



November 15, 2021

Submitted via www.regulations.gov

Steven Seitz, Director
Federal Insurance Office
Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Re: Federal Insurance Office Request for Information on the Insurance Sector and Climate-Related Financial Risks

Dear Director Seitz:

On behalf of the National Association of Professional Insurance Agents (PIA)¹, thank you for the opportunity to comment on the Federal Insurance Office (FIO) [Request for Information \(RFI\) on the Insurance Sector and Climate-Related Financial Risks](#).

As you know, PIA opposed the existence of the FIO from the time it was created as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. In 2016, PIA became the first national insurance association to call for the repeal of the FIO, and we have marshaled our resources toward that end ever since.

Insurance is regulated by the states because state regulators have comparatively greater familiarity with and dexterity necessary to address their residents' geographic and economic needs. For over a century, the state insurance regulatory system has worked well for insurance consumers and the industry. As long as the FIO continues to exist, it will remain a threat to state-based insurance regulation. The FIO has been permitted to accrue more power over time, effectively demanding an ever-increasing federal role in insurance regulation. Throughout the 11 years of its existence, the FIO has sought to expand its mandate in ways that each constitute an overreach by the federal government into an area already properly and well regulated by the states.

The FIO's domain expanded earlier this year with the promulgation of the administration's [May 20 Executive Order \(EO\) on Climate-Related Financial Risk](#). The May 20 EO assigned to the FIO the task of assessing "climate-related issues or gaps in the supervision and regulation of

¹ PIA is a national trade association founded in 1931 that represents member insurance agents in all 50 states, Puerto Rico, Guam, and the District of Columbia. PIA members are small business owners and insurance professionals all over America.

insurers,” among others, even though the insurance industry has a long, successful history of being regulated by the individual states, not the federal government. As [we said at the time](#), if a climate assessment is warranted, it should be conducted by state insurance regulators.

The RFI invites respondents to answer a series of questions on this issue, but PIA remains opposed to the EO from which this RFI now emanates and thus cannot recommend ways for FIO to assess and implement its action items. PIA recognizes and appreciates the administration’s attention to the potential effect of climate change on consumer protection and carrier solvency issues and supports the idea of identifying risk factors in the insurance industry that could exacerbate the effects of climate change. However, the FIO does not have the statutory authority to make inquiries into climate-related gaps in insurance industry regulation and should not attempt to do so.

As always, we are grateful for the opportunity to provide the independent agent perspective. Please contact me at lpachman@pianational.org or (202) 431-1414 with any questions or concerns. Thank you for your time and consideration.

Sincerely,

A handwritten signature in dark ink, reading "Lauren G. Pachman". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Lauren G. Pachman
Counsel and Director of Regulatory Affairs
National Association of Professional Insurance Agents