



February 6, 2026

California Air Resources Board
1001 I Street
Sacramento, CA 95814

Subject: Insurance Industry Comments on Proposed California Corporate Greenhouse Gas Reporting and Climate-Related Financial Risk Disclosure Regulatory Text

Dear California Air Resources Board Members,

On behalf of the American Council of Life Insurers (ACLI), the American Property and Casualty Insurance Association (APCIA), the Association of California Life and Health Insurance Companies (ACLHIC), the Insured Retirement Institute (IRI), the National Association of Mutual Insurance Companies (NAMIC), and the Personal Insurance Federation of California (PIFC), we appreciate the opportunity to comment on the December 23, 2025 Proposed California Corporate Greenhouse Gas Reporting and Climate-Related Financial Risk Disclosure regulatory text.

We write in support of CARB staff's proposed approach to exempt insurers from applicability under Health and Safety Code (HSC) section 38532, consistent with the explicit statutory exemption in HSC section 38533 and as reflected in proposed sections 96071(b)(2) and 96072(a)(5).

Support for Exemption and Statutory Consistency

HSC section 38533, as enacted by the Legislature, expressly excludes business entities that are subject to regulation by the California Department of Insurance (CDI), or that are in the business of insurance in any other state. This statutory language is clear, unambiguous, and reflects legislative recognition that insurers are subject to a distinct, comprehensive regulatory framework administered by insurance regulators with subject-matter expertise in insurer solvency, risk management, and financial reporting.

CARB staff's Initial Statement of Reasons correctly notes that while HSC section 38533 contains this explicit exemption, HSC section 38532 does not. Staff's proposal to extend the same exemption to section 38532 is both reasonable and necessary to ensure continuity, coherence, and faithful implementation of legislative intent across the climate disclosure statutes. Absent such alignment, insurers could face overlapping or potentially inconsistent climate-related disclosure obligations across regulatory regimes, notwithstanding the Legislature's express decision to place insurers under the primary oversight of insurance regulators.

Existing Insurance-Specific Climate Disclosure Framework

For more than 15 years, insurers operating in California have been subject to an insurance-specific climate disclosure regime developed by the National Association of Insurance Commissioners (NAIC): the Climate Risk Disclosure Survey (CRDS). This survey was the first climate-risk reporting framework of its kind in the United States and has long provided insurance regulators, including CDI, with a detailed view of how insurers identify, assess, and manage climate-related risks.

Beginning in 2022, the NAIC substantially enhanced the CRDS to align with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The survey is now expressly structured around TCFD's four core pillars—Governance, Strategy, Risk Management, and Metrics and Targets—and is designed to elicit decision-useful, principles-based information regarding insurers' exposure to and management of climate-related risks, including evaluation of Scope 1, Scope 2, and Scope 3 emissions.

By way of illustration:

- **Governance:** The CRDS assesses board and senior management oversight of climate-related risks and opportunities, including governance structures, frequency of review, and committee responsibilities.
- **Strategy:** The CRDS examines how insurers identify and integrate climate-related risks and opportunities into business strategy, including the use of scenario analysis and long-term resilience planning.
- **Risk Management:** The CRDS evaluates insurer processes for identifying, assessing, monitoring, and managing climate-related risks within enterprise risk management frameworks.
- **Metrics and Targets:** The CRDS requests information regarding metrics and targets used by insurers to assess and manage climate-related risks, including discussion of greenhouse gas emissions, as well as information on targets, timelines, and internal methodologies used for tracking progress.

This established framework already provides regulators with robust, standardized, and insurance-relevant climate disclosures tailored to the unique risk profile and business model of insurers.

Appropriate Regulatory Jurisdiction

The proposed exemption appropriately recognizes CDI's primary jurisdiction over insurer financial and risk disclosures. Insurance regulation is fundamentally different from regulation of other corporate sectors, particularly with respect to capital adequacy, solvency, group supervision, and systemic risk. CDI, in coordination with the NAIC, is uniquely positioned to evaluate climate-related risks in a manner that is integrated with these prudential considerations.

Exempting insurers from CARB-administered reporting under HSC sections 96071(b)(2) and 96072(a)(5) avoids duplicative regulation while preserving robust climate risk oversight through the existing insurance regulatory framework.

Application of the Exemption at the Insurance Group Level

Consistent with our prior comments, we respectfully reiterate that HSC sections 38532(c)(2)(A)(iii) and 38533(b)(2) support applying the insurance exemption at the insurance

group level where an insurer's CRDS filing incorporates or will incorporate disclosures for subsidiaries (including non-insurance subsidiaries) or affiliates, including any affiliates that provide specific functions in support of the insurance companies' operations. In practice, CRDS submissions frequently include information that extends beyond the regulated insurer entity to encompass non-insurance affiliates within the same corporate group.

Codifying this approach in the final regulations would reflect existing regulatory practice, remain faithful to statutory intent, and avoid the imposition of duplicative or inconsistent reporting obligations on affiliated entities whose climate disclosures are already captured through the insurer's CRDS filing.

Conclusion

We appreciate CARB's thoughtful and pragmatic approach to implementing SB 253 and SB 261 and its continued engagement with stakeholders. We support the proposed regulatory text exempting insurers from applicability under both HSC sections 96071(b)(2) and 96072(a)(5) and respectfully request that CARB finalize the exemption as proposed, including clarifications confirming its application at the insurance group level.

We remain committed to transparent, reliable, and decision-useful climate risk reporting and look forward to continued collaboration as these regulations are finalized.

Respectfully submitted,

American Council of Life Insurers (ACLI) - John Mangan
American Property Casualty Insurance Association (APCIA) - Denneile Ritter
Association of California Life and Health Insurance Companies (ACLHIC) - Matthew Powers
Insured Retirement Institute (IRI) - Sarah Wood
National Association of Mutual Insurance Companies (NAMIC) - Christian Rataj
Personal Insurance Federation of California (PIFC) - Seren Taylor