



March 14, 2025

California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**Subject: Comments on Implementation of SB 253 and SB 261**

To Whom it May Concern:

As representatives of the life and health insurance industry, retirement service providers, and a variety of other participants in the financial services industry, the American Council of Life Insurers (ACLI), the Association of California Life and Health Insurance Companies (ACLHIC), and the Insured Retirement Institute (IRI), appreciate the opportunity to provide comments on CARB's implementation of Senate Bills 253 and 261, as amended by SB 219.

Our organizations represent companies committed to responsible environmental, social, and governance (ESG) practices. Since 2012, we have been national and international leaders in climate disclosures by participating in the insurance industry-specific Climate Risk Disclosure Survey (CRDS) as developed by the National Association of Insurance Commissioners (NAIC) and administered jointly by the California Department of Insurance (CDI) and other states.

As a starting point, we are broadly aligned with comments submitted by the California Chamber of Commerce and other business trades. However, with this letter, we would like to highlight several specific insurance issues that we believe will help further CARB's efforts to develop a clear and effective regulatory framework.

**SB 261: Covered Entity Exemption and Parent Subsidiary Relationship**

As noted above, since 2012 insurers have filed CRDS reports with the CDI. In 2022, the NAIC adopted new CRDS standards that align with the Task Force on Climate-Related Financial Disclosures (TCFD). Recognizing this, HSC 38533(a)(4) explicitly exempts businesses regulated by the CDI or engaged in the insurance industry in any other state from additional climate reporting.

This exemption intends to prevent insurers from having to submit redundant climate reports. However, many of our member companies operate under complex structures that include parent and subsidiary companies, which are already covered by the insurance-specific CRDS.

To address this, we request that CARB clarify through regulation that insurers, insurance holding companies, and their subsidiaries (including broker-dealers) are not considered covered entities under SB 261. Notably, HSC 38533(b)(2) allows for consolidated reporting, suggesting that the same principle should apply to the exemption under (a)(4).

**SB 253: Timing and Alignment with International Standards**

Regarding question 3(b) on minimizing duplication for reporting entities, we respectfully request that CARB allow in-scope entities the flexibility to file reports at any time within the calendar year in which they are due. Since insurer's CRDS reports are submitted annually to CDI by August 31, giving entities the flexibility to



align their SB 253 submissions with other reporting timelines or internal processes would help reduce redundancy and administrative burden.

Additionally, we urge CARB to provide the broadest possible flexibility for entities to meet SB 253 requirements if their Scope 1, 2, and 3 data is already reported through other mechanisms. For instance, entities that choose to incorporate SB 253 data into their CRDS or another non-U.S. reporting framework should be permitted to rely on this reporting to satisfy California requirements, under the proposed regulations. Allowing such alignment would ensure efficiency while maintaining robust disclosure standards.

**Conclusion:**

We appreciate CARB's stakeholder engagement and commitment to developing a balanced and effective regulatory approach. The insurance and retirement industry has been at the forefront of climate reporting for nearly a decade and a half, and we are committed to continuing to provide our customers, investors and regulators with accurate and timely information.

Thank you for considering these comments, and we welcome the opportunity for further discussion. Please feel free to contact us with any questions.

Sincerely,

John Mangan, American Council of Life Insurers  
Matthew Powers, Association of California Life and Health Insurance Companies  
Sarah Wood, Insured Retirement Institute