NATURAL CATASTROPHE RISK AND RESILIENCE (EX) TASK FORCE

Natural Catastrophe Risk and Resilience (EX) Task Force Aug. 13, 2026, Minutes
- Natural Catastrophe Risk and Resilience (EX) Task Force June 15, 2026, Minutes (Attachment One)
- Pre-Disaster Mitigation and Risk Modeling (EX) Working Group August 11, 2026, Minutes (Attachment Two)
  - Pre-Disaster Mitigation and Risk Modeling (EX) Working Group July 14, 2026, Minutes (Attachment Two-A)
    - Pre-Disaster Mitigation and Risk Modeling (EX) Working Group June 10, 2026, Minutes (Attachment Two-A1)
      - Pre-Disaster Mitigation and Risk Modeling (EX) Working Group May 12, 2026, Minutes (Attachment Two-A1a)
        - Pre-Disaster Mitigation and Risk Modeling (EX) Working Group March 25, 2026, Minutes (Attachment Two-A1ai)
- Severe Peril (EX) Working Group July 13, 2026, Minutes (Attachment Three)
  - Severe Peril (EX) Working Group June 11, 2026, Minutes (Attachment Three-A)
    - Severe Peril (EX) Working Group May 14, 2026, Minutes (Attachment Three-A1)

Draft Pending Adoption

Draft: 8/24/26

Natural Catastrophe Risk and Resilience (EX) Task Force
Columbus, Ohio
August 13, 2026

The Natural Catastrophe Risk and Resilience (EX) Task Force met in Columbus, OH, Aug. 13, 2026. The following Task Force members participated: Ricardo Lara, Chair, and Mike Peterson (CA); Mark Fowler, Vice Chair, and Travis Taylor (AL); Heather Carpenter (AK); Joshua Hershman and Wanchin Chou (CT); Trinidad Navarro represented by Christina Miller (DE); Marie Grant and Greg Ricci (MD); Julie Dreier represented by Peter Brickwedde (MN); Angela L. Nelson (MO); Jon Godfread (ND); Scott A. White and Zuhairah Tillinghast (VA); and Nathan Houdek and Sarah Smith (WI).

1. Adopted its June 15 Minutes Meeting Minutes

Commissioner Lara made an introductory statement and noted the significant catastrophe activity occurring in 2026, including extreme heat, wildfires, severe flooding, severe convective storms, and typhoons. He said the increasing frequency and compounding nature of catastrophe events are affecting insurance availability and affordability, solvency oversight, and reinsurance capacity. He noted a 2026 catastrophe briefing document had been prepared to provide regulators with a common summary of significant events and potential insurance market impacts. The document will be updated throughout the year and is envisioned to be particularly useful to regulators in discussions with legislators and other community leaders, he said.

Commissioner Lara said the Task Force met June 15. During this meeting, the Task Force took the following action: 1) adopted its Spring National Meeting minutes; 2) received an update on its strategic priorities; and 3) discussed the Insurance Institute for Business & Home Safety's (IBHS') strategic planning.

The Task Force also met June 24 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings, to discussed feedback on catastrophe resilience priorities and IBHS strategic planning and discuss recommendation to the Financial Condition (E) Committee regarding catastrophe scenario (RCAT) analysis.

Commissioner Fowler made a motion, seconded by Commissioner Godfread, to adopt the Task Force's June 15 (Attachment One) minutes. The motion passed unanimously.

2. Received the Report of the Pre-Disaster Mitigation and Risk Modeling (EX) Working Group

Commissioner Temple reported that the Pre-Disaster Mitigation and Risk Modeling (EX) Working Group met July 14, June 10, and May 12. He provided an update on the Working Group's 2026 activities, highlighting development of a model mitigation program law. The proposed model would provide states with a flexible framework for voluntary, state-administered residential mitigation programs that can be tailored to different hazards, housing markets, funding sources, and policy priorities. Developed with input from regulators and existing state programs, the model addresses eligibility, recognized mitigation standards, grants and cost sharing, verification of completed work, insurance coordination, reporting, auditing, and antifraud protections.

Commissioner Temple emphasized the importance of verifying that mitigation improvements meet recognized standards and of collecting information that allows states to assess program effectiveness and the relationship between mitigation and risk reduction. The proposed model will be publicly exposed for stakeholder comment before potentially advancing through the NAIC model law adoption process.

He also noted related Working Group efforts involving mitigation discounts, insurance endorsements, state mitigation programs, and timelier catastrophe-loss information. Together, these initiatives are intended to strengthen the connection between mitigation, insurance incentives, and more resilient rebuilding following disasters.

Director Carpenter made a motion, seconded by Commissioner Grant, to adopt the report of the Pre-Disaster Mitigation and Risk Modeling (EX) Working Group (Attachment Two), including its July 14, June 10, and May 12 minutes. The motion passed unanimously.

3. Received the Report of the Severe Peril (EX) Working Group

Director Nelson said the Severe Peril (EX) Working Group met July 13, June 11, and May 14. During these meetings, the Working Group took the following action: 1) discussed 2026 priorities; 2) discussed the flood insurance blueprint; 3) received updates on flood insurance priorities survey and Natural Catastrophe Risk Dashboard.

Director Nelson provided an update on development of the Flood Insurance Blueprint. She said the Blueprint is intended to advance the Working Group's priorities through strategies addressing consumer communication, product innovation, risk assessment and modeling, mitigation, producer engagement, and development of the private flood insurance market.

Director Nelson highlighted several emerging areas of focus, including improving how flood risk is communicated to consumers and community partners; exploring innovative coverage options such as parametric products, integrated flood coverage, and lower-limit policies; expanding the use of data and modeling beyond reliance on FEMA flood maps; strengthening engagement with insurance producers; and monitoring the growth and distribution of the private flood insurance market.

