

FLOOD INSURANCE BLUEPRINT

NATURAL CATASTROPHE RISK AND RESILIENCE TASK FORCE

NAIC NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

NOVEMBER 2026

Contents

1. **GROWING FLOOD INSURANCE MARKETS: STRATEGIC PRIORITY CATASTROPHE RISK AND RESILIENCE**

    1.1. Our Mission

    1.2 Building the Flood Insurance Blueprint

        i. Natural Catastrophe Risk and Resilience (EX) Task Force

        ii. Severe Peril (EX) Working Group

    1.3 Task Force and Working Group Members

2. **BLUEPRINT OVERVIEW**

    2.1 Purpose and Workflow

    2.2 Long-term metrics and accountability

3. **BLUEPRINT STRATEGIES**

    3.1 Communication and outreach

    3.2 Product innovation

    3.3 Risk assessment, data, mitigation and modeling

    3.4 Producer education and engagement

    3.5 Market development and solvency monitoring

4. **ACKNOWLEDGMENTS**

1. GROWING FLOOD INSURANCE MARKETS: strategic priority catastrophe risk and resilience

1.1 OUR MISSION

The mission of the Flood Insurance Blueprint is to reduce the United States flood protection gap.

How the blueprint works

The NAIC Flood Blueprint lays out the comprehensive strategic elements that have been developed to address the NAIC insurance regulatory mission of reducing the flood protection gap across the U.S. Each strategy provides context, describes current work, and identifies supporting resources or topics under development. States can use the sections most relevant to their flood hazards and markets. Importantly, the flood blueprint is a dynamic repository of information, action, and future vision, that will be updated as lessons are learned from testing strategies and further input from the Severe Perils Working Group.

Flood pathways and the protection gap

Flood is a collection of hazards rather than one uniform event with jurisdictions across the country experiencing flood risk in different and sometimes multiple ways. Federal Emergency Management Agency's (FEMA) mapped Special Flood Hazard Area identifies the area with at least a one-percent annual chance of flooding, but a map designation alone does not answer every question about local exposure, coverage, or mitigation. State regulators need to communicate risk in a way that connects the flood hazard to practical decisions at localized level.

The blueprint ultimately focuses on reducing the flood insurance protection gap: the difference between potential flood loss and the financial protection available to households and businesses. It treats consumer understanding, product design, risk information, producer capability, and market capacity as linked questions within a comprehensive framework. This document also builds on existing resources designed and published by state insurance regulators through the NAIC: Existing NAIC Resources.

Progress in one area should inform the other with collective progress across the strategic elements allowing for the reduction of the flood insurance protection gap.

Flood risk takes different forms

RAIN	**Intense rainfall**	Where do heavy rain and drainage exceed assumptions?
COAST	**Coastal surge**	How do storms, tides, and coastal conditions interact?
RIVER	**River flooding**	Which communities face repeated or prolonged inundation?
FLASH	**Flash flooding**	Where can water rise quickly with little warning?
LOCAL	**Regional hazards**	What local evidence is needed for ice jams or island risks?

1.2 Building the Flood Insurance Blueprint.

The Flood Insurance Blueprint is a deliverable of the 2024 NAIC National Climate Resilience Strategy, and implementation of that strategy is a charge of the Catastrophe Risk and Resilience Task Force. For 2026, the Severe Perils working group was charged with launching a national initiative to raise awareness of flood risk and risk mitigation strategies.

2026 Charges

Natural Catastrophe Risk and Resilience (Ex) Task Force

The mission of the Natural Catastrophe Risk and Resilience (EX) Task Force is to serve as the primary coordinating body for regulatory actions, engagement, communication, and discussions related to natural catastrophe risk and resilience. This includes facilitating dialogue among state insurance regulators, industry representatives, and other stakeholders. The Task Force will address a wide range of catastrophe risks, including atmospheric rivers, wind, water, wildfires, severe convective storms, hail, hurricanes, landslides, and earthquakes.

The Natural Catastrophe Risk and Resilience (EX) Task Force will:

A. Implement the deliverables outlined in the NAIC National Climate Resilience Strategy for Insurance, and efficiently coordinate its operationalization, implementation, and communication initiatives.
B. Serve as the coordinating body for discussions and engagement on natural catastrophe risk and resilience.
C. Assess existing and proposed financial regulatory strategies aimed at addressing natural catastrophe risk and enhancing resilience.
D. Coordinate communications regarding catastrophe risk and resilience, solvency strategies and tools, and mitigation programs and discounts.
E. Act as a catalyst and repository for innovative ideas and vision development for the Catastrophe Risk Management Center of Excellence (COE), focusing on future resources and services for members.

The Severe Peril (EX) Working Group will:

A. Examine, analyze, and monitor insurance protection gaps by peril, including hurricanes, wildfires, atmospheric rivers, and severe convective storms, as well as overall market conditions in current and potential future scenarios.
B. Track the emergence of innovative insurance policy solutions, such as inclusive and parametric insurance products, that enhance resilience to natural catastrophes and address identified protection gaps and insurance market issues
C. Leverage the experiences of state insurance regulators regarding specific perils to share knowledge with fellow state insurance regulators and future insurance commissioners.
D. Launch a national initiative to raise awareness of flood risk and risk mitigation strategies, incorporating the latest scientific research, technology, and mitigation efforts, along with available flood insurance options.
E. Establish partnerships with national and international non-governmental organizations and universities to create innovative recovery and rebuilding programs targeting underinsured or uninsured communities.

