

THE CALIFORNIA GREEN INSURANCE ACT OF 2010 ASSEMBLY BILL 1011 (Jones)

EXECUTIVE SUMMARY

Establishes environmental standards and protections in the insurance industry. Provides incentives and tax credits for offering green insurance and making green investments.

GREEN INSURANCE POLICY

- Global warming poses a serious threat to the economic well-being, public health, natural resources, and the environment of California.
- Global warming will have detrimental effects on some of California's largest industries, including the insurance industry. It will also increase the strain on energy and natural resources necessary to rebuild and restore property after losses.
- By increasing incentives for use of low-emission vehicles, reduced driving, the building of "green buildings," the investments in renewable energy projects and the conservation of natural resources, the insurance industry can help reduce greenhouse gas emissions.
- The program established by this division will continue this tradition of environmental leadership by continuing to place California at the forefront of national and international efforts to reduce emissions of greenhouse gases.
- This bill provides an incentive in the form of California tax credits to attract much needed additional private capital investments that would not otherwise be available to projects that directly benefit the natural environment and enhance renewable energy sources in California.
- California maintains a multi-billion dollar insurance industry that uses considerable natural resources and energy while transacting its business. If all admitted insurers engaged in specified environmental mitigation conduct, in the aggregate, this would result in the protection of the natural environment and the reduction of greenhouse gases.

GREEN AUTOMOBILE INSURANCE

- Insurance Commissioner will hold hearings, and gather information from insurance companies, contrasting the risk, costs and claims experience between low-emission and non-low-emission vehicles.

GREEN BUILDING INSURANCE

- Property insurance companies will be required to offer "Green Replacement Coverage" which would allow a policyholder, after a loss, to replace conventional building materials

with green alternatives (such as non-toxic paints and carpeting, energy-efficient lighting systems and water efficient interior plumbing).

- The Insurance Commissioner will hold hearings, and gather information from insurance companies, contrasting the risk, costs and claims experience associated with green buildings, green building upgrades and buildings with solar and wind distributed generation.
- Property insurance companies will be required to offer coverage for solar and wind distributed generation as part of a homeowner's insurance policy.

GREEN WORKERS COMPENSATION INSURANCE

- The Insurance Commissioner will conduct hearings regarding the health impacts on workers in green buildings, and use the information in establishing the Workers' Compensation Claims Cost Benchmark.

GREEN INSURANCE TAX CREDIT AND INVESTMENTS

- Offer tax credits to insurance companies that invest in financial institutions that provide products and services designed to protect the environment and support renewable energy projects.

GREEN INSURANCE INDUSTRY MITIGATION

- Insurance companies will electronically inform the Insurance Commissioner regarding their practices and cost savings of providing policyholders with electronic documents rather than paper.
- The Insurance Commissioner will hold hearings regarding natural disasters triggered by climate change and ways to minimize their impacts.
- The Insurance Commissioner will hold hearings about reducing the insurance industry's consumption of paper and electricity.