Near-term deliverables include a state consumer education toolkit, a Quick Connect guide for engaging audiences outside the traditional insurance sector, research on consumer decision-making and innovative products, and expanded producer outreach. The Working Group will also finalize the Blueprint's priority strategies and prepare a draft for Task Force review and input.

Director Carpenter made a motion, seconded by Commissioner Grant to adopt the reports of the Severe Peril (EX) Working Group, including its July 13 (Attachment Three), June 11 (Attachment Three-A), and May 14 (Attachment Three-A1) minutes. The motion passed unanimously.

4. Heard a Presentation on 100,000th Insurance Institute for Business & Home Safety (IBHS) Fortified Home and Discussed a Strategic Path Forward with the NAIC

Commissioner Lara introduced Roy Wright, CEO of the Insurance Institute for Business & Home Safety (IBHS), and said the discussion was intended to build on the Task Force's earlier review of IBHS's strategic planning process and explore opportunities to expand mitigation programs. Commissioner Lara emphasized the value of science-based, field-tested standards such as FORTIFIED and Wildfire Prepared Home, as well as the need for measurable goals and broader multi-peril mitigation strategies.

Wright said the expansion of FORTIFIED to more than 100,000 homes demonstrates that successful mitigation requires more than a technical standard. State leadership, incentives, partnerships, workforce training, verification, and sustained private-market participation are all essential. He noted that programs in Alabama and Louisiana took years to reach scale and that mitigation approaches must be tailored to each state's specific hazards and market conditions.

Wright emphasized that grants can help launch mitigation efforts but are not sufficient on their own. In Alabama, he said only about 17% of FORTIFIED designations are tied to state grants, while more than 80% are driven through the private market. Expanding mitigation will require additional financing approaches, trained contractors and evaluators, effective verification, and reduced barriers for homeowners and other participants. He also noted that reduced risk should be reflected in insurance pricing where appropriate, although premium savings alone generally will not cover the cost of mitigation.

Following Wright's presentation, Task Force members discussed how the NAIC and IBHS could build on existing mitigation programs and develop a broader strategy for resilient construction and insurance market stability. Commissioner White said sustained engagement with IBHS had helped clarify the "next chapter" of the work and noted growing interest among legislators and consumer groups in mitigation as a response to insurance affordability and availability concerns. He said the next phase should focus on building the broader mitigation ecosystem, establishing measurable goals and deliverables, and developing an operational plan for where the effort should be in two to five years. White also said the long-term goal should extend to one million FORTIFIED homes and encouraged continued collaboration among the NAIC, IBHS, and other stakeholders.

Commissioner Godfread focused on the challenge of accelerating progress in states such as North Dakota, where rural conditions, limited building-code requirements, and housing affordability concerns can create barriers. He asked how IBHS is engaging builders and real estate organizations and whether IBHS could provide technical assistance to states considering statewide building codes. Wright said progress in Alabama and Louisiana accelerated when insurance commissioners worked with legislatures to establish state-supported programs, and he noted IBHS's extensive engagement with national and state builder and Realtor organizations. He said stronger resilience standards may add relatively little where modern building codes are already in place, while states without statewide codes face greater challenges, and he offered IBHS's building-code expertise to assist interested states.

Commissioner Temple emphasized that mitigation grant programs and stronger construction standards must advance together, saying regulators should also "engage and energize the other side" by working with building-code organizations, builders, and other national associations. Wright said forthcoming research is expected to examine the effect of building codes on home prices and suggested that stronger standards do not necessarily materially increase consumer costs. He also noted that resilience can often be incorporated more efficiently into new construction than through retrofits, citing nearly 50 western developments committed to wildfire-prepared standards. Wright said developers increasingly recognize the connection between resilient construction and insurance availability, observing that when homes can survive, that survivability is directly linked to insurability.

Commissioner Fowler congratulated IBHS on reaching 100,000 FORTIFIED homes, calling it a significant milestone. He noted that Alabama accounts for nearly 60,000 of those homes, while approximately 11,000 have been completed through the Strengthen Alabama Homes grant program. Fowler said it took time for the program and the broader FORTIFIED market to develop, but emphasized that Alabama never intended for state grants to pay for every resilient home. Rather, the program was intended to help demonstrate the value of FORTIFIED construction, build familiarity among contractors and consumers, and create momentum for broader adoption outside the grant program.

Fowler said Alabama's experience demonstrates the importance of moving beyond publicly funded retrofits and creating a market in which resilient construction increasingly occurs on its own. He noted that the large difference between the number of FORTIFIED homes statewide and those receiving Strengthen Alabama Homes grants indicates that the approach has expanded well beyond the state program. Fowler discussed the need to continue building on that progress and encourage greater incorporation of resilient standards into new construction and

routine roof replacement so that FORTIFIED construction can continue to scale without depending exclusively on state funding.

David Snyder of the American Property Casualty Insurance Association discussed the importance of bringing multiple stakeholders into resilience efforts and invited the NAIC to participate in a national housing conference being developed by APCIA and builder organizations that would include builders, housing advocates, local government officials, and other stakeholders. He said APCIA also has been working through industry stakeholder groups in several states to engage these constituencies and noted that insurance regulators have been active participants in those efforts. Snyder also emphasized the importance of maintaining rigorous, research-based mitigation standards and said the mitigation model should ensure that standards relied upon by states are supported by the insurance industry based on credible research.

5. Heard an Update from Aon on Property/Casualty (P/C) Reinsurance

Commissioner Lara introduced Dan Dick of Aon to discuss catastrophe activity, catastrophe modeling, and current property/casualty reinsurance conditions. He noted the Task Force's ongoing efforts to strengthen regulatory understanding of reinsurance through catastrophe scenario analysis, collaboration with the Financial Condition (E) Committee, and expanded training supported by the NAIC Catastrophe Modeling Center of Excellence.