Task Force and Working Group Members

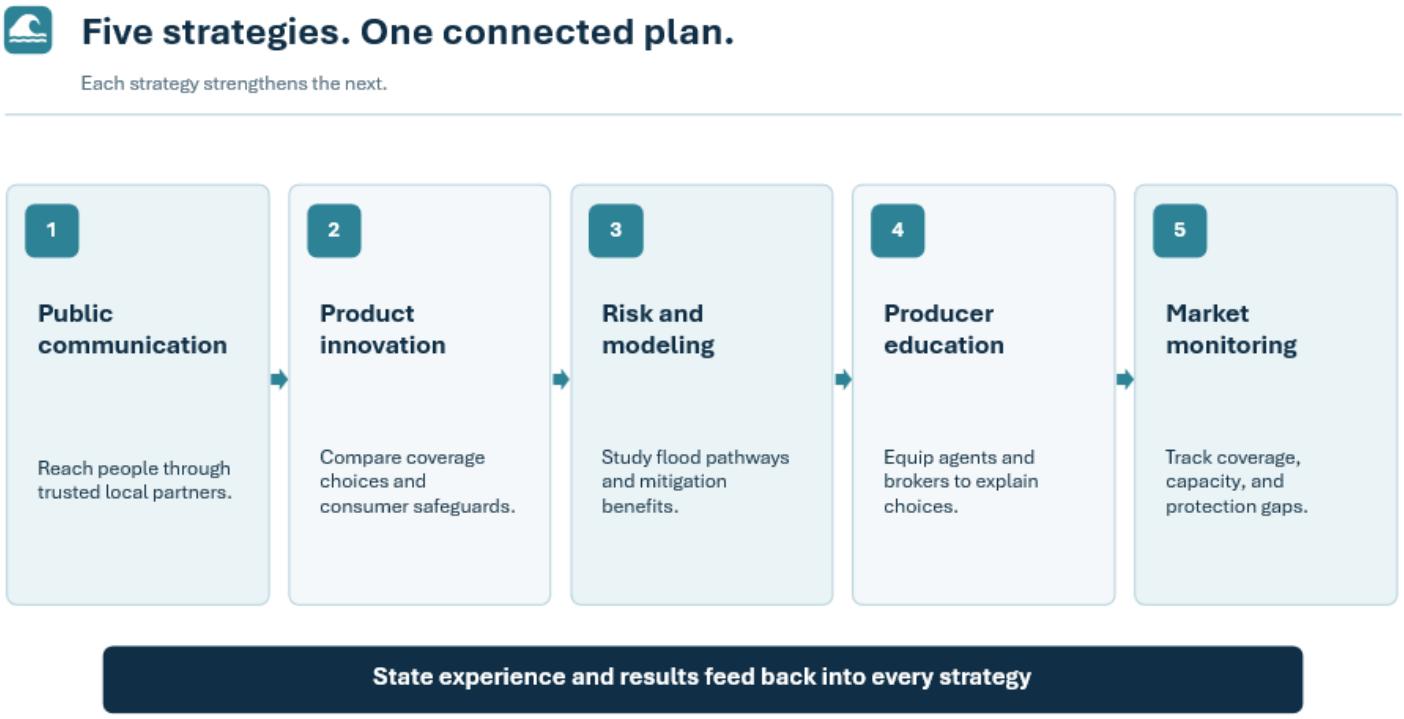
Natural Catastrophe Risk and Resilience Task Force

Member	Jurisdiction
Ricardo Lara, Chair	California
Mark Fowler, Vice Chair	Alabama
Heather Carpenter	Alaska
Joshua Hershman	Connecticut
Trinidad Navarro	Delaware
Sharon P. Clark	Kentucky
Marie Grant	Maryland
Grace Arnold	Minnesota
Angela L. Nelson	Missouri
Jon Godfread	North Dakota
Scott A. White	Virginia
Patty Kuderer	Washington
Nathan Houdek	Wisconsin

Severe Peril Working Group

Member	Jurisdiction
Angela Nelson, Chair	Missouri
Heather R. Carpenter, Vice Chair	Alaska
Lori Dreaver Munn / Tom Zuppan	Arizona
Rabab Charafeddine / Kate Amano	California
George Bradner	Connecticut
Sharon Shipp	District of Columbia
Anoush Brangaccio	Florida
Chris Cerniauskas / Caleb Malone	Louisiana
Sandra Darby	Maine
Joy Y. Hatchette	Maryland
Jackie Horigan	Massachusetts
Peter Brickwedde	Minnesota
Andy Case / John Thornton	Mississippi
Amar Kakirde	New York
David Forte	Washington

2. BLUEPRINT OVERVIEW



2.1 Purpose & Workflow

To face such a persistent threat with locally tailored solutions, this Blueprint combines actions that are ready for implementation today, such as on public communications, with long-term actions and trajectories for research and development on the fundamental hazard and risks associated with flooding events. Ongoing work by drafting groups will continue to produce deliverables and finalize actions as more information is gathered.

Flooding is one of the most widespread and costly natural hazards in the United States, yet many households and businesses remain uninsured or underinsured against flood losses. Closing this protection gap requires more than increasing awareness of flood insurance. It requires coordinated efforts to help consumers understand their risk, strengthen the availability and accessibility of coverage, support informed insurance decisions, and provide regulators with the information and tools needed to understand and monitor an evolving flood insurance market.

The Flood Insurance Blueprint provides a practical framework for state insurance regulators to support these efforts and brings together existing resources, regulatory practices, research, and emerging approaches into a coordinated strategy that jurisdictions can adapt to their individual markets and needs. The Blueprint is intended to help regulators identify available tools, and opportunities for action.

The Blueprint was developed through three steps – multiple surveys of the NAIC Catastrophe Risk and Resilience Task Force and Severe Perils Working Group members to identify priority strategies and tactics; reviewing presentations from stakeholders and existing insurance and flood risk data; collaboration among members to draft actions and deliverables, and a framework for future development that responds to risk intelligence and market trends. Based on those conversations and information gathering efforts, the Blueprint is organized around five interconnected strategies: **public communication and consumer education; product**

innovation; risk assessment, data, mitigation, and modeling; producer education and engagement, and market development and solvency monitoring. Together, these strategies address different parts of the flood insurance challenge—from helping consumers better understand flood risk and coverage options to improving the information available to regulators as private flood markets develop.

2.2 Long-term Metrics and Accountability

Open and ongoing draft work on this action

What is measured can be improved. The flood insurance protection gap is currently measured at a national level via the Climate Risk Dashboard maintained by the Natural Catastrophe Risk and Resilience (EX) Task Force. As the flood blueprint is implemented and enhanced, progress on the flood protection gap will be monitored and understood. State and NAIC Zone examples will be embedded into the flood blueprint over time, allowing for accountability as well as solution effectiveness assessment down to a jurisdiction level across the country.

SPOTLIGHT| JUNEAU, ALASKA

Innovative Flood Mitigation for Glacial Lake Outburst Flooding



Juneau faces recurring glacial lake outburst floods (GLOF's) from Suicide Basin, a lake dammed by the Mendenhall Glacier. As meltwater accumulates, water pressure builds until it carves a channel under the glacier, releasing billions of gallons into the river sending a rapid surge downstream and threatening homes, communities and critical infrastructures.

RECENT FLOOD EVENTS

Over the past five years, multiple glacial outburst floods have affected Juneau, with the 2024 event causing record flooding, impacting more than 300 homes and significant infrastructure along the Mendenhall River.

MITIGATION PROJECT

The U.S. Army Corps of Engineers (USACE), working with federal, state, and local partners, is advancing an unprecedented approach to reduce future flooding from the Mendenhall Glacier. Following temporary flood barriers deployed and evaluated during the 2026 event, USACE is developing and testing an engineered water-conveyance solution to move water around the glacial lake and reduce the risk of future outburst floods.

WHY IT MATTERS

The project's performance will be monitored during future outburst flood events to assess its effectiveness and inform potential long-term solutions.

Juneau demonstrates the importance of how evaluating innovative, site-specific mitigation can improve resilience planning and inform efforts to reduce the flood insurance protection gap.



