

February 20, 2014

The Honorable Dennis A. Ross
U.S. House of Representatives
229 Cannon House Office Building
Washington, D.C. 20515

The Honorable James M. Inhofe
United States Senate
205 Russell Senate Office Building
Washington, D.C. 20510

Dear Representative Ross and Senator Inhofe:

We write on behalf of the National Association of Insurance Commissioners (NAIC)¹ to express our support for your legislation, the Disaster Savings Accounts Act (H.R. 3989/S. 1991), to address natural catastrophe preparation and recovery. We also appreciate your long history of support for state-based insurance regulation.

State insurance regulators recognize that natural disasters take a considerable financial and emotional toll on Americans every year. According to the National Oceanic and Atmospheric Administration, in 2013, the U.S. experienced seven weather and climate disaster events, each with losses exceeding \$1 billion in damages. These statistics underscore the importance of developing strategies today to better manage and mitigate the natural catastrophic events of tomorrow. The NAIC appreciates that your legislation encourages disaster mitigation efforts as one of these strategies. We support the policy goal of allowing individuals to set aside money in a tax-preferred savings account to address damage due to natural disasters, particularly with regard to disaster preparation. While we understand that Congress has to balance these proposals against the impact on federal revenues, significant investment in preparation and mitigation could result in substantial savings in federal disaster relief.

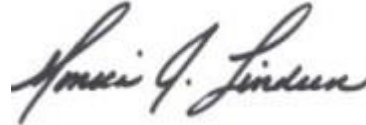
¹ The National Association of Insurance Commissioners (NAIC) is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S.

We thank you for your leadership in seeking to develop solutions to better prepare our nation for natural catastrophes. We look forward to continuing to work with you as you move forward with your legislation.

Sincerely,




Commissioner Adam Hamm
NAIC President and
North Dakota Insurance Commissioner



Commissioner Monica Lindeen
NAIC President-Elect
Montana Office of the Commissioner
Of Securities and Insurance



Commissioner Michael F. Consedine
NAIC Vice President
Commissioner
Pennsylvania Department of Insurance



Commissioner Sharon P. Clark
NAIC Secretary-Treasurer
Commissioner
Kentucky Department of Insurance