Dick reported that risk-adjusted reinsurance rates declined at the June 1 and July 1 renewals, while demand increased and insurer catastrophe retention remained relatively stable. He said catastrophe models remain essential for evaluating low-frequency, high-severity events and must be recalibrated as actual losses provide new information about changing hazards. He also distinguished between very large events generally absorbed by reinsurers and the growing number of smaller catastrophe events retained by primary insurers.

He noted that U.S. severe convective storm losses have increased substantially, from an annual average of about $22 billion during 2014–2018 to about $44 billion during 2021–2025. Dick attributed most of that increase to inflation, higher replacement costs, rising property values, and greater concentrations of insured property. He also discussed how shifting weather patterns, including El Niño, can redistribute catastrophe risk across regions and perils.

Dick said global reinsurance capital stood at approximately $790 billion at the end of the first quarter of 2026, including about $141 billion in alternative capital. With current supply exceeding demand, he said further rate softening is possible into 2027 absent a major catastrophe, although a significant regional or global insured-loss event could reverse that trend. He encouraged regulators to avoid recency bias, continue consumer education on mitigation and risk financing, and make use of the Catastrophe Modeling Center of Excellence as a technical resource.

6. Received an Update on Association of Insurance Supervisors of Latin America (ASSAL)-NAIC Partnership

Commissioner Lara provided an update on the NAIC's collaboration with the Association of Insurance Supervisors of Latin America (ASSAL), describing the NAIC's associate membership as an important new hemispheric partnership among insurance regulators. He said jurisdictions throughout the Americas face many of the same catastrophe risks, protection gaps, and regulatory challenges involving modeling, data, mitigation, solvency oversight, and market stability.

The first major joint initiative is a hemispheric catastrophe risk assessment. An initial survey is examining risk communication, barriers to insurance uptake, mitigation incentives, data availability, and protection gaps across Latin America. A second phase will include a pilot jurisdiction, scenario-based loss analysis, evaluation of property,

agricultural, and fiscal impacts, and identification of potential mitigation and risk-financing strategies. Early findings are expected to be presented in November, with a broader assessment planned for 2027.

Commissioner Lara also highlighted parametric insurance, microinsurance, and nature-based resilience initiatives already operating in Latin America, including programs addressing hurricanes, floods, drought, earthquakes, coral reefs, mangroves, and wetlands. He said these efforts offer opportunities for U.S. regulators to learn from approaches that have moved beyond the pilot stage and are operating at scale.

The NAIC and ASSAL are also conducting joint workshops and training on catastrophe risk, modeling, mitigation, climate risk, and resilience. Commissioner Lara said the broader goal is to create a common technical foundation for catastrophe-risk supervision throughout the Americas and expand the sharing of data, modeling approaches, mitigation strategies, and regulatory experience.

Having no further business, the Natural Catastrophe Risk and Resilience (EX) Task Force adjourned.

Draft: 6/30/26

Natural Catastrophe Risk and Resilience (EX) Task Force
Virtual Meeting
June 15, 2026

The Natural Catastrophe Risk and Resilience (EX) Task Force met June 15, 2026. The following Task Force members participated: Ricardo Lara, Chair (CA); Mark Fowler, Vice Chair (AL); Heather Carpenter (AK); Joshua Hershman represented by George Bradner (CT); Trinidad Navarro represented by Christina Miller (DE); Sharon P. Clark (KY); Marie Grant represented by Joy Hatchette (MD); Grace Arnold represented by Peter Brickwedde (MN); Angela L. Nelson (MO); Jon Godfread represented by Matt Fischer (ND); Scott A. White (VA); Patty Kuderer represented by David Forte (WA); and Nathan Houdek (WI). Also participating was: Timothy J. Temple (LA).

1. Adopted its Spring National Meeting Minutes

Commissioner Fowler made a motion, seconded by Commissioner Clark, to adopt the Task Force's March 24 minutes *(see NAIC Proceedings – Spring 2026, Natural Catastrophe Risk and Resilience (EX) Task Force)*. The motion passed unanimously.

2. Received an Update on Natural Catastrophe Risk and Resilience Task Force Strategic Priorities

Commissioner Lara said the Task Force's two Working Groups, the Severe Peril (EX) Working Group and the Pre-Disaster Mitigation and Risk Modeling (EX) Working Group, are making great progress in initiatives aligned with the NAIC's National Resilience Strategy. He highlighted state mitigation programs, adoption of resilience standards, and the Task Force's focus on practical tools to help state insurance regulators understand risk, support mitigation, and improve insurance availability.

Director Nelson reported that the Severe Peril (EX) Working Group is developing the Flood Insurance Blueprint and gathering information on flood risk, insurance uptake, flood awareness, catastrophe risk, and reinsurance. She said the Working Group is using that information to identify strategies and help state insurance regulators communicate flood risk more effectively to consumers, local governments, real estate professionals, and policymakers.

Director Nelson said the Center for Insurance Policy and Research (CIPR) conducted consumer focus-group research to inform the Working Group's understanding of flood-risk awareness and consumer interest in flood insurance. The research examined how consumers in different parts of the country understand flood risk, assess personal exposure, what information sources they trust, and what may prompt them to consider flood coverage.

Director Nelson said the CIPR research evaluated whether current methods of communicating flood risk, including Federal Emergency Management Agency (FEMA) flood maps, help consumers understand actual exposure. She said data from the focus group showed low levels of formal flood-risk awareness, difficulty in determining personal risk, uncertainty about reliable information sources, and a preference for localized risk information, simpler tools, and practical mitigation guidance. Participants also identified cost and time as barriers to mitigation, which suggests that education alone may not be sufficient.

Director Nelson said NAIC staff are continuing to analyze focus-group data and information from FEMA and other researchers on U.S. flood risk. She said the next research question is why consumers who understand their risk do

or do not purchase flood insurance, including friction points between awareness and coverage decisions, and whether particular messages or tools could improve uptake.

