



JURISDICTION: US – CALIFORNIA

AUTHORITY: CALIFORNIA DEPARTMENT OF INSURANCE

Background

The [California Department of Insurance](#) (CDI) was created in 1868 as part of a national system of state-based insurance regulation. The insurance marketplace has changed dramatically over time, but consumer protection continues to be the core of CDI's mission.

Today, CDI is the largest consumer protection agency in the state. With annual direct premiums of US\$310 billion, California is the largest insurance market in the United States and the fourth largest insurance market in the world.

All of CDI's functions, including overseeing insurer solvency, licensing agents and brokers, conducting market conduct reviews, resolving consumer complaints, and investigating and prosecuting insurance fraud, are to protect consumers.

Consumers, insurance companies, and licensees rely on CDI to ensure that insurance products and services are available to consumers timely, and that they deliver fair and equal benefits. To meet these expectations, CDI ensures that insurers are solvent, consumer complaints are addressed in a reasonable manner, and insurers and licensees play fairly in the marketplace.

CDI enforces the insurance laws of California and has authority over how insurers and licensees conduct business in California.

Sustainability objectives

Insurance Commissioner Ricardo Lara launched the [Climate Smart Insurance Products Database](#), the first-ever consumer-oriented list of green insurance policies. With hundreds of climate-related insurance products already available to consumers and businesses, the California Department of Insurance has developed this database to help the public understand and access these products and encourage further insurance policy innovation in commercial, homeowners, and auto lines, among other lines. Recognizing the potential for specific insurance products to address climate risks and contribute to a sustainable future will encourage consumers and insurance companies to explore products that harness new technologies and promote resilience.

The Climate Smart database lists more than 400 products currently available to consumers and businesses that address climate risks, harness new technologies, and build resilience. They include insurance products and solutions that, among other products:

- Provide green-rebuild coverage, providing a pathway to building back stronger, more energy efficient, and lower-emission buildings and vehicles
- Promote fuel-efficiency by offering lower premiums for low-emission vehicles
- Provide discounts for green energy use and energy efficiency certification
- Provide discounts for businesses who operate hydrogen and hybrid electric buses
- Protect low-income communities and natural ecosystems



Membership of any other initiatives/networks working on sustainability

- NAIC
- PSI

Recent engagement with SIF

CDI has contributed joint-case studies with the Washington State Office of the Insurance Commissioner (OIC) to the [SIF/IAIS Issues Paper on Climate Change Risks to the Insurance Sector](#) and to the [SIF/IAIS Issues Paper on the Implementation of the Recommendations of the Task Force on Climate-related Financial Disclosures \(TCFD\)](#) published in February 2020.

The CDI recently attended SIF's virtual meeting in May 2020, and provided inputs which helped SIF develop its future work programme.

