
Governor's Council on Climate Change (GC3)
NAME OF WORKING GROUP
MEETING MINUTES

May 15, 2020
9:00 pm - 11:00 am
Zoom Meeting

ATTENDANCE

Working Group Member	Title	Organization	Present
Rebecca French, Co-Chair	Director of Resilience	CT Dept. of Housing	X
Andrew Mais, Co-Chair, represented by George Bradner, Director, Property and Casualty Division	Commissioner	CT Insurance Department	X
David Lehman, Co-Chair, represented by Deputy Commissioner Alexandra Baum	Commissioner	CT Dept. of Economic and Community Development	X
Bryan Garcia, Co-Chair	President and CEO	CT Green Bank	X
George Kral	Town Planner	Town of Guilford	
Joseph MacDougald	Executive Director	UConn Law School Center for Energy and	X
Claire Coleman	Undersecretary for Legal Affairs	CT Office of Policy and Management	X
James O'Donnell	Executive Director	CT Institute for Resilience and Climate Adaptation	X
David Sutherland	Director of Government Relations	The Nature Conservancy	X
Curt Johnson	President	Save the Sound	X
Kathy Dorgan	Principal	Dorgan Architecture & Planning	X
Wayne Cobleigh	Vice President, Client Services	GZE Geoenvironmental, Inc.	X
Dean Audet	Senior Water Resources Engineer	Fuss & O'Neill	X
Robert LaFrance		Audubon CT	X
Adrienne Farrar Houël	President and CEO	Greater Bridgeport Community Enterprises	X
Jennifer O'Brien	Program Director	Community Foundation for Eastern CT	X
James Albis	Senior Advisor to Commissioner Katie Dykes	DEEP	X

Associated Staff	Title	Organization	Present
Mary-beth Hart	Sr. Environmental Planner	DEEP	X
Patrick Brown		The Hartford	X
Dan Post		The Hartford	X
Julia Feldman		The Hartford	X
Rick Pena		The Hartford	X
Bill Redington		The Hartford	X
Joey Wraithwall		The Nature Conservancy	X

AGENDA & NOTES

Welcome and Announcements

Facilitated by Co-Chairs

Rebecca French began this meeting via the Zoom platform at approximately 9:06 AM and introduced the agenda for the meeting. The agenda has been posted on the same page as these minutes.

Recap of April 21 Webinar with the Rhode Island Infrastructure Bank

Facilitated by Co-chair Bryan Garcia

- Bryan Garcia provided a summary of the April 21 presentation.
 - Good turnout on the webinar, about 30 attendees. Jeff Diehl and Sean O'Rourke from Rhode Island Infrastructure Bank participated in the webinar.
 - Discussed Resilient Rhody and why climate resilience was important to Rhode Island.
 - Resilient Rhody laid out broad themes underneath the framework of resilience, including natural systems, community health, emergency preparedness, critical infrastructure, and utilities.
 - Resilient Rhody report included a chart of public and private sources of funds to finance climate resilience projects. This resembles one of the main deliverables of the Financing Adaptation and Resilience Working Group. Some key sources include federal funding, local and state bonding, and private sources.
 - Rhode Island Municipal Resilience Program –partnership and grant opportunity with The Nature Conservancy to provide technical assistance for planning and identifying resilience projects for municipalities.
- Rebecca French noted that a key difference between Rhode Island and Connecticut was that Clean Water Funds and drinking water funds in Rhode Island are run through the Rhode Island Infrastructure Bank, while in Connecticut they are split between DEEP (Clean Water Fund) and DPH (drinking water).
- Rebecca also noted that both The Nature Conservancy and the CT Department of Housing have been doing similar work around municipal resilience planning in Connecticut.
- David Sutherland (The Nature Conservancy) added that the COGs and CIRCA have also played a big role. TNC has begun to understand that they can't just look at conservation as a conservation organization. To be a truly successful conservation organization they need to look at a lot of different solutions for communities.
- Bryan Garcia asked if TNC would be willing to do a presentation on TNC's municipal-level work. David Sutherland agreed to do so.
- Wayne Cobleigh noted that Rhode Island residents recently supported perhaps \$40 million for the Infrastructure Bank in a referendum. He also noted that a locality in MA has identified food security as a key resilience issue during the pandemic. Highlights the difference between social vulnerabilities and physical vulnerabilities.