Director Nelson said the Working Group also surveyed Task Force members to identify their priorities for the Flood Insurance Blueprint. Responses ranked flood awareness, mitigation, and consumer protection highly, while also recognizing implementation complexity. She said additional surveys may help refine the actions and deliverables and identify strategies that are both impactful and achievable for state insurance regulators.

Director Nelson said the Working Group reviewed NAIC data and publicly available data on flood insurance protection gaps. Because members expressed interest in better protection-gap and reinsurance data, the group is considering incorporating flood-insurance data into existing NAIC tools, including the Climate Risk Dashboard, and identifying where existing data may be insufficient for regulatory decision-making.

Director Nelson said the Working Group will also receive presentations on parametric insurance and how those products may help communities address protection gaps. She said the group wants to understand the strengths and limitations of emerging products and track whether they are effective as they enter the market.

Commissioner Lara said flooding is a universal peril, and protection gaps are growing in many states. He noted that atmospheric rivers drive significant losses in western states and that parametric products may merit consideration as a baseline protection tool, particularly where traditional coverage remains limited or unaffordable.

Commissioner White said the Flood Insurance Blueprint is an appropriate and ambitious response to a difficult protection gap. He said consumers face barriers to awareness, availability, and affordability, and he encouraged the Working Group to think broadly about actions that could materially increase participation in flood insurance and improve consumer understanding of risk.

Commissioner Fowler said that state insurance regulators need to raise the bar on flood.

Commissioner Lara said pre-disaster mitigation is central to the Task Force's resilience strategy and requires state insurance regulators to understand risk modeling, mitigation standards, and how those standards translate into better data, stronger incentives, and improved insurability.

Commissioner Temple reported that the Pre-Disaster Mitigation and Risk Modeling (EX) Working Group has met twice since March 25. He said the group has focused on charges related to resilience tools, model law development, catastrophe modeling, and coordination with other NAIC groups, including developing tools that state insurance regulators can use across states.

He said successful catastrophe resilience initiatives include mitigation grant programs, benchmark premium mitigation discount tables, and build-back-better endorsements. He said the Working Group formed a Mitigation Model Law Drafting Group, which has met biweekly since May 5 and is developing a framework for state mitigation programs that can support resilience investments and insurer participation.

Commissioner Temple said the anticipated draft model law would address major components proven to work in states, remain flexible as mitigation science evolves, and provide standards to support consistent, measurable resilience programs. The drafting group expects to review a draft before the Summer National Meeting, with continued refinement through the NAIC process.

Commissioner Temple said the group has addressed the development of premium mitigation discount tables through collaboration with the NAIC Catastrophe Modeling Center of Excellence (CAT COE). He said the CAT COE has provided updates on state work to create and implement discount tables and is developing a pilot effort focused on severe convective storm model loss reporting, which may help state insurance regulators evaluate mitigation benefits. He said mitigation discount tables are important for oversight and for communicating the value of risk reduction to the public, including potential impacts on insurance costs. He noted the CAT COE continues to help regulators connect modeling, mitigation, and consumer-facing resilience tools.

3. Discussed IBHS Strategic Planning and NAIC Catastrophe Resilience Priorities

Commissioner Lara introduced Roy Wright (Insurance Institute for Business & Home Safety—IBHS) as the CEO of IBHS and noted that the NAIC has numerous areas of overlap with IBHS. IBHS standards, including FORTIFIED and Wildfire Prepared Home, are used by insurers in risk assessments and by state insurance regulators in mitigation programs. State programs in Alabama, Kentucky, Louisiana, and South Carolina demonstrate how IBHS standards can support resilience, mitigation incentives, and insurance-market stability.

Wright said IBHS undertakes strategic planning every three years with its 28 board members. He reviewed IBHS's prior strategy, including growth of the Wildfire Prepared Home program at the parcel and neighborhood levels and a goal of reaching 100,000 FORTIFIED homes, which IBHS has surpassed. The next planning cycle is intended to determine how IBHS can expand resilience at a larger scale.

Wright said IBHS is organizing its next strategic plan around core questions, including whether building performance is sufficiently understood in real-world conditions; whether science and practice reach enough decision-makers at the right time; how to address the existing housing stock and aging homes; and whether resilience information is being translated into practical decisions by homeowners, contractors, insurers, lenders, and policymakers.

Wright said the systems shaping building outcomes—insurance, construction, finance, regulation, and consumer behavior—do not consistently value resilience. Resilience should be better reflected in premium recognition, mortgage valuation, and consumer decisions, and market incentives must operate as a connected system rather than as isolated programs.

Wright described strategic platforms under consideration, including the structural envelope; scalable mitigation pathways for aging homes; wildfire and severe convective storm resilience; risk models, insurance, and financial systems; field validation and post-event analysis; and operational modernization. IBHS has strong technical knowledge of roofs, walls, openings, and load paths, but it must improve its translation so consumers, contractors, and policymakers understand why mitigation matters.

Wright said IBHS is working with catastrophe modelers so FORTIFIED, Wildfire Prepared Home, and other mitigation actions can be incorporated directly into models and insurance pricing. He said field validation and post-event analysis are essential for proving performance, refining standards, and converting mitigation science into market action. IBHS must also continue modernizing its operations to support broader adoption.

Commissioner Lara said IBHS has helped many commissioners understand mitigation, but the case has not always translated to elected officials, local governments, or communities. Mayors, local government associations, and state officials should be engaged more directly because land-use decisions, building standards, and local investments strongly influence resilience outcomes.

Commissioner White said the presentation and Working Group updates shared a common theme of thinking big, innovating, and partnering. He encouraged state insurance regulators to consider whether risk and resilience can be quantified in ways that strengthen incentives, improve consumer uptake, and help insurers and consumers recognize the value of mitigation.

