

Draft: 6/9/26

Severe Peril (EX) Working Group
Virtual Meeting
May 14, 2026

The Severe Peril (EX) Working Group of the Natural Catastrophe Risk and Resilience (EX) Task Force met May 14, 2026. The following Working Group members participated: Angela L. Nelson, Chair (MO); Heather Carpenter, Vice Chair (AK); Lori Dreaver Munn (AZ); Kate Amano and Mike Peterson (CA); George Bradner (CT); Sharon Shipp (DC); Anoush Brangaccio (FL); Christopher C. Cerniauskas and Caleb Malone (LA); Jackie Horigan (MA); Joy Y. Hatchette (MD); Peter Brickwedde (MN); Andy Case (MS); Amar Kakirde (NY); and David Forte (WA).

1. Discussed its 2026 Priorities

Director Nelson outlined the Severe Peril (EX) Working Group's priorities for 2026. She explained that many of the Working Group's activities stem directly from its formal charges and from broader NAIC efforts related to climate resilience and catastrophe preparedness.

Director Nelson reviewed the background leading to the current flood insurance initiative. She noted that the NAIC established the Climate and Resiliency (EX) Task Force in 2020 in recognition of growing climate-related risks and the need for innovative approaches to insurance resilience. The Task Force later adopted the NAIC National Climate Resilience Strategy for Insurance in 2024.

She highlighted one of the central directives from that strategy: the development of the Flood Insurance Blueprint, focused on risk mitigation, awareness initiatives, producer and agent education, university partnerships, and stronger communication with local governments.

2. Discussed the Flood Insurance Blueprint

Peterson provided an overview of the Flood Insurance Blueprint from its initial discussions to the present day. Peterson explained that the blueprint initiative is centered on six major objectives:

- Raising national awareness of flood risks and flood insurance options (public and private).
- Developing partnerships with universities and research institutions.
- Improving local communication regarding mitigation and resilience efforts.
- Collecting and using better flood-related data.
- Exploring innovative insurance products, including parametric solutions.
- Identifying state-level regulatory tools that could help expand private flood insurance markets.

Peterson stressed that although the Working Group focuses broadly on severe perils, flooding represents the most universal peril across the United States and, therefore, provides a useful model for future work on hail, wildfire, wind, and hurricane risk. Peterson emphasized that the initiative should not be viewed merely as a flood-focused exercise but rather as a framework for improving catastrophe communication and resilience efforts more broadly. He encouraged regulators to think about how successful flood-related communication and mitigation strategies might later be adapted to other severe perils.

Peterson also emphasized the need to broaden the target audience for flood risk communications. Historically, efforts have focused primarily on policyholders, but he suggested the Working Group should also engage realtors and the broader real estate industry, local government officials, floodplain managers, community planners, and other local stakeholders involved in mitigation and development decisions.

He noted that many local officials and floodplain managers are already deeply interested in reducing flood losses and improving resilience, making them natural partners in any national flood communication strategy. Peterson further discussed the geographic diversity of flood risks throughout the country, citing examples such as river flooding, atmospheric rivers in western states, and other region-specific flooding mechanisms. He stated that communication and mitigation strategies would need to be adaptable to differing regional flood realities.

Finally, he described the anticipated process for the development of the Flood Insurance Blueprint. The Natural Catastrophe Risk and Resilience (EX) Task Force would continue providing broad direction, while the Severe Peril (EX) Working Group would help shape the substantive recommendations and coordinate with other NAIC groups where appropriate, including those focused on modeling and mitigation.

Director Nelson specifically highlighted two publications for members to review in advance of future discussions: 1) *Considerations for State Insurance Regulators in Building the Private Flood Insurance Market* (2019); and 2) *Flood Insurance Redesigned: Regulatory Considerations for a Viable and Sustainable Private Market* (2023).

3. Heard a Presentation from the CIPR on Flood Maps as a Risk Indicator for Consumers

Brenda Rourke (Center for Insurance Policy and Research—CIPR) presented preliminary research findings regarding flood risk communication and consumer understanding of flood exposure. She explained that the research was designed to evaluate whether current methods of communicating flood risk, particularly Federal Emergency Management Agency (FEMA) flood maps, are effectively helping consumers understand their actual exposure to flood events. Rourke stated that the project aligned directly with the NAIC *National Climate Resilience Strategy for Insurance*, particularly the strategy's focus on improving flood risk communication and increasing preparedness.

Rourke reported that the focus groups revealed a generally low level of formal flood risk awareness among consumers. Most participants could not identify their flood risk level and were unsure where to obtain reliable information. Participants expressed a strong preference for highly localized information, simpler and more accessible tools, clear explanations of flood risks, and actionable mitigation guidance. Cost and time were identified as barriers to mitigation activities, and many participants perceived themselves as low risk, despite living in flood-prone areas, according to CIPR research.

Rourke also explained experimental survey research that tested several communication approaches against traditional FEMA flood maps, including FEMA flood maps, the Federal Alliance for Safe Homes Strong Homes website, the Flood Facts dashboard using localized National Oceanic and Atmospheric Administration (NOAA) flood data, and combinations of these tools.