Equity and Environmental Justice – Who is Most Vulnerable and How Do We Know?

Facilitated by Equity and Environmental Justice Working Group Members

- Bryan Garcia noted that the EEJ working group has been reaching out to the other working groups to ensure that equity was adequately being considered and that vulnerable communities were part of the decision-making process.
- Adrienne Houël addressed the question about who is most vulnerable and how we know. There is a multi-dimensional response. Dimensions: economics, geography (poor communities

situated near old industrial centers), societal (racism and cultural isolation), and health.

- Need to ensure transparency, equality in decision-making with vulnerable communities to be successful in addressing their challenges.
- This is obviously more difficult during the Zoom Era.
- We can use heat maps to identify the vulnerable communities, so we know who they are.
- There was a discussion about energy efficiency funding and weatherization and using funds for providing weatherization services so that homeowners can access energy efficiency funding.
- Bryan Garcia said there is a need to reconnect with Edith Pestana at DEEP to figure out what is the best methodology for reaching vulnerable communities during the pandemic.
- Bryan also suggested that if the Financing Adaptation and Resilience Working Group were to develop a table financing sources like Resilient Rhody, the table could include equity assessments of each financing source.
- Kathy Dorgan noted that the latest thinking in resilience is that social capital is just as important as physical infrastructure. We haven't invested as a state in a resource that is an organization of community development groups like some of our neighboring states like MA and NY.
- Adrienne noted that there are lots of these groups that exist, we need to create that network that connects them.
- The conversation ended with a recognition that the working group needs to do some more work to connect the EEJ dots and that there will be continued discussions on how to do so.

Agenda Item(s)

Insurance Underwriting Products to Support Climate Mitigation Projects

Facilitated by Patrick Brown, The Hartford

- Rebecca French introduced the theme of the day, which is insurance. She introduced Patrick Brown from the Hartford, who is a GC3 member though not on this working group.
- Patrick Brown introduced his colleagues who have joined him for this discussion: Dan Post (personal lines product group), Julia Feldman (personal lines product group), Rick Pena (head of energy practice), Bill Redington (specialty/casualty/reinsurance).
- Dan and Julia started the conversation. Dan introduced The Hartford as a company that has environmental sustainability as part of its mission.
- Julia introduced The Hartford's home advantage products.
 - Green Rebuilding Coverage. Optional endorsement. Intent is to help enable the homeowner to take a loss as an opportunity to upgrade to more environmentally friendly materials or equipment, or use more environmentally sound practices. Provides additional funding at the time of the loss to do just that.
 - Curt Johnson: does this have any connection to the Home Energy Solutions program? A: Don't have a requirement that the homeowner participate in some type of audit at the time of loss.
 - Wayne Cobleigh: NFIP doesn't cover contents of basement. Say a flood destroyed a boiler. Does this insurance allow you to change from a fuel oil boiler to a heat source air pump? A: Only covers losses under the homeowners policy so would not cover a flood. WC: What if it wasn't a flood? A: Wear and tear not covered.
 - Equipment Breakdown Coverage. Adds the peril to a standard homeowners policy for mechanical or electrical breakdowns, including power surge impacts. These

perils are excluded under standard homeowners policies. Allows for deductible payment to replace equipment rather than full cost. Can replace older units with newer units. There is a green upgrade option that gives you 25% more funds to upgrade to a more energy efficient or environmentally friendly appliance.