Wright said IBHS is engaging state insurance regulators and policymakers, including recent work in Texas and Washington. State-by-state engagement helps identify barriers, opportunities, and ways to bring resilience science into policy discussions. IBHS also looks for states where policy, regulatory interest, and market readiness can create momentum.

Director Carpenter asked how IBHS determines which states to work with and how state insurance regulators can begin resilience conversations. Wright said IBHS has committed to engaging all insurance commissioners and can help states identify achievable starting points, whether through building code discussions, mitigation grant programs, insurer incentives, or public education.

Commissioner Clark suggested engaging with state legislators at the NAIC Summer National Meeting, as a delegation will be present. Commissioner Lara agreed and said the idea should be pursued.

Commissioner Temple said states need tools that make resilience practical for homeowners. He said Louisiana has focused on mitigation grants, discount tables, and build-back-better endorsements, and consumers must see both physical risk reduction and insurance-related financial benefits. He said resilience programs need to be structured so homeowners can understand the value proposition.

Wright said IBHS is collaborating with most catastrophe modelers to incorporate FORTIFIED, Wildfire Prepared Home, and related actions into models. He said this work is essential for translating mitigation into quantifiable risk reduction and to support the development of stronger premium incentives over time.

Ken Klein (California Western School of Law) said that many residents in high-wildfire-risk areas are not taking mitigation measures due to financial constraints. He said some homeowners may be house-poor and unable to afford mitigation, even when they understand the risk, and he encouraged the Task Force to consider financing solutions.

Bradner said the insurance industry should do more to promote resilience and FORTIFIED homes. He said many companies in Connecticut do not discuss FORTIFIED, and available roof credits vary significantly, with some too small to motivate action. Wright said premium recognition matters, but financing, consumer value, and broader market support are also needed.

4. Received a Catastrophe Risk and Solvency Tool Update

Commissioner Lara said financial tools like reinsurance can fuel insurance availability and stabilize insurance markets. Reinsurance allows insurance companies to spread and diversify risk, enabling them to continue underwriting policies in high-risk communities and to provide a crucial financial backstop that ensures they have the funds to pay their claims. An affordable reinsurance market is critical, as it enables insurers to take on more policies and cover larger, more complex risks, thereby increasing overall market capacity and improving availability for consumers, especially in high-risk areas. The NAIC Center for Excellence (COE) was built to support state insurance regulators in understanding catastrophe risk through modeling. Catastrophe risk and reassurance are better integrated into the data being collected and into the training that empowers individual state staff to understand emerging catastrophe risks and mitigation strategies.

Commissioner Houdek, chair of the NAIC Financial Condition (E) Committee, said the E Committee supports the work of the Natural Catastrophe Risk and Resilience (EX) Task Force on catastrophe risk reinsurance and solvency. He said catastrophe risk has become a national priority, and state insurance regulators' ability to understand markets requires analytics of financial impacts and the ability to ensure responses to severe weather events. An important component of the national resilience strategy is coordinating data and modeling to enable a forward-looking and proactive approach to catastrophe risk.

Commissioner Hodek said that in recent years, several new modeling and data tools have been developed to support the NAIC and individual states in better planning, training, and understanding the markets. Pre-disaster mitigation is also crucial for ensuring market stability, and financial data helps state insurance regulators better understand risk and supports pre-disaster resilience initiatives, making collaboration between the NAIC, its E Committee, and this Task Force critically important. He said the E Committee produces data and metrics that help train financial analysts, actuaries, and examiners, and regularly updates the financial analysis and examination handbooks. Long-standing tools, such as reinsurance and catastrophe risk modeling, are important for understanding and planning for market volatility, making it imperative that state insurance regulators have a forward-looking view of these tools and how they will be utilized.

Commissioner Houdek presented the following update on information that informs the evaluation of catastrophe risk data, reinsurance placements, and financial analysis that coincides with updates to the financial analysis and examination handbooks to better account for natural catastrophe risks

Regarding wildfire, Commissioner Houdek said that in recent years, state insurance regulators have established specific risk-based capital (RBC) charges, including the NAIC Catastrophe Risk Charge (RCAT) for hurricane, earthquake, and wildfire risk, to protect against the solvency concerns associated with future high-severity weather events. These charges were adopted in March 2026. He said wildfire risk, particularly in the western states, has been increasing, and the costs of high-severity urban wildfire events have been high. Wildfire risk is also part of the review of catastrophe climate risk scenarios for understanding long-term risk trends. The changes made in recent years help regulators gather important insurance and reinsurance data and use that data for training and analytics.

Regarding severe convective storms, Commissioner Houdek highlighted two points from a March presentation by AON that focused on modeling future trends. First, data showed that in 2025, catastrophic losses from severe convective storms exceeded those from hurricanes, a new and increasing trend. Second, a 2024 report from Swiss Re, using data from the National Oceanic and Atmospheric Administration (NOAA), showed that 17 individual severe convective storm events caused over $1 billion in damage, including hail and high winds, resulting in widespread insured losses. He said the Research and Actuarial Department (RCAD) approach has an informational component and is in its second year of data collection. To understand these risks, the insurance sector is using new severe convective storm models, and state insurance regulators need to understand them because these models will be increasingly used in markets moving forward. Commissioner Houdek said the RCAT subgroup is currently conducting an impact analysis with catastrophe modeling vendors, with the NAIC Catastrophe Modeling Center of Excellence serving as a valuable technical expert resource for this workstream.