BLUEPRINT STRATEGIES

Strategy 1

3.1 Public Communication and Consumer Education

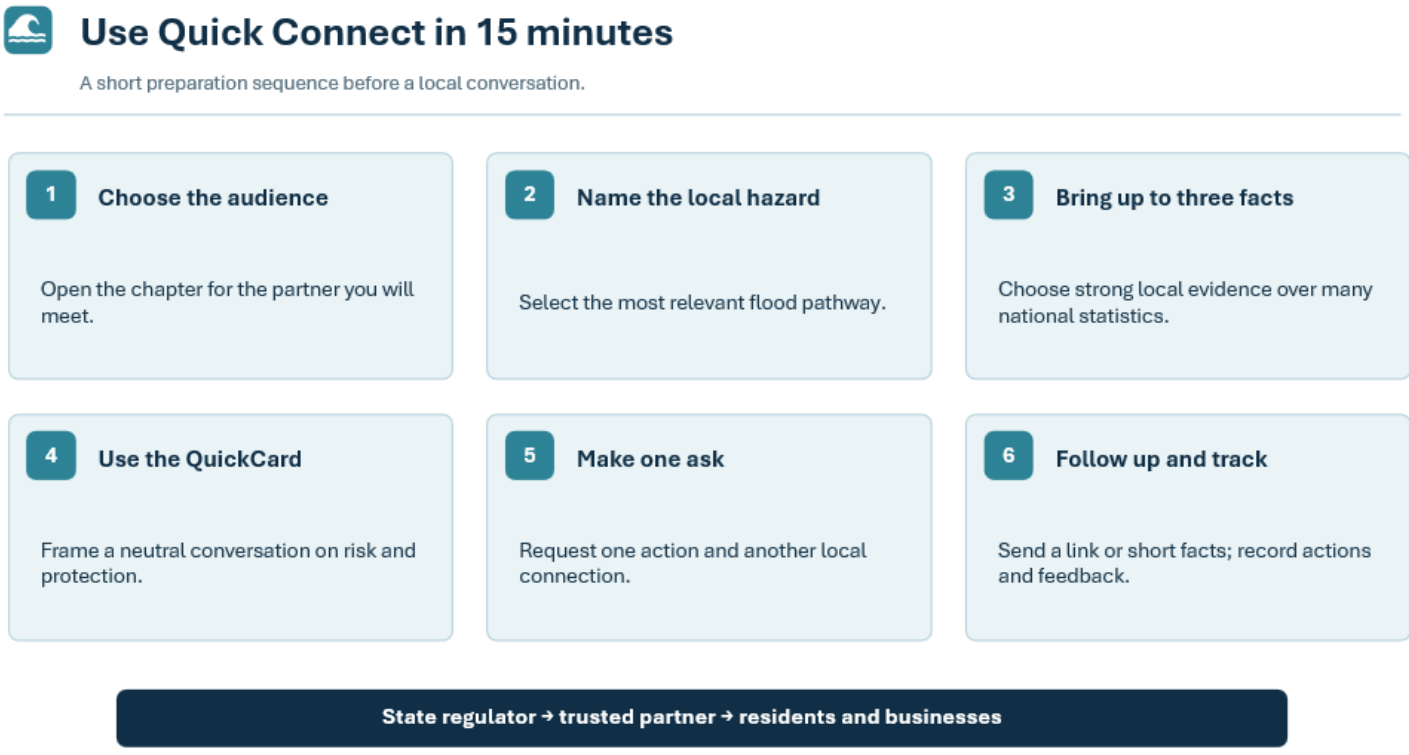
Increasing public awareness of flood risk and the importance of flood insurance requires clear, accessible information and coordinated outreach to communities and consumers. This section focuses on strengthening communication strategies, expanding partnerships with trusted local organizations, and providing resources that help consumers better understand their flood exposure and available protection options.

New Quick Connect Consumer Engagement Guide

Ongoing work: Full Draft provided to Severe Perils Drafting Group for Additional Feedback

The Quick Connect Consumer Engagement Guide is designed as a desktop reference for state insurance regulators seeking short, locally relevant conversations about flood insurance, preparedness, and financial resilience. Its core pathway connects state regulators with trusted local officials and partners who engage directly with residents and businesses. States should adapt the guide to their laws, markets, data, and consumer-assistance resources before public use.

The complete guide will be linked from the NAIC resource location when available.



How a department could use the guide

A state insurance department can use the Quick Connect Consumer Engagement Guide to incorporate flood insurance outreach into its existing public engagement activities, including workshops, town halls, and other community events. The guide helps staff prepare for short, focused conversations with local organizations that residents and businesses already turn to for

information. By equipping trusted partners with clear information, departments can extend their reach and help consumers connect flood risk with decisions about insurance and preparedness.

Staff begin by selecting the guide chapter that matches their intended audience and identifying the flood conditions most relevant to that community. They can choose up to three reliable local facts to explain why the conversation matters, such as recent flooding, local exposure, or common misunderstandings about insurance coverage. The chapter's QuickCard provides a starting point for discussing risk, coverage, and preparedness in plain language.

Each conversation should conclude with a specific, manageable action the partner can take. For example, a department could ask a real estate organization to share flood insurance information with prospective buyers or encourage a community organization to incorporate coverage information into its preparedness materials.

Following the conversation, staff can share key information, identify opportunities for continued collaboration, and provide additional resources as needed. Departments can also use these interactions to identify recurring consumer concerns, strengthen future outreach, and share effective practices across jurisdictions.

Public Communication Guide

Open and ongoing draft work on this action

Action under development: To develop a resource for Department communications teams that helps coordinate national messaging focused on general public communications for pre- and post-flood-disasters, providing the Severe Perils working group an opportunity to refine strategic priorities and expand the scope of intended audiences.

NAIC communications often develops consumer messaging on a key regulatory issue that individual state DOIs can leverage for their own purposes. Previous NAIC communication examples in the flood space include the What the Flood Quiz[1] as well as several consumer insights on the need for flood insurance and understanding flood warnings[2]. As the Server Peril Working Group sets flood communication priorities and as NAIC communications is able to make progress on message development based upon these priorities, through regular and coordinated NAIC Communications interaction with State DOI Public Information Officers, there is a pathway for flood consumer messaging resource development to transpire in a coordinated effort to external audiences moving forward.

[1] https://content.naic.org/consumer/flood-insurance/what-the-flood-quiz

[2] https://content.naic.org/article/do-i-need-flood-insurance-why-you-should-consider-flood-policy-protect-your-home; https://content.naic.org/article/consumer-insight-flood-watch-warning-advisory-know-difference-and-be-prepared; https://content.naic.org/article/consumer-insight-understanding-flood-insurance-and-what-do-during-flood



Strategy 2

3.2 Product Innovation

Innovative flood insurance products and coverage approaches offer opportunities to address gaps in traditional insurance options and better respond to varying consumer needs. This section explores emerging products, alternative coverage structures, and opportunities for regulatory engagement that may help expand access to flood insurance and improve financial protection.

