

Testimony of Representative Frank I. Smizik
Before the Committee on Financial Services
In support of House Bill 1080

An Act to Establish a Working Group to Assess the Risks as a Result of Global Warming

October 9, 2007

What is the problem: As we have seen multiple times in recent years, most notably in the twin hurricanes that struck and badly damaged huge swaths of the Gulf Coast in 2005, man-made global warming is resulting in dramatic changes in climate and weather patterns across the country. Massachusetts is by no means exempt from the consequences of these changes, and insurance companies doing business in the Commonwealth well know it. For example, homeowners on Cape Cod are currently facing exorbitant insurance rate increases, put in place by companies fearing the region's heightened susceptibility to coastal storms due to climate change.

What this bill does: **This bill would** cause the Commonwealth to convene a special working group for the purpose of conducting an insurance risk assessment of the potential consequences of climate change in Massachusetts.

Why this bill is important: It is critical to our state's economic health that we identify potential sources of insurance loss exposure as a result of climate change in Massachusetts, including but not limited to potential climate change-related health, property and liability insurance losses, and predict measurements of the financial consequences of those losses occurring at five, ten, twenty, and fifty year increments. The first step in addressing any looming challenge is to fully understand it, and undertaking the assessment proposed in H1080 will provide us with the baseline information we need to make further policy changes as are necessary.