

# Environment Committee

## JOINT FAVORABLE REPORT

**Bill No:** SB-453 / [Bill Status](#) / [Public Hearing Testimony](#)

AN ACT CONCERNING A CLIMATE CHANGE RELATED SURCHARGE ON  
**Title:** CERTAIN INSURANCE POLICIES.

**Vote Date:** 3/18/2026

**Vote Action:** Joint Favorable

**PH Date:** 3/13/2026

**File No.:**

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### SPONSORS OF BILL:

Rep. Nick Gauthier, 38<sup>th</sup> District

Rep. Anne M. Hughes, 135<sup>th</sup> District

### REASONS FOR BILL:

Senate Bill-453 is to enact a surcharge on certain insurance policies for fossil fuel related facilities that contribute to climate change. This would create a "climate resilience account" to provide funds to be allocated by the Department of Energy and Environmental Protection (DEEP) which would disseminate flood risk data to communities throughout the state, improve public awareness efforts in communities with high flood risk, and would provide grants to communities for the construction or installation of climate-resistant infrastructure.

### RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed.

### NATURE AND SOURCES OF SUPPORT:

#### **Paul Aresta, Executive Director, Connecticut Council of Environmental Quality**

Expressed overall support for the concept of SB-453 that would create a "climate resilience account" to provide funds to be allocated by the Department of Energy and Environmental Protection (DEEP). They express that this would benefit communities by spreading flood risk data to communities throughout the state, create better public awareness efforts with communities with high flood risk, and would help by providing grants to communities for the construction or installation of climate-resistant infrastructure. They note in a previous report from the Council of Environmental Quality that Connecticut's climate is changing which is resulting in more precipitation and an increase in sea levels. Because of these changes, the climate has the potential to adversely impact the natural and built environment and the quality of life in Connecticut.

**Denise M. Consentino, Director of Enterprise Risk Management & Vincent P. Pace, Assistant General Counsel of Eversource Energy**

Both individuals representing Eversource offer that the bill's application of the proposed five percent surcharge to any property or casualty insurance policy concerning "any other infrastructure related to such activities" is very broad and will generate problems for the administrative agency responsible for interpreting and enforcing this text. For that reason, Eversource requests that, if this Bill moves forward, the Committee should clarify that the proposed five percent surcharge does not apply to electric and natural gas utility companies that are regulated by the Connecticut Public Utilities Regulatory Authority. Eversource cites General Statute Section 16-19e(a)(4) which authorizes electric and natural gas utilities to recover in the rates they charge consumers "their operating costs" of running the utility company which includes their cost of insurance. They offer that with increasing concerns about the affordability of electric and natural gas utility bills, the Legislature should clarify that the cost of this surcharge does not apply to electric and natural gas utility companies and their customers.

**Susan Eastwood, Chair, Ashford Clean Energy Taskforce**

Ms. Eastwood shares that Connecticut residents are facing increasing costs for insurance of their homes. She also shares that many homeowners find that they are no longer qualified for insurance at all due to increased risks from climate change. She says that SB-453 would help to establish a Climate Resilience Account with funds from the industries most connected to climate risk. She says that the funds will help towns better access flood risk data and invest in climate-resilient infrastructure.

**Terri Eickel, Executive Director, Interreligious Eco-Justice Network**

Executive Director Eickel expresses strong support for SB-453. They share that Connecticut residents are already paying for climate change through increases in their homeowners insurance. They cite that homeowners saw increases in 2023 and again in 2024. In addition to an average insurance premium of \$2,600, many residents also purchase flood insurance for an average of \$1,590. They also cite that 61% of CT residents live in an area at risk of flooding according to DEEP. Because of this, they state that insurance companies know the impacts of climate change and in 2023 cancelled insurance for 14,000 homeowners.