Ongoing work by Drafting Group to refine actions. The volunteer group is developing the scope, so this section sets out the areas to examine without selecting or endorsing a product, company, or regulatory tool.

The product-innovation work will examine how emerging coverage responds to consumer needs and what regulatory information is useful for evaluating it

Individual Flood Insurance Innovation

Ongoing work by Drafting Group

Innovation in the flood insurance market can help reduce the protection gap by expanding the range of coverage options available to consumers and addressing needs that may not be fully met by existing products. The objective is not necessarily to replace the National Flood Insurance Program (NFIP), but to encourage a diverse and complementary private market to achieve a combination of options that include public and private solutions work together to broaden access to meaningful flood protection.

PA

Innovative Approaches to Individual Flood Insurance Coverage

2024

Flood Insurance Premium Assistance Task Force Final Report

Pennsylvania's Flood Insurance Task Force explored opportunities to expand individual flood insurance through innovative products, varied coverage limits and policy options, and solutions better aligned with consumers' needs and financial circumstances.



Innovative product options

Range of coverage limits

Coverage aligned with consumer needs

Read the Report | JULY 2024

Community-Based Insurance and Mitigation

SPOTLIGHT | COMMUNITY APPROACH

Mississippi River Cities and Towns Initiative (MRCTI)



A collaborative approach to flood resilience

MRCTI connects Mississippi River communities to address shared flood risks through regional mitigation planning and exploration of innovative parametric insurance. MRCTI

Regional Collaboration
Communities coordinate across jurisdictions to address shared flood exposure.

>

Mitigation Planning
Floodplain and habitat restoration can reduce exposure and strengthen resilience.

>

Parametric Insurance
A proposed insurance pool explores payouts tied to predefined flood conditions.

>

Regulatory Takeaway
Community risk financing may complement individual coverage and mitigation efforts.

Products and Innovations Presented to Members

Presently Complete and Ready to Use

A number of emerging products and approaches have been presented to NAIC members and relevant working groups, as will be presented in *section 5*. These examples provide insight into how insurers and other market participants are responding to flood risk through new policy structures, coverage options, technology, and approaches to underwriting and distribution.

As the market continues to evolve, the NAIC and state insurance regulators can periodically review emerging flood insurance products and market practices to identify promising developments, potential barriers to adoption, areas requiring additional regulatory attention, and opportunities to further reduce the flood insurance protection gap.

Endorsements and Product Review

Ongoing work:

Existing NAIC work on private flood insurance, and prior data collection provides a baseline. Endorsements and other product forms can be described through consistent consumer and regulatory criteria.

For states that have signed a service agreement, the NAIC rate review team makes available model/product review reports. For flood models that have been and/or will be reviewed states can reference the model review reports and where these models have been filed.

Integrating Insurance with Natural Infrastructures

Ongoing work by Drafting Group

SPOTLIGHT | HAWAIʻI: CORAL REEF INSURANCE INITIATIVE



Coral reefs serve as natural barriers that help protect coastal communities from flooding, storm surge, and erosion by absorbing wave energy.

The Nature Conservancy (TNC) purchased the first coral reef insurance policy in the United States in 2022 to support reef restoration following hurricanes and tropical storms.

In August 2026, Hurricane Lala triggered the policy for the first time, resulting in a $200,000 payout to support reef assessments and restoration through the Hawaiʻi Emergency Reef Restoration (HERR) Network.

The Nature Conservancy

How It Works:

Storm Trigger › **Insurance Payout** › **Reef Restoration**

Hawaiʻi's initiative demonstrates how insurance can complement flood mitigation by providing timely funding to restore natural infrastructure and strengthen coastal resilience.

Referral Submission and Joint Meeting (or Model Bulletin)

Ongoing work: A referral or model bulletin may be appropriate if a recurring regulatory issue that would benefit from coordinated guidance.

Referral to CASTF for flexible rate and form filing requirements

Engagement with Surplus Lines Community for innovative product/market ideas

Ongoing work by Drafting Group

A relatively significant amount of flood insurance coverage is currently made available through surplus lines carriers. Further engagement with the surplus lines community on the products they currently write and/or are looking to write can assist in generating innovative product/market ideas.

Innovation Challenge

Ongoing work by Drafting Group: Drafting Group will determine scope and timing of an innovation challenge to catalyze innovative insurance products that can reduce the protection gap for flood risks.

Strategy 3

3.3 Risk Assessment, Data, Mitigation and Modeling

A more complete understanding of flood risk requires reliable data, effective risk assessment tools, and greater consideration of mitigation opportunities. This section focuses on improving access to flood-related information, strengthening modeling capabilities, and encouraging coordination among regulators and other stakeholders to support informed decisions and reduce potential flood losses.

ONE HAZARD. VARIED FORMS.

Flood types communities should understand



River Flooding

Beyond the banks

A river or stream, overflows its banks, sending water onto nearby land and into communities



Coastal Flooding

Sea moves inland

Storm surge, high tides or waves push seawater on to coastal land



Flash Flooding

Change in minutes

Water rises rapidly after intense rain or a sudden water release, often with little waning



Snowmelt Flooding

Snowmelt, rising waters

Melting snow produces more runoff than the ground and waterways can handle, flooding surrounding land



Urban Flooding

Steets become waterways

Floodwater fills streets and buildings when drainage is overwhelmed



Heavy Rainfall

Rain beyond capacity

Intense or prolonged rainfall accumulates rapidly, flooding streets, homes, and communities with little warning.

Beyond FEMA Maps

Ongoing work by Drafting Group will develop new actions on risk assessment, risk communication, and mitigation to help galvanize long-term risk reduction.

Insurability and Risk Assessment

FEMA flood maps provide an important foundation for identifying flood hazards and determining certain flood insurance requirements. However, flood risk extends beyond designated Special Flood Hazard Areas (SFHAs), and traditional maps may not fully capture the range of hazards facing individual communities. Using additional risk assessment tools, improving risk communication, and strengthening partnerships can help regulators develop a more comprehensive understanding of flood exposure and identify opportunities to reduce the flood insurance protection gap.

State insurance regulators can expand their understanding of flood risk through the use of additional tools and resources, including state and local flood data, historical flood events, rainfall records, and catastrophe modeling. These resources can provide valuable insight into local flood conditions and areas where existing information may be limited. Partnerships with catastrophe modeling organizations, reinsurers, and research institutions offer opportunities to strengthen regulatory capacity and improve access to flood risk information. Regulators, individually or through the NAIC, could explore licensing or other arrangements to access flood catastrophe models, identify research priorities to address modeling and data limitations, and expand educational opportunities related to flood reinsurance. Incorporating these topics into future regulatory conferences and training programs could further support states in evaluating flood exposure and insurance market conditions.

