

CLIMATE AND RESILIENCY (EX) TASK FORCE

Climate and Resiliency (EX) Task Force Aug. 11, 2025, Minutes

Draft Pending Adoption

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Climate and Resiliency (EX) Task Force
Minneapolis, Minnesota
August 11, 2025

The Climate and Resiliency (EX) Task Force met in Minneapolis, MN, Aug. 11, 2025. The following Task Force members participated: Ricardo Lara, Co-Chair, and Mike Peterson (CA); Timothy J. Temple, Co-Chair (LA); TK Keen, Co-Vice Chair (OR); Heather Carpenter (AK); Mark Fowler (AL); Alan McClain represented by Lori Plant (AR); Michael Conway represented by Jason Lapham (CO); Andrew N. Mais represented by George Bradner (CT); Karima M. Woods represented by Sharon Shipp (DC); Trinidad Navarro represented by Christina Miller (DE); Michael Yaworsky represented by Jane Nelson (FL); Scott Saiki represented by Jerry Bump (HI); Doug Ommen (IA); Ann Gillespie (IL); Holly W. Lambert represented by Alex Peck (IN); Vicki Schmidt represented by Craig Van Aalst (KS); Sharon P. Clark represented by Shawn Boggs (KY); Michael T. Caljouw represented by Jackie Horigan (MA); Marie Grant represented by Greg Ricci (MD); Robert L. Carey (ME); Grace Arnold represented by Peter Brickwedde (MN); Mike Chaney represented by Andy Case (MS); Mike Causey represented by David Yetter (NC); Jon Godfread (ND); Justin Zimmerman represented by William Rader (NJ); Ned Gaines (NV); Adrienne A. Harris represented by Rajesh Bhandula (NY); Judith L. French (OH); Michael Humphreys (PA); Alexander S. Adams Vega represented by Maria Morcelo (PR); Elizabeth Kelleher Dwyer represented by Mariel Garcia (RI); Michael Wise (SC); Tregenza A. Roach (VI); Kaj Samsom represented by Rosemary Raszka (VT); Patty Kuderer (WA); Nathan Houdek (WI); and Jeff Rude (WY). Also participating were Cassie Brown (TX).

1. Adopted its Spring National Meeting Minutes

Commissioner Temple made a motion, seconded by Van Aalst, to adopt the Task Force's March 26 (*see NAIC Proceedings – Spring 2025, Climate and Resiliency (EX) Task Force*) minutes. The motion passed unanimously.

2. Received an Update on the *Disaster Preparedness Handbook*

Commissioner Lara said the Task Force has a priority in the *State Connected* strategic plan to bring together the lessons learned as a regulator on risk mitigation, communication with the public, and forward-looking policies in the wake of disasters. He said the experience of the current group of U.S. state regulators is significant and diverse, and the goal of the Task Force is to transmit much of that knowledge to other regulators so that their reaction times are quick and responsive to the needs of consumers. Since the Task Force met at the Spring National Meeting, NAIC members have experienced flooding in Texas and in the eastern states, running from Florida to Rhode Island; windstorms in the Midwest, including derechos and severe convective storms; and wildfires throughout the West, including the largest fire in Arizona, multiple large fires in Utah, and ferocious fires in California, Colorado, Hawaii, New Mexico, Oregon, and Washington. He said the work of the Task Force and the Center of Excellence (COE) helps build knowledge, collaboration, and oversee more resilient markets.

Commissioner Temple said after the Spring National Meeting, the Task Force asked regulators to join a drafting group that would create the outline of this guide. With the participation of 11 states, this drafting group met on April 25, June 18, July 9, and July 30. The outline of the guide is attached to the materials. The purpose of the guide is to provide an overview of disaster preparedness, information on pre-disaster education, information on the state insurance regulatory response post-disaster, useful after-action reports for future preparedness, common questions from the public and local officials, and state-specific case studies.

Commissioner Temple said during the meetings, the drafting group heard a presentation from North Carolina about its recent response to Hurricane Helene and from California on its responses to the wildfires. NAIC staff have set up a SharePoint site so that regulators can collaborate on drafting this document. The drafting group

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plans to meet regularly to continue discussions and discuss drafting progress. The anticipated completion date for a full draft is by the Fall National Meeting. The outline shows the drafting group focusing on state-level examples and several reports by the Insurance Institute for Business & Home Safety (IBHS), including its post-disaster reports on recent disasters in California, Colorado, and Hawaii, as cornerstones for this work.

