



July 23, 2009

The Honorable Barbara Boxer
United States Senate
112 Hart Senate Office Building
Washington, DC 20510

Dear Senator Boxer:

As you know and have highlighted through your leadership over the past few years, unmitigated climate change brings with it increased risk from natural disasters. Most of the world's foremost scientists have warned that global warming-induced climate fluctuations are likely to cause catastrophic damage, droughts, intensified storms, rising seas, and other potentially cataclysmic problems.

In recognition of these threats and the need to address them through legislative and other actions, we want to bring to your attention a new report entitled "The Insurance Industry and Climate Change - Contribution to the Global Debate" which for the first time states that "the leaders of the world's largest insurance companies, as represented in The Geneva Association, have identified climate change as their joint long-term priority number one." We strongly urge you to read the Geneva Association report which can be found at [http://www.genevaassociation.org/PDF/Geneva_Reports/Geneva_report\[2\].pdf](http://www.genevaassociation.org/PDF/Geneva_Reports/Geneva_report[2].pdf).

As leaders of environmental organizations and insurance companies, we are in strong agreement on the urgent need to move away from the carbon economy. We recognize the importance of crafting policies that promote the use of carbon reducing technologies and using various insurance policies to encourage climate enhancing decisions and to discourage activities that contribute to climate change. Likewise, it must be recognized that risk based insurance pricing provides an important deterrent to unwise economic activity in environmentally sensitive areas.

We are encouraged by the report from the International Association for the Study of Insurance Economics ("The Geneva Association"), a global organization composed of the CEOs from the world's top insurance companies. This report highlights the understanding that the insurance industry must continue to take significant steps towards mitigating the effects climate change. Climate change threatens the insurance industry and its customers by significantly increasing both risk and losses. The report suggests, for example, creating innovative insurance contracts "with incentives for prevention or sufficiency solutions" in the areas of improved energy performance, automobile insurance, flood liability and food product liability (incentivizing solar-cooled refrigeration delivery vehicles being one example).

Environmental organizations and insurance companies are working together to increase awareness among businesses, building owners, home owners and others about the potentially significant economic losses

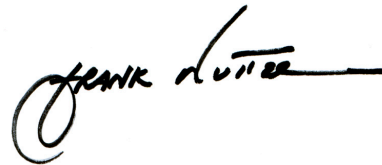
caused by climate change. In this regard, the CEO members of the Geneva Association have issued an industry statement focused on the implications of climate change and the opportunity for the insurance industry to help lead and address the changes that need to be made to move to a low-carbon economy.

The insurance industry will continue to be an unparalleled source of expertise in the area of risk management. As we look to address climate change, we must also search for ways to reduce the risks caused by its immediate and future effects. Insurers are able to offer experience and insight into the risks posed by environmental changes worldwide. As you consider climate change legislation, we sincerely hope you will consider utilizing federal risk assessment, pre-disaster mitigation, emergency response, and existing public insurance programs' risk underwriting to mitigate the impacts of climate change. We also sincerely hope that we can assist you in crafting both the best and most workable solutions.

Sincerely,



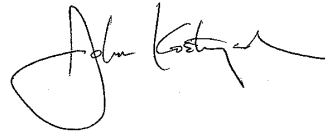
Bradley Kading
President and Executive Director
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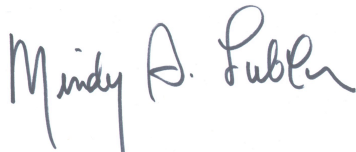
Franklin Nutter
President
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Carl Pope
Executive Director
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John Kostyack
Executive Director
Wildlife Conservation and Global Warming
National Wildlife Federation



Mindy Lubber
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