

March 13, 2026

Senator Lopes, Representative Parker, and distinguished members of the Environment Committee,

My name is Alex Martin and I am the Policy Director for Climate Finance at Americans for Financial Reform, a nonpartisan and nonprofit coalition working to lay the foundation for a strong, stable, and ethical financial system—one that serves the economy and the nation as a whole.

I am here to testify in strong support of S.B. 453 An Act Concerning A Climate Change Related Surcharge on Certain Insurance Policies.

The insurance industry has known for decades that its investments and underwriting of the fossil fuel industry would contribute to greater climate-related costs for its property insurance customers.¹ In spite of that, insurance companies have continued to provide substantial financial support for fossil fuel expansion,² even as many households are reaching their breaking point and cannot afford the rising cost of their home insurance policies.³

As climate change has predictably driven rising disaster costs in recent years, insurers have largely settled on a strategy of hiking prices on homeowners, sometimes by hundreds of dollars year over year,⁴ closing more property insurance claims without any payment,⁵ and retreating from certain communities altogether,⁶ rather than working with homeowners and communities to lower their risks and costs by building climate resilience.⁷ This strategy has resulted in insurers maintaining substantial profits, including near-record underwriting profit nationwide across all property insurance lines in 2025,⁸ while people face an affordability crisis. This is not a sustainable path forward.

¹ Marcus Baram. [“How big insurance’s investments in fossil fuels came back to bite it.”](#) Yale Climate Communications. January 31, 2025.

Munich Re. [“50 years of nat cat risk research.”](#) July 31, 2024.

² Investing in Climate Chaos. Urgewald. [“Fossil Fuel Investment Report.”](#) August 9, 2024; Ceres. [“New Research Shows Insurance Sector has Significant Exposure to Fossil Fuel Assets Despite Vulnerability to Climate Change.”](#) September 13, 2023.

³ Rising insurance premiums are responsible for higher credit card debt, higher credit card default rates, and higher mortgage delinquency rates. See e.g. AFREF and Public Citizen. [“Rising Property Insurance Premiums: The Uneven Risks to Households.”](#) September 18, 2025.

⁴ Cornelissen, Sharon *et al.* Consumer Federation of America [“Overburdened: The Dramatic Increase in Homeowners Insurance.”](#) April 2025; [“Natural Disasters Blamed as Home Insurance Projected to Rise 8% in 2025.”](#) *Rethinking65*. May 19, 2025.

⁵ Weiss Ratings, [“14 Large U.S. Insurers Closed Nearly Half of Homeowner Claims with No Payment in 2024.”](#) June 11, 2025.

⁶ Christopher Flavelle. [“Insurers Are Deserting Homeowners as Climate Shocks Worsen.”](#) New York Times. December 18, 2024.

⁷ For trends in insurance retreat, see the U.S. Department of Treasury Report: [“Analyses of U.S. Homeowners Insurance Markets, 2018-2022: Climate-Related Risks and Other Factors.”](#) January 2025.

⁸ Jean Eaglesham, [“The Uproar Over Affordability Is Coming for Insurers.”](#) *Wall Street Journal*. January 22, 2026. Projection of underwriting profit from Fitch Ratings.

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By enacting this bill, Connecticut can recover a small share of the profits from fossil fuel-related insurance transactions and redirect that funding where it's needed most. Connecticut needs to build climate resilience so residents' homes and communities are better able to withstand the increasing severity and frequency of climate disasters. These investments in adaptation are proven to be effective at lowering risk and should translate to lower insurance costs for the public. The US Chamber of Commerce and Allstate found in 2024 that every \$1 spent on adaptation and resilience generates \$13 in savings on damages, cleanup costs and economic impact.⁹

As the need to build climate resilience grows, it shouldn't be the people of Connecticut footing the bill; the industries that are responsible for driving climate change need to pay their fair share. We urge the committee to pass S.B. 453.

Thank you for your time and support on this issue.

Alex Martin
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⁹ U.S. Chamber of Commerce, Allstate, and the U.S. Chamber of Commerce Foundation. "[The Preparedness Payoff: The Economic Benefits of Investing in Climate Resilience.](#)" 2024.