

**Testimony of Tom Swan**

**Before the Insurance and Real Estate Committee**

**March 5, 2020**

**Regarding**

**S.B. 345 AN ACT REQUIRING THE INSURANCE COMMISSIONER TO STUDY AND REPORT ON ISSUES CONCERNING CLIMATE CHANGE**

**S.B. 346 AN ACT CONCERNING PUBLIC OPTIONS FOR HEALTH CARE IN CONNECTICUT**

Senator Lesser, Representative Scanlon and other members of the Committee my name is Tom Swan and I am the Executive Director of the Connecticut Citizen Action Group. On behalf of our thousands of members statewide I want to applaud you for holding today's hearing on arguably two of the most important issues facing families throughout Connecticut and the nation.

The first bill I want to testify on today is **S.B. 345 AN ACT REQUIRING THE INSURANCE COMMISSIONER TO STUDY AND REPORT ON ISSUES CONCERNING CLIMATE CHANGE**. SB 345 has the Connecticut Insurance Commissioner to collect information from insurers for a report on Connecticut insurance companies' investments in fossil fuels, insurance underwriting of fossil fuel projects and companies, and exposure to climate risk in their investments.

Contrary to the view of some people, CCAG believes that many types of insurance are a vital piece our economy and in protecting people and businesses. It is not a stretch to say that climate change has already cost insurers billions of dollars in claims and that the potential threats to different lines of insurance is catastrophic. In addition, their investments in fossil fuels are becoming more volatile too.

We are starting to see rapid changes in how the industry is approaching climate change too around the world. This includes the Hartford where in 2019 they became the fourth insurer to adopt a policy on coal and the second to restrict tar sands.

SB 345 builds on the Climate Risk Carbon Initiative developed by the California Department of Insurance that launched a data call for insurers' fossil fuel investments. Transparency on the fossil fuel portfolios of insurance companies as well as company's analyses of investment portfolio exposure to climate risk is critical to customers, shareholders and the climate.

Connecticut wants to remain the insurance capitol of the world and to do so we need make sure people understand we are committed to ensuring the long-term viability of the industry and specific companies. SB 345 takes some small, but significant steps in doing so.

The second bill **S.B. 346 AN ACT CONCERNING PUBLIC OPTIONS FOR HEALTH CARE IN CONNECTICUT**. CCAG strongly supports the adoption of a Connecticut Plan. We believe that leveraging the state's purchasing power to assist small businesses, nonprofits and Taft Hartley plans in being able afford quality, comprehensive health insurance is arguably the most significant thing we can do to encourage economic growth as a state.

The Comptroller's office has done a very good job in reigning in costs and in designing a plan that emphasizes wellness. To offer this a choice for small businesses will help these businesses whether they choose to participate in the Connecticut Plan or not. The plan is being administered by a third party in much of the same manner as the standard offer in electricity.

Giving people a choice is not a radical idea. The fact that the opponents from industry are utilizing blatant lies about the proposal show their position is indefensible.

High deductible plans, hybrid/reinsurance schemes and surprise bills will not provide people with the type of stability and peace of mind for small businesses, their employees and families deserve and need. Furthermore, they have turned doctor offices into collection agencies. People are looking to you for help and the Connecticut Plan is a concrete step that you can take.

There are a number of other bills on your agenda that we also support and want to work with you on. These include drug pricing including reimportation and cost containment that we will not offer testimony on today, but support.