

December 4, 2023

Office of Information and Regulatory Affairs

Office of Management and Budget

Executive Office of the President

Re: OMB Control Number 1505–NEW, Federal Insurance Office Climate-Related Financial Risk Data Collection,

To Whom It May Concern,

On behalf of The Greenlining Institute, we write to express our strong support for the final proposal from the Federal Insurance Office (FIO) for "Climate-Related Financial Risk Data Collection." We urge swift approval from the Office of Management and Budget (OMB) to expedite progress in addressing the urgent challenges posed by climate change alongside the current volatility of the insurance market.

Founded in 1993, The Greenlining Institute ("Greenlining") is committed to building a just economy that is inclusive, cooperative, sustainable, participatory, fair, and healthy. We work towards a future where communities of color can build wealth, live in healthy places filled with economic opportunity, and are ready to meet the challenges posed by climate change.

In a September 2023 report entitled ["Bluelining: Climate Financial Discrimination on the Horizon,"](#) we highlight how access to insurance, and the latest public withdrawals from states like California and Florida, are early harbingers of "bluelining" - an emerging practice in which financial institutions increase prices or withdraw services from regions they perceive to be at high environmental risk. We are concerned that insurance companies and other financial institutions will balance climate-related financial risk on the backs of low-income communities and communities of color, all while continuing to finance the climate crisis with ongoing investments in fossil fuels.

The potential spread of bluelining practices is precisely why this data collection process spearheaded by the FIO is necessary. The proposed data collection is an essential step toward understanding the intersection of climate change, housing stability, and the insurance market.

While FIO has narrowed its data request from its already limited proposal, we still encourage OMB to quickly approve the final proposal such that FIO can move forward and establish this critical national baseline of data.

In the future, we recommend the following data points also be collected to increase

transparency and access to information regarding insurance coverage:

1. **Additional types of insurance (e.g. auto, renter's, etc.) affected by climate change, claims delays and underpayments, policy cancellations, and underinsurance.** Assess the impact of climate change on these additional insurance categories, examining trends in claims, delays, underpayments, policy cancellations, and underinsurance. This broader perspective will provide a comprehensive understanding of climate-related risks across different insurance sectors, enabling more informed policy decisions.
2. **Disaggregated non-renewals data to differentiate between non-renewals that are policyholder-initiated or insurer-initiated (i.e., renewals denials); information on the reason for either type of non-renewal.** This granularity will aid in identifying patterns and understanding whether non-renewals are driven by consumer choices or external factors, contributing to a more nuanced analysis.
3. **Data collection at the census tract level, including additional information needed to establish economic, racial discrimination, or other discrimination within census tracts.** This targeted approach will uncover disparities at a micro level, allowing for precise policy interventions to address climate-related insurance issues in communities facing discrimination.
4. **Data on specific companies or groups, comparisons and analysis of results across insurers, and information on the solvency of insurance companies or groups based on the data collected.** This approach will highlight variations in insurers' responses to climate-related risks and evaluate their financial health, allowing for benchmarking and identification of best practices.
5. **Data on additional policyholder types affected by climate change such as renters and mobile (manufactured) homeowners.** Recognize the unique challenges these groups face in accessing affordable insurance and recovering from climate-related events.
6. **Data on the total dollar amount of insurance deductibles.** This information is crucial for understanding the economic impact of climate-related events on individuals and communities. Analyzing deductible trends will inform strategies to enhance affordability and resilience in the face of climate risks.
7. **Data on outstanding claims or claims closed without payment.** Understanding the status of claims and payment patterns is essential for assessing the effectiveness of insurance coverage in responding to climate-related events. This data will inform strategies to expedite claim processing and improve overall insurance outcomes.

Further, we also recommend hosting field hearings across the country and roundtables with homeowners, renters, local government officials, and community-based organizations and Tribal communities to understand how climate-related insurance issues are presenting on the ground. Direct interactions will ensure a more comprehensive understanding of diverse perspectives, fostering inclusivity in policy-making.

Once again, we support FIO's moving forward with this data collection and making this data public. The ability for states, local governments, and other stakeholders to make tailored policies to protect communities from the physical and financial impacts of climate change depends on this publicly available, granular data.

Thank you for considering our comments. We remain committed to collaborating with FIO, OMB, and other stakeholders to build a more resilient and equitable financial system.

Sincerely,

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