Regarding hurricane risk, Commissioner Houdek said it remains a longstanding part of the Regulatory Data Collection (RDC) framework. Online training has been developed by the NAIC to identify financial analysis tools and procedures for assessing current catastrophe risk, including understanding the RCAT calculation by peril, for hurricanes, severe convective storms, and wildfires. He said this training was launched at the end of March, and over 300 financial analysts and examiners have participated virtually. He said they are in the second year of a new, important initiative to collect and assess catastrophe risk and property/casualty (P/C) reinsurance information. This work focuses on testing future scenarios for wildfires and hurricanes and collecting probable maximum losses (PML) from carriers. In year one, companies had two reporting options, and submissions were

made under both options. This provided the COE staff with the opportunity to compare methodologies and approaches to risk modeling. Results indicated that most companies use the frequency approach for both hurricanes and wildfires. Early value is being seen from this information.

Commissioner Houdek said that last year, the NAIC held a P/C reinsurance summit in Los Angeles and made a site visit to the areas impacted by the 2025 Los Angeles wildfires. The summit led to the development of a training series for regulatory staff, focused on improving the collection of risk and reinsurance data on catastrophes and P/C reinsurance markets. He said the forward-looking PML is also being used to train staff to be better prepared for potential scenarios conditioned on climate risks, and to support new catastrophe risk and reinsurance training. He said in May, regulatory staff from 36 states took the first component of the reinsurance training series. That training used three critical pieces of information collected by the NAIC: 1) climate condition PMLs from the RCAT data collection; 2) new reinsurance information collected through the reinsurance interrogatory; and 3) data collected directly from reinsurers. He said that through this training and subsequent training opportunities, the Financial Condition (E) Committee is improving regulatory expertise and knowledge regarding the impacts of reinsurance for natural catastrophes.

Commission Houdek said reinsurance catastrophe risk, and the data that is collected through interrogatories in our RCAT model and will continue to drive future training opportunities and data analysis capabilities. The PMLs have empowered zones and individual states to design training that combines future scenarios with reinsurance and catastrophe risk strategies. CAT COE staff will continue to analyze the newly available data and integrate it into training opportunities for state insurance regulators. He said the continued focus will be on understanding leading indicators that prepare state regulators for the future, especially in an era of rapidly advancing technology. He encouraged the group to continue leveraging data to keep regulators at the forefront of market trends and the financial condition of insurance companies.

Commissioner Lara thanked Commissioner Houdek and said the work of both this Task Force and the Financial Condition (E) Committee will be critical for shaping our understanding of future natural catastrophe risks and their impact on reinsurance and solvency.

Having no further business, the Natural Catastrophe Risk and Resilience (EX) Task Force adjourned.

Draft: 8/21/26

Pre-Disaster Mitigation and Risk Modeling (EX) Working Group
Columbus, Ohio
August 11, 2026

The Pre-Disaster Mitigation and Risk Modeling (EX) Working Group of the Natural Catastrophe and Risk Resilience (EX) Task Force met in Columbus, OH, Aug. 12, 2026. The following Working Group members participated: Timothy J. Temple, Chair (LA); Glen Mulready, Vice Chair (OK); Mark Fowler (AL); Fausto Burruel (AZ); Holly Vuong (CA); George Bradner (CT); Richie Frederick (FL); Jackie Horigan (MA); Marie Grant (MD); Sandra Darby (ME); Parker Fisher (MI); Peter Brickwedde (MN); Andy Case (MS); Cherry Mui (NY); and Brian Webb (WA). Also participating was: Rebekah Allen (VA).

1. Adopted its July 14 Minutes

The Working Group met July 14. During this meeting it took the following action: 1) adopted its June 10 minutes; 2) received an update on the development of the mitigation model law; 3) received updates on state mitigation programs and implementation changes; and 4) discussed endorsement items.

Commissioner Fowler made a motion, seconded by Commissioner Mulready, to adopt the Working Group's July 14 minutes (Attachment Two-A). The motion passed unanimously.

2. Received an Update on its Mitigation Model Law Development

Allen presented on the draft residential mitigation grant program model ct and described the drafting process that produced it. Allen said the model is intended to provide states with an enabling statutory framework to establish and administer residential mitigation grant programs through departments of insurance (DOIs). She emphasized that the model is intended to provide a common architecture rather than require identical programs in every state. The framework is voluntary, peril-agnostic, and standard-agnostic so that states can adapt it to local hazards, market conditions, legal structures, and recognized mitigation standards.

Allen said the drafting group was formed in April following approval of the NAIC Request for a Model Law Development at the Spring National Meeting. The drafting group held recurring working sessions throughout the spring and summer, including eight drafting group meetings and additional one-on-one discussions to resolve specific issues. The drafting group included states with different natural hazard exposures and different levels of experience operating mitigation programs. She said the extensive drafting notes in the model reflect issues raised during those sessions and are intended to help adopting states tailor the law without losing the benefit of a consistent national framework.

Allen reviewed the principal components of the model, including: program authority; designated perils and recognized mitigation standards; grant amounts and cost sharing; contractor and evaluator eligibility; applicant eligibility and selection; insurance premium discounts and optional endorsements; insurer data collection; confidentiality; program evaluation and reporting; rulemaking; audit, antifraud, and penalty provisions; and funding. She said designated perils and recognized mitigation standards would generally be established through state rulemaking so programs can evolve as hazards and mitigation practices change without requiring repeated statutory amendments.

The insurance provisions include actuarially justified premium discounts for completed and verified mitigation work and authority for insurers to offer optional endorsements that allow an unmitigated home to be rebuilt to a recognized mitigation standard after a covered loss. Allen said the discount provisions are not limited to grant-funded projects, so a homeowner who independently completes and verifies qualifying mitigation could also receive the applicable insurance treatment. She said insurer data, program evaluation, and post-event reporting provisions are intended to help state insurance regulators measure program participation, market conditions, and the performance of mitigated structures while protecting confidential information. The draft model was exposed Aug. 7 for a public comment period ending Sept. 8.

Commissioner Temple and Commissioner Fowler thanked the drafting group for their work. They described the draft as a strong product and said public comments would help make it stronger. Commissioner Temple said the NAIC effort was intended to build on and enhance the earlier mitigation model developed by the National Council of Insurance Legislators (NCOIL), not duplicate it, and that the NAIC would continue communicating with NCOIL as the model advances.