- Rick Pena led the discussion on underwriting in energy. The Hartford has been in the energy business for the past 3 years. They underwrite a lot of wind projects – construction, installation, and maintenance. In the solar space they are in the commercial and residential space. Battery storage is another space they are involved in. The Hartford took a position that if they have corporate customers with more than 25% electricity generated by fossil fuels, that they will move away from those companies at renewal time. Power utilities – involved in power cooperatives.
- Patrick Brown added that they are also reviewing policies related to extraction of oil from tar sands in terms of whether or not to renew.
- Bill Redington then discussed reinsurance. Works on treaties, which are large contracts for insurance for insurance companies (reinsurance). Works on reinsurance coverage for pollution liability, tank farms, architects for professional liability for LEED-designed buildings, among other things.
- Rebecca French noted that insurance seems to have a broad scope, from the individual homeowner level and insuring items valued at a few hundred to a few thousand dollars, to large solar and wind farms, to insuring the insurers. Different than a regulatory environment where you are required to meet a certain standard. Insurance is more of an incentive to do things better and smarter.
- Multiple speakers from The Hartford noted that their role is to participate in risk transfer. Ultimately risk is a transaction of covering risk for a premium. Ultimately want to reduce risk.
- Rob LaFrance asked if reinsurers made any investments to reduce risk. A: Not necessarily in the way you're considering it, but surety bonds for reclamation projects are reinsurance treaties' capital at risk.
- Joey Wraithwall asked if insurers risk assessment algorithms allow for private investment to change their assessment of premiums. A: Not at this point unless there was a direct impact on an individual risk. Could be a future state.
- Joe MacDougald asked about product development in regards to COVID – if there is a risk that is hard to predict like this one, how do you think about products that would be able to help? A: Those discussions are happening now.
- George Bradner added that we tend to be reactive to risks like pandemics and earthquakes rather than proactive.

Insurance as Climate Adaptation Strategy: Incentivizing Avoiding Risk and Insuring Unavoidable Risk

Facilitated George Bradner, Connecticut Insurance Department

- George Bradner introduced himself as the Director of Property and Casualty at the CT Insurance Department.
- What we've learned from events in CT is that we need to help communities recover more quickly from catastrophic events. Long term recovery planning is critical.
- Flood insurance rate in northeast is horrific – about 20% of homeowners and businesses who are eligible for flood insurance purchase it. In events like Sandy, 90% of the loss was due to flood. Community flood program could be extremely valuable, where a community could purchase flood insurance on behalf of its residents and assess their residents the

premium. Could work in concert with FEMA's Community Rating System. Could save costs for communities.

- Institute for Business and Home Safety has resilience ratings for buildings that can lead to insurance savings. Usually more helpful in southern states because the savings are bigger. Are there other ways that we can incentivize this type of behavior in CT?
- George brought up a presentation on Buyers-Bewhere.com, a way for a prospective homebuyer to understand the level of risk that is present in a particular property or neighborhood. Presents risk scores for properties in selected US cities. The website also provides educational information on actions that prospective homeowners can take that would reduce risks at that property.
- Curt Johnson: Has the community flood program occurred anywhere else? A: No.
- Rebecca French: Insurance can be both a way to finance incentives or behavior change, but a behavioral adaptation can also be to purchase flood insurance and making sure people insure for losses.
- Adrienne Houël: vulnerable communities are going to have difficulties meeting any requirements for lowering insurance premiums.
- Bryan Garcia put forward a couple of takeaways: 1) insurance should be in our financing solutions toolset, and 2) the application of the equity lens across that tool.

Insurance Companies as Employers in Connecticut

Facilitated by Patrick Brown, The Hartford

- This discussion was deferred to a future meeting.

Working Group Discussion

Facilitated by Rebecca French, Connecticut Department of Housing

- Discussed future meeting topics. Nature-based solutions discussion in June organized by Curt Johnson, embedding resilience in existing state and federal programs the following month organized by Bryan Garcia.
- David Sutherland offered to make his presentation on municipal work in either of these meetings.
- Rob LaFrance offered to have a discussion about the municipal option for funding open space at a future meeting.
- Rebecca asked for the next meeting to devote some time at the beginning to discuss the GC3 Table of Contents and the working group's progress.
- June 12th 9-11 am was agreed as the next meeting date.

Public comments

- **No public comments**

NOTE: Slides are available on GC3 web page: www.ct.gov/deep/gc3