American Bankers Association
Office of Insurance Advocacy

J. Kevin A. McKechnie
Senior Vice President and Executive Director
ABA Office of Insurance Advocacy
kmckechn@aba.com
202-663-5173

September 2, 2026

Chair, Timothy J. Temple
Natural Catastrophe Risk and Resilience (EX) Task Force and Pre-Disaster Mitigation and Risk Modeling (EX) Working Group
Commissioner of Insurance
State of Louisiana
P.O. Box 94214
Baton Rouge, Louisiana 70804-9214

Vice-Chair, Glen Mulready
Natural Catastrophe Risk and Resilience (EX) Task Force and Pre-Disaster Mitigation and Risk Modeling (EX) Working Group
Commissioner of Insurance
State of Oklahoma
400 NE 50th Street
Oklahoma City, Oklahoma 73105

Nancy Beydler
Senior Administrative Assistant
Research and Actuarial Services
National Association of Insurance Commissioners
Natural Catastrophe Risk and Resilience (EX) Task Force and Pre-Disaster Mitigation and Risk Modeling (EX) Working Group
1100 Walnut Street, Suite 1000
Kansas City, Missouri 64106-2197

Via email to NBeydler@naic.org

Dear Commissioners Temple and Mulready and Ms. Beydler:

Re: **Residential Mitigation Grant Program Model Act**

Thank you for the opportunity to comment on the proposed Residential Mitigation Grant Program Model Act. The American Bankers Association's Office of Insurance Advocacy advocates on behalf of member financial institutions, their affiliates and subsidiaries that engage in insurance operations. ABA is a regular participant in all NAIC activities (as well as NCOIL, NCSL and CSG) and has a keen interest in mitigation and resiliency matters. Property coverage availability and affordability issues are among the highest priority public policy issues affecting our industry.

We have two principal comments with respect to the proposal: (A) Support for Mitigation/Catastrophe/Disaster Savings Accounts and (B) Support for the existing language in sections 8 and 9 regarding homeowners coverage.

(A) **Catastrophe Savings Accounts (CSAs)**.

We have been active on both the state and federal level in promoting expansion of mitigation/catastrophe/disaster savings accounts (by whatever name). We testified on this concept at the NAIC's Fall National Meeting in December 2025 before the Property Casualty Committee. We have been active in discussions on this point regarding the Property Casualty Playbook.

Several states have already created CSAs and bills are pending in approximately a dozen others. CSAs are an additional and significant tool to help consumers manage the increasing cost of property insurance. CSAs function like Health Savings Accounts (HSAs) and allow a triple tax deduction on the state level, for contributions made, interest earned and distributions, provided these are for qualified expenses.

We believe the Model would be well suited to include at minimum a reference to these accounts. Consequently, we recommend addition of a new subdivision "H" in section 6 of the proposed Model, to read as follows:

"Funds available to grant recipients under this program are in addition to any funds available for qualified mitigation expenses under a program adopted by the state to provide for mitigation/catastrophe/disaster savings accounts and the tax advantages afforded thereby for mitigation and resiliency efforts".

(B**) Support for existing language in Sections 8 and 9 regarding homeowners coverage.**

Section 8 concerns "Applicant Eligibility, Application, and Selection for Grants" and Section 9 concerns "Insurance Premium Discounts and Optional Endorsements." We support the targeted approach to homeowners coverage, which continues to be the subject of significant public policy debates regarding availability and affordability. The financial services community, which provides mortgage loans and other benefits to homeowners, firmly believes that the measures included in the Model will not only make insurance more affordable or available, but will also help protect the underlying collateral. The provisions included in those sections and the overall thrust of the Model, affecting as they do homeowners coverages, are crucial in that regard.

Respectfully submitted,

J. Kevin A. McKechnie
Executive Director, ABA Office of Insurance Advocacy