



HOUSE SELECT COMMITTEE ON THE **CLIMATE CRISIS**

Opening Statement *(As Prepared for Delivery)*

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U.S. House Select Committee on the Climate Crisis

Creating a Climate Resilient America: Business Views on the Costs of the Climate Crisis

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Today we're examining the escalating risks and costs of the climate crisis. When we look at these risks, we see some big numbers. And when businesses across America look at the growing risks, they also see huge peril ahead.

In 2017 alone, insurance companies paid out a record \$135 billion in climate losses, with \$100 billion just in the United States. The world's largest businesses estimate that they face nearly a trillion dollars of climate-related risks. That's trillion with a "t."

The risks have gotten so large, the Federal Reserve is now interested. This fall the Federal Reserve Bank of San Francisco is hosting its first conference on how the banking system will deal with climate change. The Fed has identified climate change as one of three forces transforming the economy this century and experts there recognize the need to understand the financial implications of it to fulfill their obligation to foster financial stability.

The numbers are eye-popping, but the costs come in real human terms.

When a home or business floods, a cascade of financial implications follows. The value takes a hit. They may have to relocate and pay to live or work somewhere else. The insurance company has to cover their losses. The reinsurance company has to cover the insurance company's losses. Evidence shows those losses continue to grow.

And when the disaster is large, we step in here in Congress because we have an obligation to help our fellow Americans when disasters strike. But experts say that we should be investing more to avoid disasters in the first place.

Rising heat projections highlight other serious risks. When we face brutal heat waves, it's too hot to work outside. People who work outside don't get paid for work they can't do. I want everyone to think back to just a few days ago when many of us were sweltering in hot, muggy heat waves. That's the type of heat that wilts crops. It's the type of heat that keeps us cooped up indoors instead of enjoying our summers. When we face heat like that, businesses take a hit, too. Many sectors of the economy are impacted and the risks will grow.

So thank you to our witnesses today for kicking off what needs to be an ongoing dialogue with members of this committee relating to the material risks of the climate crisis for businesses, insurers and all Americans. Climate change is impacting our economy *now*, not 50 years down the road. Now.

This is important because for years, big businesses ignored the climate crisis. Some even actively promoted climate denial. Some still do. But increasingly - with the help of experts who measure growing economic risks, with the help of scientists, and shareholder activists - businesses not only recognize the growing economic harm of the climate crisis but they recognize that we can solve it and create new opportunities, industries and jobs in doing so.

Recognizing the risks, investors are getting out of fossil fuels. They're looking at opportunities to create the next wave of clean energy and clean transportation technology. They're building the clean energy economy because that must be the future.

It's no longer business as usual. We need to go further. We need to make a 100% clean energy future our shared objective. As we heard in our second hearing, global carbon emissions need to reach net-zero by 2050 to give us a chance of avoiding the most catastrophic impacts of climate change. The alternative isn't just unacceptable, it's dangerous and very costly to everyone.

So I'm looking forward to hearing from our witnesses about how Congress can highlight their work regarding the growing risks, shift the country to clean energy and protect the places we know and love.