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Governor

ARUNA MILLER
Lt. Governor



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MARIE GRANT
Commissioner

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BY: _____

November 20, 2025

The Honorable Wes Moore
State House
100 State Circle
Annapolis, Maryland 21401

The Honorable Serena McIlwain
Chair, Maryland Commission on Climate Change
1800 Washington Blvd
Baltimore, Maryland 21230

**Re: Report required by Envir. § 2-1305(c) / SB 528/Ch. 38, 2022 HB 696/Ch. 570, 2022
(MSAR # 14365) – Greenhouse Gas Reduction**

Dear Governor Moore and Secretary McIlwain:

Pursuant to Senate Bill 528 (Ch. 38) and House Bill 696 (Ch. 570) of the 2022 Legislative Session (MSAR 14365), and in accordance with § 2-1305(c) of the Environment Article and § 2-1257 of the State Government Article, the Maryland Insurance Administration ("MIA") hereby submits its annual report on the status of the MIA's programs that support the state of Maryland's greenhouse gas reduction efforts or address climate change.

Five printed copies of this report have been mailed to the Department of Legislative Services Library for its records.

Should you have any questions regarding this report, please do not hesitate to contact me or my Associate Commissioner of External Affairs and Policy Initiatives, Jamie Sexton, at jamie.sexton@maryland.gov.

Sincerely,

Marie Grant
Insurance Commissioner

cc: Sarah T. Albert, Department of Legislative Services (5 copies)



Greenhouse Gas Reduction
2025 Report
Environment Article § 2-1305(c)

Marie Grant
Commissioner

November 20, 2025

For further information concerning this document, please contact:

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This document is available in alternative format upon request
from a qualified individual with a disability.
TTY 1.800.735.2258

The Administration's website address: insurance.maryland.gov

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Greenhouse Gas Reduction 2025 Annual Report

Pursuant to the statutory requirements of § 2-1305(c) of the Environment Article of the Maryland Code, this report provides a status update on the Maryland Insurance Administration's ("MIA") ongoing and future operational initiatives, which serve to reduce Maryland's greenhouse gas emissions. This report also considers the MIA's regulatory activities, which involve the assessment and monitoring of insurers' climate-related financial risk, and provides an overview of the various pre-disaster mitigation initiatives, adaptation strategies, and innovative risk transfer programs undertaken by the insurance sector to address the consequences of a changing climate and climate-related risk exposures.

Space Utilization and Reduction Plan

Program Description

The Maryland Insurance Administration recently conducted an internal space utilization assessment. The findings show that since 2021, the MIA has successfully maintained its core regulatory functions under a 60/40 telework-to-in-person work model. As a result, a portion of office space remains consistently underutilized throughout the business week. Based on this analysis, the MIA is developing recommendations for a practical and actionable space reduction plan to reduce its carbon footprint and electricity usage in kilowatt-hours.

Currently, the MIA has instituted an agency-wide 60/40 telework-to-in-person work model, with some exceptions, for its staff. The MIA completed an internal assessment of each unit to determine which positions and personnel the MIA could appropriately reclassify as full-time telework and/or hybrid telework status. The MIA is now assessing on-site seating arrangements to strategically convert select areas into hoteling spaces, improving flexibility and reducing the MIA's physical footprint. Because the MIA still has a certain amount of underutilized office space and square footage on any given day of the business week, the consolidation of some of the four floors we currently occupy is attainable.

Program Objectives

The evaluation of underutilized office space is a critical aspect of the MIA's sustainability and energy conservation initiatives. Efficient space utilization is not only a matter of prudent resource management, it also holds significant implications for environmental sustainability. The current underutilization of office space represents an opportunity to enhance sustainability and reduce greenhouse gas emissions by minimizing unnecessary energy usage for heating, cooling, lighting, and other operational needs.

This evaluation will lead to the development of recommendations for an actionable space reduction plan. Once implemented, the MIA can measure and compare, on an aggregate level based on percentage of building occupied, its electricity usage in kilowatt-hours against historical usage.

Measurable Implementation Milestones

- Identify pathways for space utilization improvements and energy conservation.
- Achieve a reduction in operational energy consumption within the MIA's office located at 200 Saint Paul Place, Suite 2700, Baltimore, Maryland 21202.

Obstacles/Challenges

- For commercial multi-tenant buildings that use a full building heating and cooling system – as is the case for the MIA offices leased at 200 Saint Paul Place – it is not possible to quantify electricity consumption for specific spaces and use cases, which is why DGS's standard lease for state agencies allocates utility costs by percentage of building occupied.
- Given that it is not possible to monitor the allocation of kilowatt usage per use case or space, the variance in the MIA's future electricity usage (i.e. the anticipated decrease) will still be dependent on the total electric consumption of the building and its other tenants, including any new tenant that would occupy space that is returned by the MIA, per the allowances of the MIA's lease agreement with Bay City Management.

Cloud Migration of the MIA Data Center

Program Description

The MIA is actively reducing its reliance on physical data centers by transitioning to a cloud-based infrastructure. This shift enhances user flexibility, integrates energy-efficient technologies, and significantly lowers the carbon footprint associated with electricity consumption. We remain on track to retire the relevant data center servers, and complete the migration of all critical operations to the cloud.

