

(carbon)plan

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Steven E. Seitz
Director, Federal Insurance Office (FIO)
U.S. Department of the Treasury
1500 Pennsylvania Avenue
NW Washington, D.C. 20220

**RE:Agency Information Collection Activities; Submission for OMB Review;
Comment Request; Federal Insurance Office Climate-Related Financial Risk
Data Collection for U.S. Homeowners Multi-Peril Underwriting Data**

Director Seitz,

Thank you for the opportunity to respond to FIO's revised data collection request.¹ As we explained in our comment on the first iteration of this solicitation,² CarbonPlan is a nonprofit research organization dedicated to improving the scientific integrity and transparency of climate solutions. Our researchers have estimated climate-driven changes in fire risk³ and extreme heat,^{4,5} produced global downscaled climate impact datasets,⁶ and documented the complicated process of physical financial-risk assessments.⁷ In support of our previous letter we also built an interactive web tool⁸ to compare the exposure to climate risks in insurance markets across states.

¹ United States Department of the Treasury, Agency Information Collection Activities: Submission for OMB Review; Comment Request; Federal Insurance Office Climate-Related Financial Risk Data Collection for U.S. Homeowners Multi-Peril Underwriting Data, 88 Federal Register 75,380 (Nov. 2, 2023).

² Sadie Frank and Oriana Chegvidden, Comment from CarbonPlan, Department of the Treasury (Dec. 19, 2022).

³ William R.L. Anderegg, Oriana Chegvidden et al., Future climate risks from stress, insects and fire across US forests, *Ecology Letters* 25: 1510-1520 (2022).

⁴ Oriana Chegvidden and Jeremy Freeman, Modeling extreme heat in a changing climate, CarbonPlan (Sep. 5, 2023).

⁵ Niko Kommenda et al., Where dangerous heat is surging, The Washington Post (Sep. 5, 2023).

⁶ Oriana Chegvidden et al., Open data and tools for multiple methods of global climate downscaling, CarbonPlan (June 30, 2022).

⁷ Oriana Chegvidden et al., A summary report on climate-related financial risk assessment, CarbonPlan (July 18, 2023).

⁸ Oriana Chegvidden and Sadie Frank, Which states' insurance markets are most exposed to climate risks?, CarbonPlan (Dec. 20, 2022).

We applaud the FIO for continuing with their data collection effort by passing it to the Office of Management and Budget (OMB) for continued review. We would like to highlight and commend several aspects of this data collection request, as well as offer further suggestions.

First, we thank you for updating the request to specifically ask for tallies of insurance non-renewals. This update will promote a better assessment of loss-of-coverage caused by insurance companies withdrawing from a market. We also appreciate the shift away from “amount of premiums” and towards “number of premiums,” a metric which will better assess smaller policies owned by lower-income individuals.

We also support the continued, annual collection of these data. As evidenced by the dramatic shifts in insurance over just the previous six months,⁹ regular monitoring will be necessary for an up-to-date understanding of insurance availability and affordability. As we detailed in our previous comment, California is experiencing dramatic losses in insurance access. Below we show rates of insurance companies dropping homeowners policies, updated from our previous comment to both include 2021 data and to display that data at the zip code level.

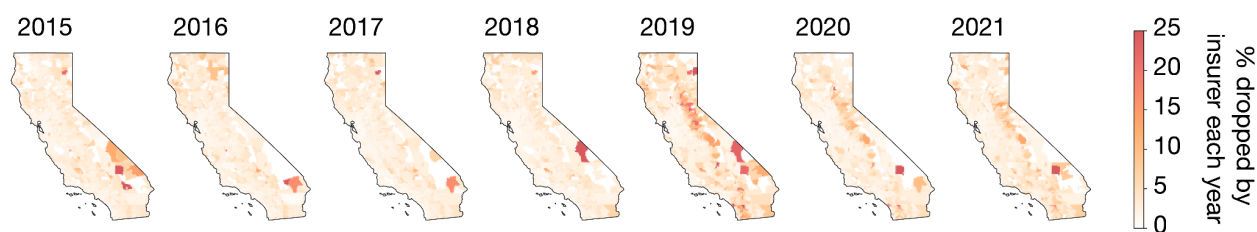


Figure 1 Changes in insurance coverage based upon publicly available data from the California Department of Insurance.¹⁰ Colors denote the zip-code level fraction of policies flagged with an insurer-initiated non-renewal.

Finally, we support the emphasis on spatially granular information. We would have preferred higher detail information (e.g. census tract) than the zip-code level proposed by FIO, and note that FIO cites census tract as the most common spatial scale recommended in their previous comments.¹¹ Nevertheless, we support the collection of spatially granular information to align with the small spatial scales at which climate risks can vary. Coarser information can obscure hot spots. For example, the county-level data from our previous letter was adequately communicated using a maximum of 15%. In contrast, the zip-code level data shown in Figure 1 required a colorbar maximum of 25%. In other words, data at a higher spatial resolution revealed even more dramatic losses in coverage.

⁹ Lindsey Griswold et al., Fire prone California homeowners left behind as insurance companies drop coverage, ABC News (November 16, 2023).

¹⁰ California Department of Insurance, Data and Analysis on Wildfires and Insurance: ZIP Code-level breakdowns of new, renewed, and non-renewal data 2015-2021.

¹¹ Federal Insurance Office, *supra* note 1.

Despite our excitement about the data request, we are disappointed that the final data will not be made publicly available. Transparency allows for greater public scrutiny of the underlying behavior. We question the sensitivity or presence of personal information in any aggregate insurance findings, particularly at the zip code level. Indeed, for comparison, the Home Mortgage Disclosure Act¹² already mandates publicly-available data at the census tract level, including information specific to each loan transaction, such as details about individual demographics, salaries, and financial institutions. Given that the FIO-collected data will be at a coarser spatial scale (zip code level as opposed to census tract level) and be aggregated across institutions, we do not understand why this data should not be publicly accessible, as well.

If the decision to not make the data public persists, we hope that the analyses and caveats to the analyses will be clearly detailed in publicly available reports. For example, which zip codes were excluded? Which companies were included in the analysis? Which zip codes were assessed and what portion of each zip code was covered? These details will be important for public interpretation of the findings.

Finally, we are also disappointed about the decision to exclude mobile homes from the analysis by only focusing on housing classification HO-3. Mobile homes tend to be occupied by the elderly, people with disabilities, and by people with lower incomes.¹³ As a result, insurance premiums comprise a larger portion of their monthly expenses. Mobile homes also tend to be located in areas prone to natural hazards such as floods, a stated focus of this data request. By excluding mobile homes from the data request, the analysis will be biased away from the most vulnerable and will miss key dynamics within areas at risk of climate change-fueled natural disasters. Thus, we suggest that mobile homes be reinstated as part of the data request. Given that mobile homes make up a small portion of the request we do not anticipate this would be a substantial burden. In exchange, the resulting data would offer a clearer picture of insurance activities in climate-risky and vulnerable communities.

Thank you again for the opportunity to comment on this data request. We are happy to provide any further support to aid in the implementation of the program.

Best regards,



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¹² Consumer Financial Protection Bureau. [Mortgage data \(HMDA\)](#).

¹³ Consumer Financial Protection Bureau Office for Older Americans. [Data Spotlight: Profiles of older adults living in mobile homes](#) (May 10, 2022).