

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,

On behalf of Public Citizen, a national public interest advocacy group, and more than 500,000 members and supporters, we welcome the opportunity to comment on the finalized climate data collection from the Federal Insurance Office (FIO). Early signs from this summer already hint at the devastating impact of insurer withdrawal on insurance markets, local and regional economies, and the financial system as a whole.<sup>1</sup> We urge the Office of Management and Budget (OMB) to approve the collection.

Granular, zip-code level data are necessary to evaluate the impacts of climate change on insurance markets. While these impacts have been growing for some time, a shocking lack of granular data on insurance premiums and claims has prevented earlier recognition of the national scale of the crisis. Anecdotal data, voluntary industry surveys, and data from last-resort programs have effectively raised the alarm this summer. Yet these data do not paint a full picture, and selective disclosures from insurers can just as easily be used to exploit a crisis as they can to solve it.

Although insurance is primarily regulated at the state level, a FIO data collection is necessary due to the absence of data available through state regulators. As a comment from five state attorneys general highlights, there remains a “dearth of information available from insurers or states assessing or evaluating the availability of insurance to vulnerable communities.”<sup>2</sup> A recent announcement from the National Association of Insurance Commissioners that it will begin assisting some states with similar data calls is a welcome development. However, the speed and scale of the crisis necessitate a comprehensive, nationwide data collection.

While this limited collection will enable FIO to create a national baseline for analytics, the changes restrict a collection that was already too narrow when first proposed. The focus on just one type of homeowners’ insurance, HO-3, leaves out a broad range of consumers and policy types impacted by climate change, including condominium, co-op and mobile homeowners, as well as renters, residual markets, and auto and business insurance. Insurers may also respond to

<sup>1</sup> Justine McDaniel, “[Citing climate change risks, Farmers is latest insurer to exit Florida](#),” Washington Post (July 12, 2023); Public Citizen, [Insurance Giant AIG to Limit Homeowners Insurance Sales; Home insurers cut natural disasters from policies as climate risks grow](#) (June 8, 2023); Jacob Bogage, “[Home insurers cut natural disasters from policies as climate risks grow](#),” (September 2, 2023).

<sup>2</sup> Attorneys General of New York, Massachusetts, Connecticut, Maryland and Oregon, “[Re: Insurance Sector and Climate-Related Financial Risks, 86 Fed. Reg. 48,814 \(Aug 31, 2021\)](#).”



climate change by transferring costs to policyholders through higher deductibles and underpaid or delayed claims.<sup>3</sup> The removal of data on deductibles and lack of data on claims closed without payment prevent FIO from fully examining the impacts of climate change.

A nationwide, zip-code level data collection is essential to enable consumers, regulators, and legislators to understand the relationship between climate disasters and the growing insurance crisis. The public cannot afford to wait for disasters to reveal further gaps in coverage and federal financial regulators cannot be left in the dark on a growing crisis. We urge OMB to swiftly approve the data collection.

Please contact Carly Fabian at [cfabian@citizen.org](mailto:cfabian@citizen.org) with any questions.

Sincerely,

Public Citizen

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<sup>3</sup> Brianna Sacks, “[Insurers slashed Hurricane Ian payouts far below damage estimates, documents and insiders reveal](#),” (March 11, 2023). Consumer Watchdog, “[Up In Smoke: How Insurance Companies and the Insurance Commissioner Burn Wildfire Victims](#),” (July 11, 2022); The New York Times, “[New Suit Uses Data to Back Racial Bias Claims Against State Farm](#),” Emily Flitter (Dec. 14, 2022).