Director Wise said South Carolina has a big focus on education, and while education has been focused on coastal areas traditionally, recent storms have shown the need for education in the western part of the state. He said the department has worked to build out a strategic communication plan that focuses on what a policy covers and how deductibles work, among other things. The department has engaged with other stakeholders to build relationships and increase the audience at community events. The discussion around mitigation grant programs is increasingly important. Wise said the South Carolina Department of Insurance (DOI) has prepared an internal disaster response plan that includes media and messaging materials, education materials, and bulletin templates to be deployed immediately following a disaster.

Amy Bach (United Policyholders—UP) said that since departments have varying resources, the collaboration in a project like this *Disaster Preparedness Handbook* (Handbook) will be practical. Bach said UP has jointly published rack cards with many state insurance departments that give brief highlights on the important pieces of an insurance policy for consumers. She said UP also participates in webinars hosted by insurance departments on a regular basis. Bach said she would encourage uniformity around an increase in the time limit for additional living expenses (ALE). She said it is important for out-of-state adjusters to be well-trained in the laws of the state in which they are responding.

Ken Klein (NAIC Consumer Representative) encouraged the Task Force to pay attention to how building code upgrades affect the adequacy of coverage. Klein asked for clarification on how the Task Force intends to outline the measurement of underinsurance post-disaster. Peterson said this Handbook would not gather data on underinsurance but would flag common issues among states and what lessons states have learned.

Dave Snyder (American Property Casualty Insurance Association—APCIA) said the Geneva Association has recently released a study that illustrates the role of state, local, and federal governmental agencies in planning and disaster response. He said he would like to see the Handbook include outreach and work with other agencies. He said he would like the Task Force to include how insurance companies can be given flexibility to tailor their coverages to people's needs to deliver more insurance to more people.

3. Received an Update from the CIPR on the COE

Jeff Czajkowski (Center for Insurance Policy and Research—CIPR) said one of the core pillars of the Catastrophe Risk Management Center of Excellence (COE) is education and training. He said catastrophe modeling courses, CAT 101 and CAT 201, are available through the NAIC Compass platform. He said future courses are being developed, including the CAT and Climate Risk Course for Financial Regulators, the Use of CAT Models in P/C Rate Filings, Reinsurance and Alternative Risk Transfer, and Resilience. He said the COE team now includes four full-time employees who have more than 50 years of combined catastrophe risk management experience.

Brian Powell (CIPR) said the COE has developed a resilience hub that serves to engage with state insurance commissioners on establishing resilience plans and programs in their respective states. This includes developing legislative strategies and language to support the department through the entire legislative process. The resilience hub also works to design the grant programs and continually supports the program as efforts continue. Powell said increasing demand for resources requires a consistent approach to provide effective support for commissioners and partners. He said there is a need for consistency in the approach to program development. Design and implementation are imperative to provide expected interaction for the insurance industry and all

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stakeholders, and in the approach to program design and operation, it is imperative to provide expected outcomes.

He said partners in this space are developing standard approaches to support mitigation and resilience initiatives as an effective tool for determining and deploying resources. He said there is demand for cross-communication and problem-solving resources from the CAT COE Resilience Hub.

Powell said there are currently four programs that are issuing wind mitigation grants, and a number of other states that have the legislative authority to implement this program. He said there are also states that are going beyond wind mitigation, including states looking at wildfire mitigation.

Czajkowski said the COE has the resources to help establish the retrofit and resilience grant programs, perform catastrophe risk assessments, calculate mitigation premium discounts, assist with rate filing and reinsurance review, and work on program enhancements. The COE has the capabilities to run catastrophe models to support the states in these endeavors. Czajkowski showed an example of homeowners market data overlaid with Federal Emergency Management Agency (FEMA) national risk index data and catastrophe model information to help states think through risk assessment and prioritization.

4. Received an Update on the Natural Catastrophe Risk Dashboard Commissioner

Commissioner Lara said the Natural Catastrophe Risk Dashboard was developed beginning in 2024. He said a drafting group was formed following the 2024 Summer National Meeting, and regulators from 12 states participated in the further development of the dashboard and a summary report. The Task Force held a regulator-only meeting on June 30 to review the dashboard. He said the goal of the dashboard is to be a tool for regulators, while the report would be a public-facing summary of the trends captured in the dashboard. Neither the dashboard itself nor the public-facing summary will identify individual state data. He said the dashboard uses national metrics meant to understand the national issues of catastrophes and protection gaps. The dashboard is in the final stages of revisions and will be considered at a future meeting of the Task Force.

