

Draft: 9/21/26

Pre-Disaster Mitigation and Risk Modeling (EX) Working Group
Virtual Meeting
September 15, 2026

The Pre-Disaster Mitigation and Risk Modeling (EX) Working Group of the Natural Catastrophe Risk and Resilience (EX) Task Force met Sept. 15, 2026. Glen Mulready (OK) chaired the meeting. The following Working Group members participated: Timothy J. Temple, Chair, represented by Chris Cerniauskas and Adam Patrick (LA); Glen Mulready, Vice Chair (OK); Mark Fowler and Travis Taylor (AL); Tom Zuppan (AZ); Holly Vuong (CA); George Bradner (CT); (DC); Anoush Brangaccio (FL); Jackie Horigan/Matthew Mancini (MA); Joy Y. Hatchette (MD); Sandra Darby (ME); Parker Fisher (MI); Peter Brickwedde (MN); Andy Case (MS); Connie Van Slyke (NE); Cherry Mui (NY); and David Forte (WA). Also participating were: Gennady Stolyarov (NV) and Rebekah Allen (VA).

1. Adopted its August 11 Minutes

The Working Group met Aug. 11 in Columbus, OH. During this meeting, the Working Group took the following action: 1) adopted its July 14 meeting minutes; 2) received an update on the mitigation law development; 3) heard a presentation from The Water Institute on reflection mitigation investments in premiums; and 4) heard a presentation on reducing insurance fraud.

Commissioner Fowler made a motion, seconded by Horigan, to adopt the Working Group's Aug. 11 minutes (see *NAIC Proceedings—Summer 2026, Natural Catastrophe Risk and Resilience (EX) Task Force*). The motion passed unanimously.

2. Received an on Comments Received During Exposure Period of the Mitigation Program Model Law

Allen reported on the public comment period ending Sept. 8 for the draft Residential Mitigation Grant Program Model Law. The drafting group received 10 initial comment letters representing 12 organizations, plus an additional regulator comment after the presentation was finalized. Allen noted that no commenter opposed mitigation grant programs in principle, and most supported the draft's overall objective, although views differed on the appropriate statutory framework. Key issues included whether premium discounts should be mandatory or discretionary, whether a benchmark discount table should serve as a binding floor or nonbinding reference, how recognized mitigation standards should be defined, and the appropriate treatment of funding, insurer assessments, data collection, confidentiality and program eligibility. Commenters also differed on eligibility for rental and multifamily properties, low- and moderate-income households, and applicants without existing insurance coverage.

Allen highlighted several organization-specific recommendations. The American Academy of Actuaries (Academy) called for credible actuarial and engineering support, transparent standards and possible pilot implementation; Insurance Institute for Business & Home Safety (IBHS) sought stronger definitions of recognized mitigation standards; National Association of Mutual Insurance Companies (NAMIC) and American Property Casualty Insurance Association (APCIA) opposed mandatory discounts and binding benchmarks; National Association of Home Builders (NAHB) and Public Citizen supported mandatory discounts and broader eligibility; and NCOIL suggested coordinating the draft with its existing Strengthen Homes Program Model Act. Allen identified several matters requiring additional Working Group direction, including the relationship to the NCOIL model, contractor and verifier requirements, multifamily eligibility, insurance requirements for grant applicants, "rebuild stronger" endorsements and insurer data collection.

During discussion, Commissioner Mulready, Commissioner Fowler, Bradner, and Brickwedde emphasized the importance of preserving state flexibility, particularly regarding multifamily eligibility, funding and differing state housing needs. Stolyarov urged maintaining regulatory discretion over mitigation discounts while retaining appropriate actuarial or scientific justification. Cerniauskas and Patrick described Louisiana's benchmark approach, under which insurers may justify departures from a department-established benchmark, as consistent with the intent of the draft. Commissioner Mulready asked the drafting group to continue working through the comments and policy questions over the coming month. No final policy decisions were made.

3. Heard a Presentation and Discussed Mitigation Investments and Modeling

Commissioner Mulready continued the Working Group's discussion from the prior month on how mitigation investments are reflected in insurance risk assessment. Timothy Farrell (NAIC) introduced Michael Young of Moody's and Julia Borman of Verisk.

Young explained that catastrophe models synthesize scientific and engineering information rather than relying on actuarial experience alone. He identified three principal sources used to develop and validate mitigation relativities: historical claims data, engineering analysis and building codes. Modelers look for consistent signals across those sources and test model components both individually and in the aggregate.

Young noted that historical claims data can materially improve understanding of mitigation effects, but the usefulness of those data depends on whether relevant property characteristics are captured and retained. He cited data collected after the 2004–2005 Florida hurricanes as an example of how improved claims information changed modelers' understanding of the impact of year built. He said regulatory data calls, data made available by public insurers and engineering research can help fill information gaps and improve model validation.

Young encouraged efforts to make consistent, detailed data sets available to modelers on a level playing field. He also cautioned that mitigation programs should avoid reverse incentives. Drawing on his experience with Florida's early wind-mitigation credit program, he said discounts tied to fixed building characteristics—such as roof shape—can produce large credits without motivating a property owner to undertake additional risk-reduction measures. He urged regulators to focus program incentives on actions that can actually change or improve the structure.

Borman, regulatory lead for Verisk Catastrophe and Risk Solutions, said catastrophe-modeling firms generally use similar frameworks for incorporating mitigation and depend heavily on data. She explained that catastrophe-model engineers translate hazard intensity into expected damage ratios for classes of structures, allowing models to assess broad portfolios rather than individual buildings. This framework permits mitigation characteristics to be evaluated across many simulated events and intensity levels.

Borman emphasized the importance of both damaged and undamaged-property data. Understanding which structures survive an event, and why, can be as important as studying losses. She said modelers combine insurer claims data, engineering research, academic literature and work by organizations such as IBHS to estimate how mitigation measures affect loss.

Borman explained that insurers can test different secondary risk characteristics and mitigation assumptions across their books of business, but catastrophe-model outputs are only one input to insurer decisions. Actuarial and underwriting teams ultimately determine how model results are translated into pricing and products. She said Verisk continues to expand the mitigation-related characteristics available in its models when sufficient data exists to support and validate those features; where evidence is inadequate, modelers may appropriately differ in whether and how a mitigation feature is represented.

Commissioner Mulready thanked Young and Borman for their presentations.

Having no further business, the Pre-Disaster Mitigation and Risk Modeling (EX) Working Group adjourned.