REINSURANCE
ASSOCIATION
OF AMERICA

July 31, 2026

Property and Casualty Insurance (C) Committee
National Association of Insurance Commissioners (NAIC)
c/o Anne Obersteadt
Regulatory Research Specialist
Via email: aobersteadt@naic.org

Re: RAA Comments on the Final Draft Affordability and Availability of Homeowners Insurance Playbook

Dear Drafting Group Members:

The Reinsurance Association of America (RAA)[1] appreciates the opportunity to comment on the final draft Affordability and Availability of Homeowners Insurance Playbook and thanks the Committee for their engagement on this crucial policy issue. The RAA looks forward to continuing to work with state regulators to clearly identify the underlying causes so that solutions will be impactful for consumers.

The RAA appreciates the changes and updates made to the Playbook based on our previous comment letter and continues to think the Playbook accurately recognizes the important role reinsurance plays in the broader insurance market. The RAA continues to have concerns that the Playbook inaccurately identifies reinsurance as a main factor underlying higher homeowners' premiums. However, the RAA intends to focus its comments in this letter on a new brief issue, recognizing that the purchase of reinsurance is a voluntary transaction.

The RAA believes the Playbook can be further improved by including an additional sentence to correctly identify that the purchase of reinsurance is a voluntary transaction. Insurers purchase reinsurance because it is efficient capital which enables them to write more business. The RAA recommends making the following changes to the first paragraph of Part 1 Section B Reinsurance:

> Reinsurance
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> Reinsurance is primarily a voluntary risk-transfer tool that helps an insurance company manage and protect its capital, which is essential to solvency and growth in the primary market. As a result, reinsurers help cover catastrophic losses, absorb shocks to the system, and support the stability and capacity of the insurance market, thereby affecting the availability and affordability of insurance for consumers. There is no legal requirement to purchase reinsurance, with insurers choosing to purchase reinsurance because it is efficient capital which enables them to write more business. Reinsurers share in insurers' risks. As such, reinsurers enable insurers to take on more risk and provide insurance across broader product lines and geographic regions, including high-risk regions. Reinsurance layers are often complemented by alternative capital or insurance-linked securities (i.e., catastrophe bonds) and, in limited circumstances, government-backed risk pools

[1] The Reinsurance Association of America (RAA) is a national trade association representing companies doing reinsurance business in the United States. RAA membership is diverse, including reinsurance underwriters and intermediaries licensed in the U.S. and those that conduct business on a cross-border basis. The RAA also has life reinsurance affiliates and insurance-linked securities (ILS) fund managers and market participants that are engaged in the assumption of property/casualty risks. The RAA represents its members before state, federal, and international bodies.

and markets of last resort. Such backstops are complementary tools for targeted markets and not full substitutes for private market capacity, risk-based pricing, or robust mitigation investments.

The RAA appreciates the additional opportunity to comment and looks forward to further dialogue with the NAIC on reinsurance. The Playbook is a valuable and timely resource. Continuing to strengthen the reinsurance section to properly reflect the role of reinsurance in the homeowners insurance market will only help to improve its usefulness for policymakers. The RAA would be happy to meet with members of the Drafting Group to discuss these recommendations and looks forward to further engagement and discussion of these issues.

Sincerely,

Susan L. Donegan

Susan L. Donegan
Senior Vice President & Head of State Relations
Reinsurance Association of America