5. Received an Update on the Alabama DOI and CRIR Report

Commissioner Fowler said the Strengthen Alabama Homes program gave out its first grant in 2016, and they have now given 9,200 grants worth \$91 million with about 60,000 fortified homes in the state. He said Hurricane Sally was the first major hurricane to travel over a large number of fortified roofs. He said, following the storm, property/casualty (P/C) insurers reporting from coastal counties indicated that the roofs had performed as advertised against the hurricane winds. He said the department worked with Lars Powell from the University of Alabama's Center for Risk and Insurance Research (CRIR) to develop a data call that would collect data on the performance of the roofs in these areas. He said the data confirmed the greater-than-expected performance of the roofs and that a majority of the claims were coming from tree fall instead of wind damage.

Lars Powell said the fortified houses reduced the frequency of losses by 55% to 75% and reduced the severity of losses by 20% to 40%. The data found that if this program had been started 30 to 50 years ago and the majority of the housing stock was at the Fortified Gold Level, the amount of deductibles paid by consumers would have been about 65% less. He said the data aligns with the predictions from the IBHS lab and catastrophe models, which gives confidence that these findings can be extrapolated for use in other scenarios. Powell emphasized that other states considering risk mitigation programs should reach out to the Alabama Department of Insurance (DOI) and the CRIR for guidance.

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Commissioner Temple said the average person who gets a fortified roof from the grant program saves about 31% on their homeowners insurance if they keep coverage the same. He said many people had lower coverage before getting a fortified roof but were able to pay less and have more coverage after.

Horigan asked about best practices for engaging with contractors. Powell said the COE's Resilience Hub will help connect regulators with IBHS and their partners, who will train contractors and help with education for a holistic approach. Commissioner Temple said early engagement with contractors will help with buy-in of the program.

6. Received an Update on the P/C Reinsurance Roundtable

Jeff Johnston (NAIC) said a roundtable was held in Pasadena, CA, with the intent to deepen the understanding of how reinsurance market dynamics affect affordability, availability, and resilience in the homeowners and business insurance markets. He said 40 insurance departments were represented, and the sessions included experts on catastrophe modeling and reinsurance. He said Commissioner Godfread identified three general strategic objectives that will be pursued by the Reinsurance (E) Task Force: 1) continue to build knowledge, 2) strengthen collaboration, and 3) lead in shaping the market and resilience.

Johnston said with respect to building knowledge, there will be an expansion of regulator training in the areas of reinsurance, catastrophe modeling, and alternative risk transfer. He said the NAIC will pursue external partnerships with the Reinsurance Association of America (RAA), Swiss Re, and The Institutes to bring in their expertise and training. With respect to strengthening collaboration, Johnston said cross-state data sharing on catastrophe exposures and reinsurance structures will continue, and resources within the COE for joint catastrophe modeling will be utilized. With respect to leading in shaping the market and resilience, Johnston said the NAIC will continue to promote scale resilience and retrofit programs, encourage innovation and risk transfer mechanisms, and integrate resilience and mitigation into solvency and rate setting processes.

7. Heard a Presentation from Ceres on the Climate Risk Disclosure Survey Dashboard

Steven Rothstein (Ceres) said that since the adoption of the Task Force on Climate-Related Financial Disclosures (TCFD) aligned disclosure reporting by the NAIC, Ceres has released analysis reports of the survey findings. He said the survey asks questions on governance, strategy, risk management, and metrics and targets. The latest report shows 99% of insurers have outlined plans for risk management, but only one-third of the companies are reporting their metrics and targets for climate risks. He said the climate risk disclosure survey is important because companies that are more aware of their risks will do more to protect themselves and their customers.

Rothstein said in a report released this year, Ceres is looking specifically into the metrics and targets category to understand specific examples of the work being done in this area. The report provides actions the industry can take to close the measurement gap between setting climate targets and outlining specific goals to achieve those targets. He said it is also important for companies to have transition plans for where they want to be in five, 10, and 20 years from now and how they plan to get there.

Rothstein said Ceres is able to work individually with state insurance departments to understand the tools available to analyze the information found in the survey responses.

Having no further business, the Climate and Resiliency (EX) Task Force adjourned.

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