Rourke explained that the Strong Homes website uses FEMA and NOAA data but repackages the information into a more user-friendly, interactive format. Users could view flood risk levels and also

explore mitigation techniques to strengthen their homes. The Flood Facts dashboard displays more than two decades of localized NOAA flood event data, allowing users to see historical flooding activity within their counties.

Rourke noted that simply presenting users with information improved flood awareness overall, but the Strong Homes and Flood Facts tools produced substantially larger improvements than FEMA maps alone.

Director Carpenter asked whether the research examined the timing of communications campaigns or whether flood messaging differed based on specific flood sources, such as glacial flooding and seasonal river breakup in Alaska. Rourke responded that while the study did not specifically analyze timing or flood-source-specific messaging, those topics represented promising areas for future research. She agreed that communications efforts should likely be timed before seasonal flood periods and suggested future research could examine regional differences in flood perceptions.

Bradner discussed the limitations of FEMA mapping data and referenced Connecticut's use of First Street flood modeling tools. He emphasized growing concerns regarding pluvial flooding and heavy rainfall events that are not always captured effectively in FEMA flood zones. Rourke acknowledged those concerns and stated that one of the clearest findings from the research was that regulators need to move beyond reliance on FEMA flood maps alone. She noted that while FEMA maps were generally trusted by consumers because of the FEMA brand, more accessible and interactive communication tools performed far better in helping consumers understand actual risk.

Director Nelson commented that one of the next critical research questions involves understanding what motivates consumers to purchase flood insurance once they recognize the risk. She observed that some consumers who inquire about flood insurance are still discouraged from purchasing coverage by producers who emphasize that coverage is not mandatory outside Special Flood Hazard Areas. Rourke agreed and stated that future research should examine the friction points between awareness and actual insurance purchase decisions.

Commissioner McVey emphasized that states may need to prepare for the possibility of reduced federal involvement in flood programs in the future. He encouraged regulators to focus on strengthening private flood insurance markets, improving public awareness, and expanding mitigation efforts at the state level. Commissioner McVey also stressed the importance of encouraging rebuilding practices that reduce repetitive flood losses rather than simply rebuilding vulnerable structures in the same manner after each event.

Ken Klein (NAIC Consumer Representative) raised questions regarding whether increased awareness alone actually leads to meaningful increases in flood insurance take-up rates. He referenced prior flooding events where flood insurance participation increased only marginally even after significant uninsured losses. Klein also raised concerns regarding the adequacy of available flood coverage, particularly in states such as Florida, where National Flood Insurance Program (NFIP) limits may fall well below the replacement cost of many homes. Director Nelson responded that overcoming public perceptions of invulnerability remains one of the largest challenges facing regulators and insurers alike.

4. Received an Update on the Private Flood Insurance Market

Aaron Brandenburg (NAIC) provided an overview of recent NAIC private flood insurance market data through 2025. He explained that the NAIC collects both residential and commercial private flood insurance data, including standalone policies and endorsements. He noted that one insurer had experienced reporting issues that likely understated the total number of private flood policies by more than 100,000 policies, meaning actual market growth was somewhat stronger than currently reflected in the data. Key observations from the data included:

- Relatively modest but continued growth in private flood insurance policy counts.
- Premium levels remaining relatively flat overall.
- Stronger growth trends over the last four to five years in residential private flood insurance.
- Loss ratios varying substantially by state, depending on recent flooding activity.
- A slight decline in average premium levels.

Brandenburg said Alaska, Indiana, Kansas, Kentucky, and Wisconsin were among states experiencing particularly high flood losses during the reporting period. He also reviewed market concentration within the private flood insurance sector, noting that the top 15 insurers currently account for approximately 87% of the residential private flood market. He noted that although the private flood market has grown, it has not made up for the loss of flood policies in the NFIP.

Following the presentation, Director Nelson stated that the data illustrated both the opportunities and challenges facing regulators as they work to close flood protection gaps and expand resilient insurance options. Director Nelson then asked regulators what components would make up an ideal Flood Insurance Blueprint. Topics discussed included:

- Flood communication assets and consumer education materials.
- Training and outreach resources for producers, lenders, realtors, and financial planners.
- Partnerships with universities and research institutions.
- Playbooks for engaging local officials and community leaders.
- Stronger mitigation communication tools.
- Increased coordination between state insurance regulators and private market participants.
- Strategies to improve flood insurance take-up among underinsured populations.

Director Nelson advised Working Group members that NAIC committee support would circulate a survey to regulators seeking feedback and prioritization of potential blueprint components before the next meeting.

5. Discuss Other Matters

Director Nelson acknowledged the recently released FEMA Review Council report to the White House, which included recommendations regarding FEMA operations, the NFIP, and state disaster response capabilities. She noted that many of the recommendations would require legislative action before implementation and advised state insurance regulators that the report was publicly available on FEMA's website for review and comment.

Having no further business, the Severe Peril (EX) Working Group adjourned.