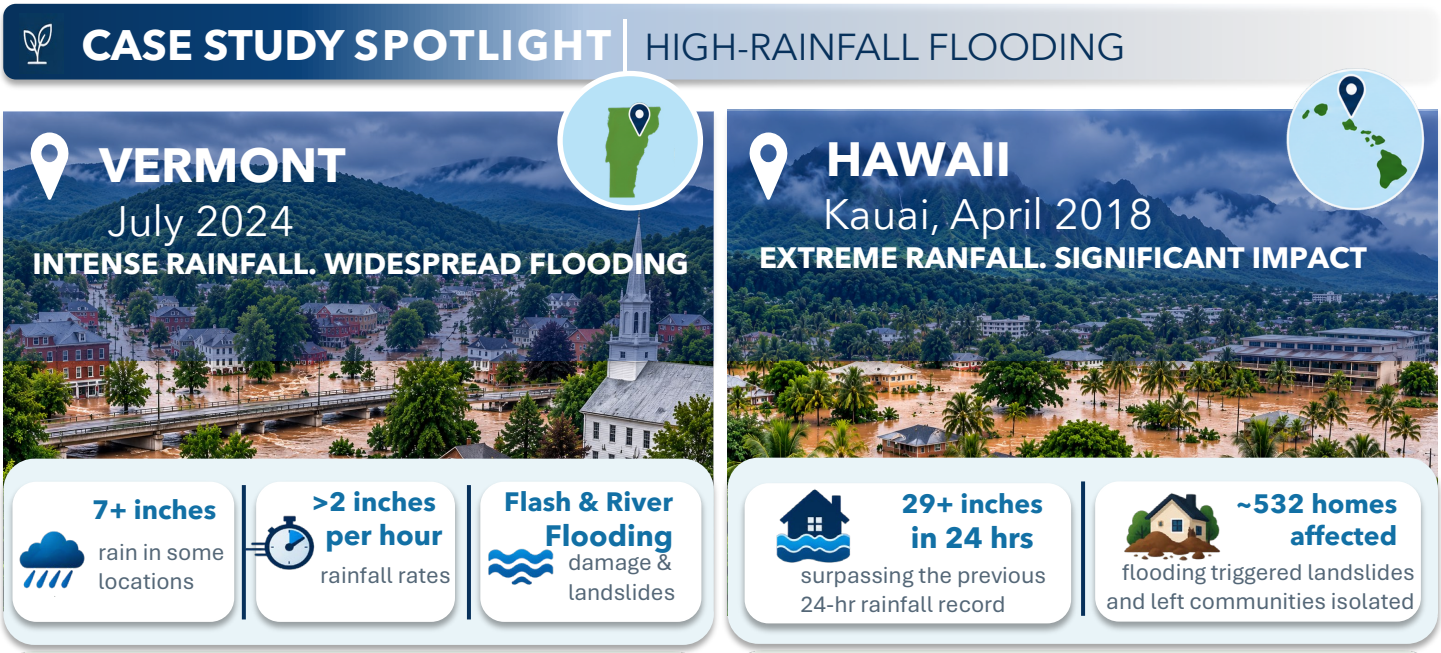
Risk Communication

Effective risk assessment also depends on how flood risk information is communicated and understood. Preliminary research presented by the NAIC Center for Insurance Policy and Research (CIPR) in May 2026 found that clear, interactive, and localized risk information can improve consumer understanding compared with traditional flood maps alone. The research also highlighted the importance of trusted information sources, including local networks, and identified misconceptions about flood insurance coverage and federal disaster assistance. These findings reinforce the need to consider not only what information is provided, but whether consumers understand it and trust its source. Regulators can work with insurers, producers, local governments, and community organizations to communicate flood risk in accessible terms and connect localized information with available insurance and mitigation options.

Future research will examine how consumers shop for and evaluate flood insurance coverage, including how different coverage levels influence perceived value, trade-offs, and purchasing decisions.

Adapting Approaches to State and Local Conditions

The importance of adapting these approaches to local conditions is particularly evident in Alaska, where river ice jams, snowmelt, and coastal flooding present distinct challenges, particularly for remote communities. Through its Coastal Community Flood Assessment project, the Alaska Division of Geological & Geophysical Surveys uses historical flood records, photographs, elevation data, and community-specific information to identify flood exposure and develop locally relevant maps. This initiative demonstrates how additional risk assessment tools and partnerships can improve risk awareness and mitigation planning in communities where traditional mapping and insurance outreach approaches may be less effective.



Baseline Data Assessment and Needs

Ongoing work by NAIC Property and Casualty Committee

Private flood data was first collected through the NAIC Financial Annual Statement for data year 2016 on the Exhibit of Premiums and Losses (State Page). Data collection on the state page combined residential and commercial coverage. In 2020, state insurance regulators began collecting data through a data call that gathered more granular information and split out residential and commercial coverage. Beginning in 2021 private flood insurance data is collected through the NAIC Financial Annual Statement with the data obtained through the data call and subsequently collected through the NAIC Financial Annual Statement made available to the public[3]. While this private flood data is currently collected at the state level, as the Homeowner Market Data Call (HMDC)[4] continues to evolve, consideration of private flood data at the ZIP code level in-line with HMDC data collection will be considered. This would potentially incorporate surplus lines flood coverage as well.

Additionally, in support of the existing HMDC data analysis, NAIC staff is collecting publicly available FEMA NFIP data available at the ZIP code level[5] as well as layering in flood risk data available through the FEMA National Risk Index[6]. The combination of this ZIP code FEMA NFIP

[3] https://content.naic.org/industry_private_flood_data_call.htm
[4] https://content.naic.org/industry/data-call/property-ho.htm
[5] https://www.fema.gov/openfema-data-page/nfip-multiple-loss-properties-v1
[6] https://www.fema.gov/flood-maps/products-tools/national-risk-index

data, state Private flood data, and FEMA National Flood Risk Index data will form the baseline data assessment to be completed by the end of 2026.

Modeling Mitigation

Ongoing work by Drafting Group: Member input and possible case studies

The NAIC's Catastrophe Risk Management Center of Excellence (CAT COE)[7] equips state insurance regulators and external partners with the technical expertise, tools, and information needed to effectively support and regulate insurance markets impacted by catastrophe risk and perils, including flood risk. The NAIC's CAT COE operates through two complementary hubs: CAT Risk Hub, which focuses on catastrophe risk assessment, modeling, and market analysis, and CAT Resilience Hub, which advances mitigation and long-term resilience strategies. The CAT COE is poised to assist state DOIs as well as the Severe Peril Working Group as they develop future needs regarding flood risk modeling and flood risk mitigation. This would include:

- **Risk Mapping and Analysis:** The NAIC's CAT COE supports state insurance departments and local governments through risk mapping and risk visualization tools that help identify areas most vulnerable to catastrophes. These insights support better planning, resource allocation, mitigation investments, and resilience strategies for communities
- **Resilience Initiative Development:** Support state Departments of Insurance in the development and administration of resilience initiatives and mitigation grant programs, providing technical expertise, stakeholder coordination, and best practices that reduce disaster losses, strengthen community preparedness, and promote long-term risk reduction
- **Real Time Event Tracking -** Monitor and analyze catastrophe events, providing regulators with timely data, impact assessments, and trend analysis to support response and potential recovery efforts

[7] https://content.naic.org/research/catastrophe-modeling-center-of-excellence

From state questions to useful models

1 Identify the need

States describe the flood pathway and decision.