**Nathan Frohling, Director, External Affairs of The Nature Conservancy**

Mr. Frohling expresses support for SB-453. He offers that the bill bolsters the state's ongoing legal actions against ExxonMobil through the Connecticut Unfair Trade Practices Act (CUTPA). He states that it will also aid in neighboring states efforts to hold large polluters accountable, which would lean into the success that New York had in passing similar legislation. Mr. Frohling proposes that given the existence of the "Climate Resilience Fund" established through Governor Lamont's EO 21-32, they believe amending the name of the proposed account to "Connecticut Community Climate Resilience Program" to make it a more versatile account so that it is more accessible to local and municipal-based needs not just agency/state level.

**Robert LaFrance, Director, Policy of The National Audubon Society**

Mr. LaFrance shares that natural catastrophes have become more intense and frequent in recent years, which pose a threat to both people and economies. He explains that a despite this threat many people and businesses remain uninsured leaving them vulnerable when a

natural catastrophe does strike. He cites that in 2024, The National Audubon sigma reported that only 43%, or USD 137 billion, of global economic losses of USD 318 billion were insured. With climate change causing hazard intensification, asset accumulation, and more people living in high-risk areas, the impacts from natural catastrophes will only continue to grow.

The following individuals and organizations also expressed support for the bill.

**Charles Rothenberger, Director of Government Relations of Save the Sound**

**Tom Swan, Executive Director of the Connecticut Citizen Action Group (CCAG)**

**Rick Morris, Insurance Campaigner and Senior Regional Vice President of PublicCitizen**

**Julianna Larue, Organizer of the Sierra Club Connecticut**

**Maggie Favretti, Co-Leadership Board Chair of Alliance for the Mystic River Watershed**

### **39 Citizens express general support for Senate Bill-453**

#### **NATURE AND SOURCES OF OPPOSITION:**

**Kristina Baldwin, Esq., Vice President, The National Association of Mutual Insurance Companies**

Attorney Baldwin emphasizes that a surcharge would have unintended consequences under the insurance retaliatory tax system. Connecticut domiciled insurers doing business in other states could face additional retaliatory taxes if other states impose lower aggregate taxes.

**John Daniels, Manager, Daniels Energy**

Mr. Daniels shares from his personal experience as a fourth-generation family-owned HVAC and energy supplier. He highlights that while the bill won't impose the tax on "home fuel delivery vehicles" it will inadvertently create additional costs to suppliers. By imposing an additional yearly tax on suppliers and companies that have bulk storage facilities, it will only pass the cost onto the local companies and ultimately the consumer.

**Pete Meyers, Senior Policy Director, Connecticut Business & Industry Association**

Mr. Meyers states that SB-453 would increase energy costs for all residents of Connecticut by imposing a 5 percent surcharge on insurance policies covering fossil fuel infrastructure. While the surcharge is assessed on insurers, he explains that the practical effect is unavoidable: there will be higher insurance premiums that will be passed on to energy providers and infrastructure operators, who in turn will pass those costs down to businesses and consumers in the form of higher energy prices and operating expenses.

**Susan Pronovost, Executive Director, Connecticut Growers Association**

Ms. Pronovost explains that SB-453 language defining "fossil fuel infrastructure" is very broad and lacks clarity for those vehicles used in general farming and to transport fossil fuel for farming operations and heating use. She offers an example of local member farms that buy fuel in bulk and hold fuel in storage tanks for heating purposes and on-site use. She says the language can easily encompass those vehicles/infrastructure and would be subject to the additional 5 percent surcharge on their causality insurance renewal. She further adds that insurance companies will not absorb these costs. They will instead be passed downstream onto consumers through higher energy prices, transportation surcharges, and utilities cost. She adds that Greenhouse growers are very vulnerable to this because energy is their largest operating expense.

The following individuals and organizations expressed opposition to the bill.

**Stephen Sack, President, SackEnergy**

**Chris Herb, President, Connecticut Energy Marketers Association**

**Michael S. Giaimo, Northeast Regional Director, The American Petroleum Institute**

**Sean McLaughlin, Regional Vice President, National Association of Mutual Insurance Companies**

**Eric George, Esq., President, Insurance Association of Connecticut (IAC)**

**14 Citizens oppose Senate Bill-453**

**Reported by: Laura Sansur**

**Date: 03/24/2026**

**Reviewed by: Luna Romani**