Stolyarov asked whether the actuarial-justification language for mitigation discounts could preserve sufficient flexibility for states. Allen and Brian Powell (NAIC) said the draft is intended to leave states room to determine what constitutes appropriate actuarial support under their own laws and regulatory frameworks, and they invited specific written comments if additional clarification is needed.

David Snyder (American Property Casualty Insurers Association—APCIA) and Tony Cotto (National Association of Mutual Insurance Companies—NAMIC) expressed support for the overall direction of the model and the goal of greater consistency among states while identifying several issues for further discussion. These included: the definition and recognition of qualifying mitigation standards; the treatment of mitigation discount benchmarks; flexibility for different insurance products and business models; the role of optional resilience endorsements; the scope of regulatory authority and the need to avoid unintentionally extending provisions beyond intended homeowners insurance lines; implementation requirements; and the use of the term “assessment” in the funding section. Snyder requested additional time for comments beyond Sept. 8.

Commissioner Temple said the Working Group would retain the Sept. 8 comment deadline for the current exposure. He said the Working Group expects to consider the comments received and conduct a subsequent exposure so that substantive concerns can be incorporated and resolved before final consideration of the model.

3. Heard a Presentation from The Water Institute on Reflection Mitigation Investments in Premiums

Renee Collini (The Water Institute) described The Water Institute’s work to address systemic barriers to community-led resilience, with particular attention to insurance affordability and availability. She presented the Graveline Bay Insurance Pilot on Dauphin Island, AL, which examines whether measurable risk reduction from a community-scale marsh restoration project can be translated into information that affects flood insurance pricing and other risk-financing decisions. Collini said the project became especially relevant after implementation of the Federal Emergency Management Agency’s (FEMA’s) Risk Rating 2.0 methodology, when local officials and homeowners were seeking a clearer pathway for incorporating community-scale mitigation into individual flood insurance pricing.

She said the analysis showed reductions in wave heights across the modeled events and meaningful changes in still-water levels across multiple storm return periods. Munich Re then used the engineering results to evaluate changes in risk and average annual loss for properties near the project. She said the analysis demonstrated that

the restoration was not only producing environmental benefits but was also measurably reducing the risk reaching adjacent homes.

Collini said the next challenge was translating the technical findings into a process that homeowners and insurance agents could use. The project team worked directly with residents and provided homeowners with information to take to their agents. She said agents often were uncertain about how the information could be used or submitted to FEMA, exposing a systems gap between engineering evidence of reduced risk and the insurance mechanisms that price that risk.

The Water Institute is continuing discussions with FEMA, catastrophe modelers, congressional offices, insurers, actuaries, engineers, and other stakeholders to identify a repeatable pathway for incorporating standardized mitigation information into insurance and modeling systems.

Brickwedde said community-scale pilots have repeatedly demonstrated that mitigation works. He asked how state insurance regulators and other stakeholders can move from individual pilots to financing and implementing projects at scale. Collini said return on investment is central to that question and that community projects often create benefits for multiple parties, not just insurers. She said a scalable approach requires identifying who benefits, quantifying those benefits, and making the engineering and risk-analysis process repeatable rather than relying on one-time pilot arrangements.

Commissioner Temple said the Working Group should consider a deeper discussion during a future meeting on moving from pilots to programs and on the different financing opportunities and constraints associated with state, local, private, and federal funding sources.

4. Heard a Presentation on Reducing Insurance Fraud

Michelle Rafeld (Coalition Against Insurance Fraud) presented on the changing catastrophe-fraud environment and the importance of addressing fraud before disasters occur. She said insurance fraud has become more sophisticated, technology-enabled, global, and interconnected over the past several years, creating threats that extend beyond traditional post-storm contractor fraud, deceptive advertising, intentional damage, theft of insurance proceeds, and public-adjuster fraud.

Rafeld said artificial intelligence (AI) can now be used quickly and at scale to fabricate or alter photographs, estimates, invoices, and other storm-claim evidence. She also described cybercriminal activity targeting carrier systems and digital claims platforms, including account takeovers, redirection of claim payments, theft of policyholder data and credentials, and the creation of cloned insurer websites and applications designed to capture consumer information. She said these schemes can be especially effective following catastrophes when consumers are urgently seeking assistance.

Rafeld also discussed the growing involvement of transnational organized crime in insurance fraud. She said criminal networks can exploit jurisdictional gaps, use stolen data across multiple schemes, recruit or coerce individuals into fraud activity, and attempt to infiltrate insurers through fraudulent employment applications. She said related risks include synthetic identities, testing and licensing fraud, misuse of another person's credentials, and efforts to gain legitimate-looking access to consumers, policy information, and carrier systems.

Rafeld identified third-party litigation funding and aggressive post-catastrophe legal solicitation as another area of concern, noting that large-scale advertising and claim solicitation can create opportunities for inflated losses,

questionable lawsuits, and claims submitted without clear authorization from policyholders. She also cited changing consumer attitudes toward insurance fraud. The Coalition and Verisk research presented at the meeting indicated that approximately 15% of the U.S. population does not view insurance fraud as a crime and that 20% to 30% of surveyed adults ages 18 to 44 said they would submit a fraudulent claim for pre-existing storm damage after a storm.

Rafeld said the Coalition estimates the annual cost of insurance fraud in the U.S. at approximately $308.6 billion. She noted that tornadoes, hail, straight-line winds, and severe thunderstorms produced approximately $51 billion in U.S. insured losses in 2025. Rafeld said that if 2% to 5% of catastrophe claims involved fraud, catastrophe fraud alone could represent approximately $1 billion to $2.5 billion in annual losses. She emphasized that fraud costs are ultimately borne by consumers and businesses through higher insurance costs.

