



NATIONAL ASSOCIATION OF  
INSURANCE COMMISSIONERS



December 4, 2025

Federal Emergency Management Agency (FEMA) Review Council  
Attn: Mr. Patrick Powers, Designated Federal Officer  
of the Federal Emergency Management Agency Review Council,  
Office of Partnership and Engagement,  
Mailstop 0385  
Department of Homeland Security  
2707 Martin Luther King Jr. Ave S

Re: Federal Emergency Management Agency Review Council, Docket No. DHS-2025-0712

Dear Members of the FEMA Review Council:

Thank you for your ongoing engagement with state insurance regulators on strengthening the nation's flood resilience. We appreciate the constructive dialogue we've shared with you over this past year and especially the Council's openness to ideas that can expand consumer choice, reduce taxpayer exposure, and close persistent protection gaps. On behalf of state insurance regulators and the National Association of Insurance Commissioners (NAIC)<sup>1</sup>—which represents the chief insurance regulators in the 50 states, the District of Columbia, and the 5 U.S. territories—we write to underscore several principles that are essential to any reforms that seek to grow coverage and responsibly incorporate private market capacity.

Flood insurance remains the most effective financial tool for households to recover from flood events. To increase the purchase of flood insurance by those who don't have it, particularly outside Special Flood Hazard Areas, consumers need clear signals and information about their true risk as well as practical tools to help mitigate that risk, such as resilience and mitigation grants and discounts tied to resilient construction and community measures. Aligning premiums with risk improves decision making; at the same time, targeted affordability assistance can help cushion steep transitions to risk-based pricing for financially vulnerable policyholders.

Historically, heavily subsidized rates and uneven mapping have obscured risk, dampened demand for mitigation and flood insurance, and shifted costs to the public. FEMA's recent steps toward risk-based pricing are welcome; continued transparency in map updates and rating methodology will help households, lenders, and carriers plan and invest. Where affordability pressures arise, well targeted assistance (rather than broad underpricing) maintains private market discipline and encourages mitigation.

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<sup>1</sup> As part of our state-based system of insurance regulation in the United States, the NAIC provides expertise, data, and analysis for insurance commissioners to effectively regulate the industry and protect consumers. The U.S. standard setting organization is governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer reviews, and coordinate regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. For more information, visit [www.naic.org](http://www.naic.org).



Finally, we understand the Council is exploring a private flood market exchange or clearinghouse model to facilitate participation and consumer choice. Understanding how this approach can attract additional private market capacity from financially sound participants will be important for all stakeholders as this proposal moves forward, but we appreciate the willingness to think innovatively and engage with regulators and market participants in the process.

Our shared aim is simple: more families with effective flood coverage, stronger incentives to mitigate, and a durable balance between NFIP's public mission and private market capabilities. We stand ready to assist the Administration, the Council, FEMA, and Congress in continuing to develop a pragmatic plan that achieves these goals.

Thank you for your attention to this important matter.

Jon Godfread  
NAIC President  
Commissioner  
North Dakota Insurance and Securities  
Department

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NAIC President-Elect  
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