2 Choose the partner

COE for shared questions; universities for local studies.

3 Test a focused case

Compare exposure, losses, mitigation, and uncertainty.

4 Apply the result

Inform model review, planning, outreach, or market analysis.

Pilot outputs should state assumptions and limits



Identify Flood Hazards and Protection Gaps

Jurisdictions identify flood hazards and protection gaps that are underrepresented.



Establish Research Priorities

Use existing state research, academic partnerships, and case studies to define priorities.



Evaluate Mitigation Effectiveness

Conduct a limited study to assess how mitigation changes expected losses for residences and public infrastructure.

Natural Infrastructure Can Reduce Flood Losses



$625+ MILLION
IN AVOIDED FLOOD DAMAGES

Research led by the University of California, Santa Cruz and The Nature Conservancy, with partners from the insurance, engineering, and conservation sectors, evaluated the role of coastal wetlands during Hurricane Sandy using flood and loss modeling and property-exposure data.
The study estimated that coastal wetlands prevented more than $625 million in direct property damages across 12 northeastern states during Hurricane Sandy.

WHY IT MATTERS

Wetlands, marshes, floodplains, dunes, and other natural features can serve as part of a community's flood mitigation strategy. Quantifying these benefits through catastrophe and loss modeling can help regulators and communities understand how natural infrastructure contributes to risk reduction, resilience, and avoided losses.

LOCAL IMPACT

16%

Salt marshes in Ocean County, New Jersey, reduced average annual flood losses by approximately 16 percent.

RESEARCH

Coastal wetlands and flood damage reduction (2016)
University of California, Santa Cruz and The Nature Conservancy

Strategy 4

3.4 Producer Education and Engagement

Insurance producers play an important role in helping consumers recognize flood risks, understand coverage limitations, and evaluate available insurance options. This section focuses on strengthening producer education, improving access to flood insurance resources, and supporting communication efforts that encourage informed coverage decisions.

Producer Training and Consumer Communication

Ongoing work by Drafting Group

Insurance producers play an important role in helping consumers understand flood risk and make informed decisions about insurance protection. Education equips agents and brokers to explain gaps in standard property insurance, compare NFIP and private flood coverage, and discuss how insurance and mitigation support preparedness and recovery. The Blueprint's producer education and communications strategy connects existing training requirements, state approaches, and producer experience to strengthen and align public awareness and insurance market outcomes. California provides an example of how training requirements differ between NFIP and private flood insurance. A property and casualty license generally permits an agent or broker to sell NFIP policies, subject to applicable program requirements, including three hours of flood insurance training required by the FEMA. Basic and advanced flood courses are available to support producer learning. The FEMA training requirement applies to NFIP sales; producers who sell only private flood insurance are not subject to that requirement. Education in flood insurance principles can nevertheless help producers provide timely information to homeowners and businesses, explain private policy terms, identify coverage differences, and guide consumers through their options.

Pennsylvania has pursued additional continuing education requirements on flood insurance for agents and brokers, based on the recommendations of the Pennsylvania Flood Insurance Premium Assistance Task Force Report of 2024.

Producer Engagement

Ongoing planning for meetings and policy discussions is underway under

2026 priorities for producer engagement

- Producer Experience and Motivation
- Consumer Demand, Perception, and Affordability
- Financial Incentives and Market Opportunities
- Administrative and Operational Barriers
- Producer Training, Knowledge, and Support
- Moving Toward Solutions

Referral Submission and Joint Meetings with D Committee

Ongoing work on this referral will be done by a future drafting group

Producer engagement will inform recommendations for guidance and educational resources. The Working Group and Task Force can consider the findings and, where warranted, refer issues to the Market Regulation and Consumer Affairs (D) Committee.

Strategy 5

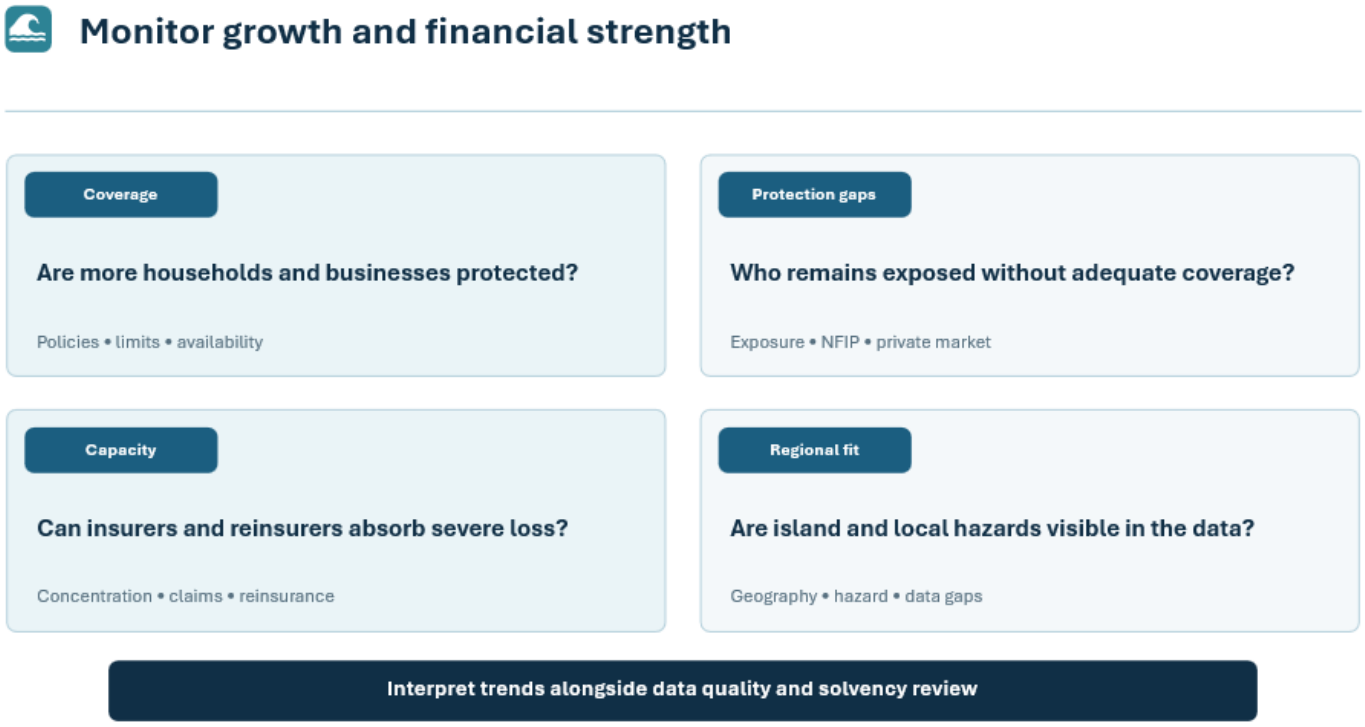
3.5 Market Development and Solvency Monitoring

