



**California Air Resources Board
Proposed California Corporate Greenhouse Gas Reporting and Climate-Related
Financial Risk Disclosure Initial Regulation**

**Cathy Becker
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Chair Sanchez and members of the California Air Resources Board,

Thank you for this opportunity to comment on the initial regulation of the proposed California corporate greenhouse gas reporting and climate-related financial risk disclosure.

My name is Cathy Becker, and I am the Responsible Finance Campaign Director at Green America, a national nonprofit dedicated to building a more equitable and sustainable economy. We represent over 250,000 consumers and 1,500 businesses and investors nationwide.

I would first like to thank you for quickly and transparently drafting the proposed rules to establish fees, timelines, and definitions for implementing California's ground-breaking corporate greenhouse gas disclosure program. Your work will provide consumers, investors, and communities with the comparable and reliable information they need to assess how climate change is impacting companies that do business in California, and how these companies are impacting the climate by emitting planet-warming pollution.

While we fully support California's leadership in devising the nation's first corporate greenhouse gas disclosure rules, we do seek one change in the proposed rules you have drafted so far: **Please remove the proposed exemption from emissions reporting for business entities regulated by the Department of Insurance.**

As you know, California is experiencing one of the worst property insurance crises in the country, driven by the increasing frequency and severity of climate disasters.

Last year's wildfires in Los Angeles are a prime example. Immediate costs are estimated at over [\\$250 billion](#) – more than all billion-dollar climate disasters in [2024](#) combined. Yet survivors who lost their homes report difficulties in getting insurance policies that they have paid for years to cover clean-up and rebuilding costs.

[Tracking of disasters](#) costing \$1 billion or more shows an increase and frequency and severity of these storms from a few per year in the 1980s to dozens now. This has led major insurance companies to depart the state or greatly raise rates.

California is ground zero for the climate-driven insurance crisis:

- From 2018 to 2023, nonrenewal rates in California rose 82%, according to a 2024 [report](#) from the Senate Budget Committee.
- Of the 100 zip codes with the highest nonrenewal rates, 23 are in California, according to [2023 data](#) from the Federal Insurance Office.
- Californians have seen a [55.3% rise](#) in home insurance premiums from 2019 to 2024, according to LendingTree.
- Of the 100 zip codes with the highest increases in insurance premiums from 2018 to 2023, a staggering [84 are in California](#), according to FIO data.

Californians are being forced to pay thousands of dollars for landscaping and roof upgrades just to maintain insurance coverage. It's not just homeowners affected – landlords pass on these costs to renters, and small businesses are paying higher rates.

Disappearing insurance and higher rates have forced [1 in 5 Californians](#) to go without property insurance – disproportionately Latino, low-income, and young adults. Without insurance, young people cannot obtain mortgages to buy a home, affecting the entire housing market. Affordable housing is especially hard hit by rising insurance costs.

Major insurance companies are contributing to the problem

Yet even though major insurance companies are asked to pay for climate damages, they are also contributing to climate change by insuring and investing in fossil fuels.

Just as an individual cannot obtain a mortgage without property insurance, a fossil fuel company cannot get financing without an insurance certificate.

While insurance certificates for fossil fuel projects are not always available, [records show](#) that major insurance companies Liberty Mutual, AIG, Zurich, The Hartford, Travelers, and Berkshire Hathaway (parent of Geico) insure the liquified natural gas terminals across the Gulf South.

Currently operating methane export terminals and those under construction would emit annual emissions equivalent to releasing 1,287 million metric tons (MMT) of greenhouse gasses into the air, similar to adding 345 coal plants to the power grid or adding the emissions of 285,721,641 cars to the road.

The picture is even more complete for investing. As of 2019, the US insurance industry had a total of [\\$582 billion](#) invested in oil, gas, coal and other fossil fuel projects. More recently, 2024 figures from Urgewald's [Investing Climate Chaos](#), which draws data from Bloomberg and the London Stock Exchange Group, show the following:

Insurance Company	Shares (US\$)	Bonds (US\$)	# Fossil Fuel Companies	Total Investments
Berkshire Hathaway (GEICO)	\$95.4 billion	\$0.3 billion	8	\$95.8 billion
State Farm	\$10.7 billion	\$9.9 billion	65	\$20.6 billion
USAA (via Victory Capital)	\$8 billion	\$3.2 billion	282	\$11.2 billion
AIG	\$1.2 billion	\$8.5 billion	275	\$9.7 billion
Nationwide	0	\$7.2 billion	77	\$7.2 billion
Allstate	\$7 million	\$4.5 billion	111	\$4.5 billion
Travelers	0	\$1.9 billion	49	\$1.9 billion
Liberty Mutual	0	\$1.8 billion	65	\$1.8 billion
The Hartford	\$166 million	\$1.2 billion	91	\$1.3 billion

Berkshire Hathaway, which owns Geico, is especially notable here:

- It has \$95.8 billion invested in fossil fuels companies, including as the largest shareholder in Chevron
- It has no restrictions on insuring or investing in fossil fuels including coal
- Its subsidiary Berkshire Energy owns 11 coal plants and partially owns 13 more
- Its railroad ships coal all over the country
- Its CEO Warren Buffet has said climate should not be a factor in investment decisions

Clearly these large insurance companies are underwriting and investing in fossil fuels at the root of the climate crisis – which means they do carry climate-related financial risk. As such, they should be reporting their Scope 1, 2, and 3 greenhouse gas emissions.

For these reasons, we urge you to remove the exemption on large insurance companies reporting their greenhouse gas emissions under California’s climate disclosure rules.

Thank you so much for and for considering these comments.