



Date: 6/3/24

Virtual Meeting

CATASTROPHE RISK (E) SUBGROUP

Monday, June 10, 2024

2:00 – 3:00 p.m. ET / 1:00 – 2:00 p.m. CT / 12:00 – 1:00 p.m. MT / 11:00 a.m. – 12:00 p.m. PT

ROLL CALL

Wanchin Chou, Chair	Connecticut	Alexander Vajda	New York
Virginia Christy, Vice Chair	Florida	Tom Botsko	Ohio
Rolf Kaumann / Eric Unger	Colorado	Andrew Schallhorn	Oklahoma
Travis Grassel	Iowa	Will Davis	South Carolina
Sandra Darby	Maine	Miriam Fisk	Texas
Melissa Robertson	New Mexico		

NAIC Support Staff: Eva Yeung

AGENDA

1. Consider Exposure of the Referral from the Capital Adequacy (E) Task Force Regarding Geographic Concentration Issue—*Wanchin Chou (CT)* Attachment A
2. Hear Update Regarding the Severe Convective Storms Peril—*Wanchin Chou (CT)*
3. Discuss Wildfire Peril Impact Analysis—*Wanchin Chou (CT)*
4. Discuss CoreLogic Wildfire Model Review—*Virginia Christy (FL)*
5. Discuss the Possibilities of Adding Flood Peril in the Rcat Component—*Wanchin Chou (CT)*
6. Discuss Any Other Matters Brought Before the Subgroup—*Wanchin Chou (CT)*
7. Adjournment

MEMORANDUM

TO: Wanchin Chou, Chair of the Catastrophe Risk (E) Subgroup

FROM: Tom Botsko, Chair of the Capital Adequacy (E) Task Force

DATE: April 16, 2024

RE: Risk-Based Capital Geographic Concentration Issue

Executive Summary and Recommendation

During the Spring National Meeting, the Capital Adequacy (E) Task Force agreed to: 1) disband the Geographic Concentration Ad Hoc Subgroup; and 2) refer the geographic concentration issue to the Catastrophe Risk (E) Subgroup. The Geographic Concentration Ad Hoc Subgroup heard several presentations from different rating agencies, as well as the Florida and Louisiana Departments of Insurance (DOIs), on how they measured the geographic concentration issue when hurricanes hit heavily populated regions in the past few months. Based on the findings, the Task Force believed that the Catastrophe Risk (E) Subgroup would be the appropriate group to address this issue. From the discussion at the Spring National Meeting, the Task Force agreed to forward this issue to the Catastrophe Risk (E) Subgroup and recommends that the Subgroup consider the following:

1. Further investigating all outstanding issues and possibly changing the property and casualty (P/C) risk-based capital (RBC) formula to address the risk.

We recommend that the Catastrophe Risk (E) Subgroup provides updates on this project at each national meeting until its completion. The Task Force appreciates your time and consideration of this referral. If you have any questions, please contact Tom Botsko.

Cc: Eva Yeung