The continued development of the private flood insurance market presents opportunities to expand coverage options while reinforcing the importance of effective regulatory oversight. This section focuses on monitoring market trends, evaluating emerging products and coverage availability, and considering insurer financial strength and risk management practices to support a stable and sustainable flood insurance market.

New Product Monitoring

Ongoing work by Drafting Group

As the private flood insurance market evolves, regulators may encounter new policy structures, coverage approaches, endorsements, and other products designed to address flood risk and protection gaps. Understanding these developments can help regulators identify emerging market trends, consider regulatory and consumer implications, and share lessons across jurisdictions.



Action 1: Periodically Review Innovative Flood Insurance Products

The Blueprint recommends that state insurance regulators and relevant NAIC groups periodically review or survey emerging and innovative flood insurance products and approaches to better understand how the market is evolving and identify issues that may warrant additional regulatory attention.

These reviews could include parametric products, inclusive insurance, new policy structures, endorsements, and other emerging approaches and consider:

- Regulatory considerations
- Consumer communication

- Product and coverage structure
- Potential barriers to adoption and interest by homeowners and businesses
- Lessons learned across jurisdictions as regulators gain experience reviewing or overseeing emerging products.

Action 2: Develop a Regulatory Product Library

Ongoing work by Drafting Group

To support the recommendation, the NAIC could maintain a centralized library of innovative flood insurance products, presentations, and related regulatory resources for state insurance regulators.

Relevant NAIC committees and working groups have received presentations on innovative insurance products in recent years. These materials could provide an initial foundation for the library and illustrate products and approaches regulators have encountered. Inclusion in the library would be for regulatory education and information sharing and would not constitute an endorsement of a particular product, insurer, or approach.

The library should remain open-ended and adaptable, allowing additional examples, regulatory observations, presentations, and lessons learned to be incorporated as products and markets evolve. Periodic review of the library could also help identify emerging issues that may warrant further research, regulatory discussion, or coordination across NAIC groups.

Recent Innovative Products and Approaches Presented to Members

Presently Complete and Ready to Use

The Catastrophe Risk and Resilience Task Force and Severe Perils Working Group have been proactively identifying new types of products, reviewing reports on innovative insurance solutions, and hosting presentations for state regulators to learn about new technologies and product development. In recent years, members have received presentations on a range of flood insurance products and approaches that illustrate how insurers and other market participants are exploring new ways to address flood risk and insurance protection gaps.

The examples below highlight products and innovations that have been presented to NAIC members to date. As additional products and approaches emerge, future examples can be incorporated into the resource library, allowing it to evolve alongside the market.

Lower or moderate coverage limits bundled with homeowners policy

Multiple companies, including an example highlighted in Pennsylvania, have offered flood policies with less coverage than the NFIP, but also with far less cost to the policyholder. This type of policy explores the potential that lower coverage limits may be more attractive to the public and may be well-aligned with local risk potential. For example, Munich Re's Inland Flood Endorsement is an example of an innovative private flood insurance product designed to expand access to affordable coverage for homeowners outside designated Special Flood Hazard Areas (SFHAs). Introduced in 2016, the endorsement offers coverage limits ranging from $5,000 to $50,000 and can be added directly to existing homeowners, renters, and certain other property insurance policies. This approach simplifies the purchasing and claims process while providing consumers with an alternative to purchasing a separate flood insurance policy.

The endorsement includes coverage for dwelling damage, personal property, debris removal, and certain expenses not typically covered under the National Flood Insurance Program (NFIP), including basement personal property and loss of use. It also uses a broader definition of flooding that does not require multiple properties or a minimum land area to be affected. The product has been approved in 46 states, with more than 200,000 active endorsements offered through over 30 participating insurers.

By offering flexible coverage limits, streamlined distribution, and coverage tailored to lower-risk areas, the endorsement demonstrates how private-market innovation can help address the flood insurance protection gap. Although not intended to replace comprehensive flood insurance, products such as this can complement existing coverage options and provide meaningful financial protection to consumers who might otherwise remain uninsured.

1. Admitted Flood Product and Market Development

NAIC National Meeting Presentation: August 15, 2024 reThought Flood*s* approach to expanding coverage through improved risk assessment, broader policy features, education, and mitigation. The presentation identifies insurer and reinsurer concerns about deploying capacity, limited consumer awareness, producer uncertainty, and underused mitigation as barriers to closing the protection gap. It connects better understanding of flood risk with sustainable underwriting and greater capacity to offer coverage.

The admitted product features described include replacement-cost coverage for dwellings and contents, broader basement coverage, additional living expenses and rental income, multiple dwellings on a policy, and more flexible limits and eligibility. These examples provide a basis for examining whether new products meet consumer needs and how expanded benefits affect exposure, pricing, and claims obligations. The presentation also emphasizes experienced catastrophe claims personnel. Product features and company methods are presented as industry examples, with availability and terms subject to the applicable policy and jurisdiction.

The presentation connects market development to the Blueprint's other strategies through property-specific risk information, multiple catastrophe models, producer training, consumer materials before and after events, attainable mitigation measures, and mitigation incentives. Outreach to existing policyholders may help identify coverage needs. Regulators can assess how these practices support informed decisions and sustainable capacity without treating a company's proposed approach as evidence of achieved market growth.

2. Private Market Expansion Analysis

A recent analysis paper, *Transitioning NFIP Policies to the Private Market*, examines opportunities for NFIP policies to move to private flood insurance under different pricing scenarios. Using a sample of NFIP policies and Neptune's proprietary underwriting model, the analysis estimates eligibility and potential premium differences. It provides an industry perspective on potential market expansion, rather than a measure of actual company growth, committed insurance capacity, or the financial condition of participating insurers.