Program Objectives

A pivotal aspect of the MIA's transformation of its information technology operations involves migrating the agency's physical data center to the cloud at the conclusion of the MIA's Insurance Tracking System Project with Salesforce ("ITS Project"). The MIA anticipates that this migration will reduce the MIA's overall electricity consumption vis-à-vis eliminating the energy usage associated with the operation and maintenance of the MIA's data center, thereby reducing the MIA's carbon footprint and dependency on non-renewable energy sources.

Measurable Implementation Milestones

- Retire relevant data center servers and complete the migration of critical data center operations to the cloud within one year of ECTS and Enterprise System functionality being moved over to the Salesforce platform.
- Achieve a reduction in operational energy consumption within the MIA's office located at 200 Saint Paul Place, Suite 2700, Baltimore, Maryland 21202.

Obstacles/Challenges

- The timing of the retirement of existing data center servers is dependent on the completion of the ITS Project, and the build out of ECTS and Enterprise System functionality via the Salesforce platform.
- The anticipated decrease in the MIA's electricity usage specific to the operations of the data center cannot be easily measured due to the aggregated method of metering electricity consumption (based on a percentage of building occupied) in a commercial multi-tenant building such as 200 Saint Paul Place.

State, National, and International Policy Groups

The MIA continues to participate in several state and national groups focused on evaluating climate-related risks and considering policy interventions to address these risks. The MIA's participation in these groups is an important part of its work to understand how climate-related risks may impact the insurance industry, and how insurance regulators can mitigate harmful effects of climate change. This section of the Report provides an update on the climate related policy groups that the MIA participates in, and work recently undertaken by these groups.

- **Maryland Commission on Climate Change:** The MIA is a member (appointed by the Secretary of the Environment) of two Maryland Commission on Climate Change ("MCCC") working groups established pursuant to § 2-1303 of the Environment Article: (1) the Adaptation and Response Working Group (referred to as the Adaptation and Response Working Group in § 2-1303); and (2) the Education, Communication, and Outreach Working Group.
 - **The Adaptation and Resiliency Working Group ("ARWG")** supports the MCCC by developing a comprehensive strategy for reducing the State's climate change vulnerability, and providing state and local governments with tools to plan for and adapt to the more extreme weather and rise in sea levels anticipated as a consequence of climate change.
 - **The Education, Communication and Outreach ("ECO") Working Group** manages the MCCC's public relations. The members work to educate Marylanders on climate change, and to inform them about what the MCCC is doing to address the impacts of climate change in Maryland. The group is made up of eight representatives from non-profit organizations focusing on conservation and climate change issues, and nine representatives from state agencies or the University of Maryland system. The MIA's Chief of Communication and Public Engagement represents the MIA on the ECO Working Group. Recent work by the ECO Working Group includes: (1) planning for the 2026 Maryland Climate Teach-In, an annual week of events focused on climate change education and solutions; (2) formulating recommendations for the 2026 General Assembly session, including a potential climate education grants program; and (3) developing climate change education and communications materials.
- Maryland is a member of the **Maryland Resiliency Partnership** ("Partnership") and works with that group to educate Marylanders regarding their flood risks and steps that individuals, businesses and communities can take to reduce those risks. The

Partnership maintains a website that contains information including resources that individuals, communities, and local and state agencies can use related to flooding.¹ The Partnership also has a yearly campaign for Maryland Flood Awareness Month to help educate Marylanders.

- **National Association of Insurance Commissioners' Climate and Resiliency Task Force:** The National Association of Insurance Commissioners ("NAIC") is governed by the chief insurance regulators from the 50 states, District of Columbia, and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight to better protect the interests of consumers while ensuring a strong and viable insurance marketplace. Insurance regulators participate in NAIC committees, task forces, and working groups convened to address specific charges approved by NAIC leadership. The MIA is a member of the Climate and Resiliency Task Force, which serves as the coordinating NAIC body for discussion and engagement on climate-related risk and resiliency issues, including dialogue among state insurance regulators, industry, and other stakeholders.
- The NAIC, through its various working groups and committees, is reviewing the use of modeling by carriers and their reinsurers concerning climate risk; potential solvency impact of insurers' exposures, including both underwriting and investments, to climate-related risks; how to apply technology and innovation to the mitigation of storms, wildfires, other climate risks, and earthquakes; as well as the adaptation, resilience, and mitigation issues and solutions related to the insurance industry.
- **NAIC Northeast Zone Initiatives:** The NAIC member jurisdictions are organized into four geographic zones: Northeastern, Southeastern, Midwestern and Western. Each zone has its own chair, vice chair and secretary who sit on the NAIC's Executive Committee. Maryland (via the MIA) is a member of the Northeast ("NE") Zone.
 - **Coordinated Resiliency Group:** During 2025, the NE Zone Resiliency Group held several meetings to discuss approaches other states were taking - including new flood mapping tools; mitigation grant programs; home resilience programs, and the potential impact federal changes will have on the efforts of the states.
 - **Connecticut Insuring the Future Summit:** Maryland participated in a summit hosted by the Connecticut Insurance Department and Connecticut Insurance and Financial Services on climate risk, innovation, and technology. Maryland participated in a panel on climate change and impacts to health insurance specifically.

Conclusion

The MIA continues to lay the groundwork for several operational initiatives in consideration of Maryland's goal of reducing greenhouse gas and the impacts of climate change. The MIA looks forward to building on these measures to further the State's goals around addressing greenhouse gas reduction and climate change.

¹ <https://md-resiliency-partnership-maryland.hub.arcgis.com/pages/about>.