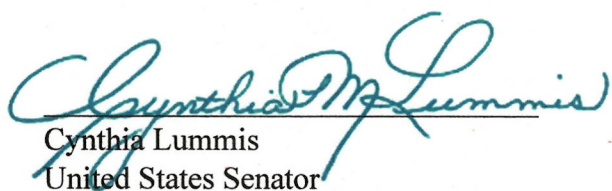
  
Cindy Hyde-Smith  
United States Senator

  
Ron Johnson  
United States Senator

  
John Kennedy  
United States Senator

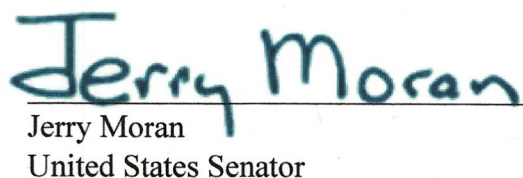
  
James Lankford  
United States Senator

  
Mike Lee  
United States Senator

  
Cynthia Lummis  
United States Senator

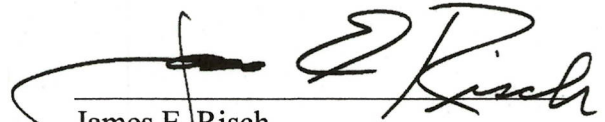
  
Joe Manchin III  
United States Senator

  
Roger Marshall, M.D.  
United States Senator

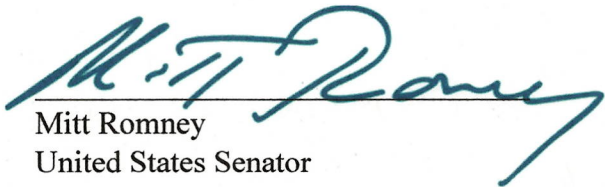
  
Jerry Moran  
United States Senator



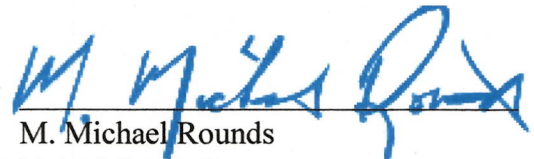
Pete Ricketts  
United States Senator



James E. Risch  
United States Senator



Mitt Romney  
United States Senator



M. Michael Rounds  
United States Senator



Marco Rubio  
United States Senator



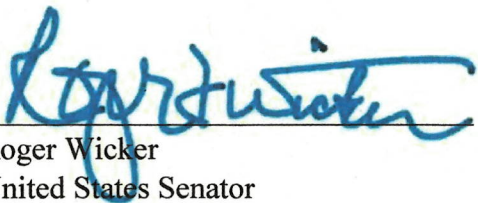
Rick Scott  
United States Senator



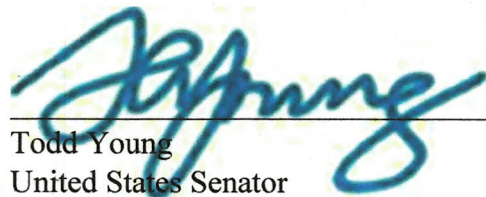
Thom Tillis  
United States Senator



JD Vance  
United States Senator



Roger Wicker  
United States Senator



Todd Young  
United States Senator