

Prepared Statement by U.S. Senator Chuck Grassley (R-Iowa)
Ranking Member, Senate Budget Committee
Hearing titled “Risky Business: How Climate Change is Changing Insurance Markets
Wednesday, March 22, 2023
[VIDEO](#)

The audience for today’s hearing on private insurance is different than last week’s hearing on the President’s 2024 Budget. As such, I would like to recap what we heard last week at our first, and only, budget centric hearing this Congress.

What we received from President Biden was a budget that continues this country on a destructive path of deficits and debt.

The budget doubles down on the reckless tax and spending binge of the administration’s first two years in power. It calls for nearly \$5 trillion in new taxes that will kill jobs and punish hardworking Americans. And, despite all the lip service, it does not extend the tax relief provided to Americans making under \$400,000 under the Tax Cuts and Jobs Act. So, it increases taxes on just about everybody.

This is a breach of the President’s pledge not to raise taxes on the middle-class. Not surprising for an administration that routinely breaks its promises, as well as the law.

We saw Democrats try to justify tax increases by pointing out that the last time we had a budget surplus, revenues were about 19 percent of gross domestic product.

Well that means outlays were less—at about 18 percent. Does the Democrat Majority want that outcome? The administration surely doesn’t, as spending in their budget will surpass 25 percent of the economy in 10 years. Outside of World War II and the pandemic, that would be the highest spending level on record.

Last week before this committee, the OMB Director repeated the fallacy that the President’s policies have led to deficit reduction. Only in Washington could you claim savings from not continuing temporary emergency COVID spending. It would be laughable if it wasn’t so disingenuous.

We saw continued demagoguery from the Administration on the issue of major trust fund programs. This Administration has no plan whatsoever to shore up Social Security for future generations. Instead, they paint Republicans as boogymen for wanting to prevent automatic cuts that’ll surely occur absent action by the President and Congress. Where is the President’s plan to protect seniors?

The Democrats have made their message loud and clear. They don’t care about the fiscal problems facing us now. They don’t have a plan to deal with inflation, even though their bills substantially increased inflation, and that’s according to CBO.

From Iowa to Rhode Island, our constituents collectively believe that our exploding national debt is a major issue facing America.

The last two climate hearings held by the Budget Committee touched on the impacts of sea level rise, hurricanes, and wildfires. We’ve heard from witnesses discussing costs due to these climate and weather events. We’ve heard the reasons we’re seeing increased costs. Climate change is important, but it’s not the main driver.

Short of the need for better federal forest management, states, towns, and individuals can take care of most of their own challenges through smarter land use and development practices.

While this committee is the Budget Committee, this hearing is not focused on the public federal budget.

It targets the private insurance and reinsurance industries with speculative scenarios in an effort to raise alarm. My democratic colleagues want you to believe that insurance and reinsurance companies are in dire straits due to climate change. And, that insurance will become unavailable and unaffordable. Well, that's not necessarily the case and we'll hear from witnesses dispelling those extreme models.

From hurricanes to wildfires, the insurance and reinsurance markets have shown to be resilient.

Rather than relying on federal intervention in the insurance markets or pushing more costs onto taxpayers, we should encourage more solutions from the private sector.

Thank you, Mr. Chairman.