Assessing private flood market development requires reliable information on policy counts, premiums, insured exposures, geographic concentration, and the insurers and reinsurers assuming the risk. Available data remains limited, particularly for surplus lines and company-specific growth. Information from market participants and state regulators can help address these gaps and distinguish projected opportunities from observed market activity. As coverage expands, regulators can evaluate whether capital, underwriting controls, reinsurance, and claims resources remain sufficient to support the additional exposure and meet policyholder obligations

Action 3. Natural Catastrophe Risk Dashboard and Protection Gap Data

Presently Complete and Ready to Use

The NAIC Natural Catastrophe Risk Dashboard and protection gap data can support the Flood Insurance Blueprint by helping regulators better understand the relationship between flood risk, catastrophe losses, and insurance coverage. By bringing together catastrophe loss and insurance information, these resources can help identify areas where uninsured or underinsured losses may be significant, recognize emerging trends, and determine where additional consumer education, market development, mitigation, or regulatory attention may be warranted.

During a June 2026 presentation to the Severe Peril Working Group, three areas for further research were identified to strengthen the Dashboard's flood-related information. These included examining NFIP coverage data, such as total insured value, coverage limits, and economic losses, to restore previously used protection gap measures; exploring the availability of NFIP modeled loss and reinsurance data to improve flood risk assessments; and developing additional protection gap measures, including estimates of homes without homeowners or flood insurance coverage.

Together, these efforts could provide regulators with a more comprehensive understanding of flood exposure, coverage availability, and potential gaps in financial protection. The Dashboard and related protection gap measures can serve as informational and analytical resources to support market monitoring, guide regulatory priorities, and help identify opportunities to advance the Blueprint's mission of reducing the flood insurance protection gap.

Action 4. FEMA Direct-to-Customer Flood Insurance Quoting Tool

FEMA's NFIP has expanded consumers' access to flood insurance pricing information through its Direct-to-Customer Flood Insurance Quoting Tool. Available through FloodSmart.gov, the online tool allows property owners and renters to enter basic property and coverage information and receive a personalized NFIP flood insurance quote, generally in less than 10 minutes.

The tool is designed to simplify the process of exploring flood insurance by allowing consumers to obtain pricing information before contacting an insurance provider. After generating quotes, consumers are provided with information for participating insurance agencies or providers that can assist with reviewing the quote, answering questions, and completing the purchase of coverage. The tool complements, rather than replaces, the existing role of insurance agents and NFIP participating insurers.

For state insurance regulators, the tool provides an additional resource that can be incorporated into consumer outreach, producer education, and flood insurance awareness efforts. Making personalized pricing information easier to access may help consumers move from understanding their flood risk to evaluating available financial protection—supporting broader efforts to reduce the flood insurance protection gap.

Referral Submission and Joint Meetings with E Committee

Ongoing work: Previous E-Committee consideration of whether flood should have a future risk-based capital (RBC) charge. Blueprint should consider recommending that the issue be revisited.

Referral could acknowledge that the issue has been considered previously but explain what has changed since the earlier discussion and why another review is warranted now

FEMA Engagement and NFIP Data

Presently Complete and Ready to Use

Understanding the flood insurance protection gap requires regulators to examine NFIP data alongside private flood insurance information. Continued engagement with the FEMA can strengthen state access to NFIP data, improve interagency coordination, and support a more comprehensive assessment of insurance take-up and coverage adequacy.

FEMA is expanding state access to NFIP information through data-sharing agreements that allow a designated lead agency and other authorized state agencies to access information through FEMA's PIVOT data environment.

California is pursuing this approach through an agreement led by the California Governor's Office of Emergency Services (Cal OES), with the California Department of Insurance participating as an additional agency. This arrangement illustrates how insurance regulators can collaborate with state partners while maintaining direct access to data relevant to flood insurance analysis.

Recognizing that states have varying analytical capabilities, the NAIC could explore opportunities to support the consistent use and, where permitted, aggregation of NFIP data across jurisdictions. Combining NFIP information with private-market data, including surplus lines, and relevant risk and exposure information could help regulators identify uninsured and underinsured properties, evaluate coverage adequacy, and monitor whether private-market growth is expanding overall protection or replacing existing NFIP coverage. Analysis of claims approaching the NFIP's $250,000 residential building coverage limit could also help identify potential needs for supplemental coverage, while private-market information could inform opportunities for lower-limit products.

Initial state or NAIC zone-level studies, supported by the Catastrophe Risk Center of Excellence (CAT COE), could help establish consistent methodologies for measuring the protection gap before expanding to broader analyses.

FEMA engagement also presents opportunities to improve consumer awareness. FEMA's development of consumer-facing NFIP pricing tools, including testing involving California and other states, could help consumers better understand available coverage and potential costs. Regulators may support these efforts through feedback, outreach, and monitoring whether improved access to pricing information contributes to increased insurance take-up.

Federal Engagement Priorities on Flood

Ongoing work by Drafting Group: Members of the Severe Perils Working Group are encouraged to identify flood-related issues or concerns within their jurisdictions that may warrant federal engagement. Input from jurisdictions across different geographic regions is particularly encouraged to ensure that the priorities reflect the diverse flood-related challenges facing states and territories.

Based on member feedback, the Working Group will identify approximately three to five federal engagement priorities for potential inclusion in the final Blueprint. These priorities may also help inform broader NAIC federal engagement activities and discussions with federal policymakers and agencies.

Island Flooding Considerations

Ongoing work*: Market monitoring and federal engagement should also account for island jurisdictions and other regions whose flood hazards, insurance availability, and data needs may differ from national patterns*.

ACKNOWLEDGMENTS

NAIC Committee Support:

Aaron Brandenburg, Director, Property & Casualty Regulatory Services

Butch Kinerney, Senior. Risk and Resilience Insurance Manager

Libby Crews, Senior. P&C Insurance Specialist

Task Force Chair and Vice Chair Support:

Mike Peterson, California Department of Insurance
Travis Taylor, Alabama Department of Insurance
Abigail Gomez, California Department of Insurance

NAIC CIPR

Brenda Rourke, Communication Science Research and Engagement Program Manager

Jeff Czajkowski, Managing Director of Insurance Research, Analytics, and P&C Policy

NAIC Communication Strategy Support

Melissa Jackson, Director of Communications

Contributors

Joy Hatchette, Maryland Insurance Administration

Rabab Charafeddine, California Department of Insurance

Jackie Horrigan, Massachusetts Division of Insurance

Sharon Shipp, District of Columbia Department of Insurance - Securities and Banking

David Forte, Washington State Office of the Insurance Commissioner

Brad Garling, Missouri Department of Commerce and Insurance

Ron Henderson, Louisiana Department of Insurance

Jon Ford, Louisiana Department of Insurance

Charles Hansberry, Louisiana Department of Insurance

Adam Patrick, Louisiana Department of Insurance

Anoush Brangaccio, Florida Office of Insurance Regulation

Dudley Ewen, Pennsylvania Insurance Department

Mary Quinn, Connecticut Insurance Department

George Bradner, Connecticut Insurance Department