Rafeld said catastrophe-fraud prevention should begin before an event. She encouraged the following: year-round public education on fraud risks and warning signs; coordinated disaster-response messaging among state insurance regulators, insurers, law enforcement, and consumer organizations; timely, location-specific warnings; brand monitoring and rapid takedown procedures for fraudulent websites and applications; consistent catastrophe-fraud reporting and data standards; modernization of model laws, regulations, and antifraud guidance; and greater use of shared technology and analytics.

Having no further business, the Pre-Disaster Mitigation and Risk Modeling (EX) Working Group adjourned.

Draft: 7/27/26

Pre-Disaster Mitigation and Risk Modeling (EX) Working Group
Virtual Meeting
July 14, 2026

The Pre-Disaster Mitigation and Risk Modeling (EX) Working Group of the Natural Catastrophe Risk and Resilience (EX) Task Force met July 14, 2026. The following Working Group members participated: Timothy J. Temple, Chair, represented by Chris Cerniauskas (LA); Glen Mulready, Vice Chair (OK); Mark Fowler and Travis Taylor (AL); Holly Vuong (CA); George Bradner (CT); Anoush Brangaccio (FL); Matthew Mancini (MA); Joy Y. Hatchette (MD); Sandra Darby (ME); Eric Schroeder (MI); Peter Brickwedde (MN); John Thornton (MS); Connie Van Slyke (NE); Cherry Mui (NY); and David Forte (WA). Also participating were: Elizabeth Kelleher Dwyer (RI) and Scott A. White and Rebekah Allen (VA).

1. Adopted its June 10 Minutes

The Working Group met June 10. During this meeting, the Working Group took the following action: 1) adopted its May 12 meeting minutes; 2) received an update on the mitigation law development; 3) discussed state mitigation program successes and challenges; and 4) received an update on the NAIC state mitigation program mapping tool and the mitigation discount tables.

Commissioner Fowler made a motion, seconded by Brangaccio, to adopt the Working Group's June 10 minutes (Attachment Two-A1). The motion passed unanimously.

2. Received an Update on the Development of the Mitigation Program Model Law

Allen reported that the mitigation model law drafting group had completed its review of the substantive text and had one regularly scheduled meeting remaining on July 28. She said the group was resolving a small number of outstanding issues and completing drafting notes. Following that meeting, the draft was expected to be submitted to the NAIC legal team for review and prepared for presentation during the 2026 Summer National Meeting.

Commissioner Mulready said the proposed NAIC model builds on a mitigation model previously adopted by the National Council of Insurance Legislators (NCOIL). He said the NAIC and NCOIL should communicate carefully about the relationship between the two models and described the NAIC effort as an enhancement that reflects developments since the NCOIL model was adopted. Director Dwyer agreed that the work should be framed as an expansion of the earlier model and said NCOIL could use the NAIC's work as it considers future updates.

In response to a question from Val Clarke (Lloyd's) regarding surplus lines insurers, Allen said the current draft addresses entities writing homeowners insurance and could include the residual market. She emphasized that the principal purpose of the model is to establish and support mitigation programs, while insurer-related provisions are a smaller part of the broader framework.

Brian Powell (NAIC) said the draft is intended to be peril-agnostic and to expand on the NCOIL model by providing broader authority for mitigation standards, funding, and for departments of insurance and commissioners to direct and develop state programs. He said the model includes extensive drafting notes to help states adapt the language to different perils, program structures, and legal frameworks.

In response to a question from David Snyder (American Property Casualty Insurance Association—APCIA), Commissioner Mulready said the draft was expected to be exposed following the Summer National Meeting, with

comments used to make any necessary revisions before consideration by the Executive (EX) Committee at the Fall National Meeting. Butch Kinerney (NAIC) said the planned exposure period was 30 days. Commissioner Mulready said the goal remained to complete approval of the model before the end of 2026.

3. Heard Updates on State Mitigation Programs and Implementation Challenges

Cerniauskas said Louisiana has required insurers to offer mitigation-related endorsements for several years, but consumer uptake has been lower than anticipated. He said the state is considering additional promotion and outreach while also planning for the possibility that endorsement use could increase sharply following a major catastrophe.

Cerniauskas said Louisiana was progressing through its first 3,000 FORTIFIED grants, funded through fees and taxes, and was preparing to issue approximately 5,000 additional grants, supported by $50 million from the Louisiana Citizens Property Insurance Corporation. He said the state was also pursuing a Federal Emergency Management Agency (FEMA) Building Resilient Infrastructure and Communities (BRIC) grant and evaluating the concentration of resilient homes that could become meaningful to insurers and reinsurers. He said estimates of 20% to 30% had been discussed and that the state was working with Guy Carpenter and others on that question.

Cerniauskas emphasized the need to build out the entire FORTIFIED ecosystem as funding expands, including qualified roofing contractors, evaluators, and sufficient Insurance Institute for Business & Home Safety (IBHS) processing capacity. He said Louisiana may also need to review whether homes for which endorsements are sold are structurally eligible to receive a FORTIFIED designation at the time of loss. He identified local gap funding as an emerging success, noting that Jefferson Parish had initiated an approach in which local funds help keep grants within the parish, and that the City of New Orleans was considering allocating approximately $600,000 for a similar effort.

Taylor reported that Alabama's program had reached 10,708 homes and invested just under $106 million. He said the program anticipated completing approximately 1,400 additional homes in the next fiscal year.

Commissioner Fowler said the growth of FORTIFIED programs across multiple states is putting pressure on the supply of trained evaluators and inspectors. He said the IBHS standards require a rigorous inspection and verification process that cannot be expanded instantly. He cited post-Hurricane Sally research as evidence that the evaluator and documentation process was a key distinction between homes constructed only to code and homes receiving a FORTIFIED designation. Commissioner Mulready and Taylor agreed that verification was central to the performance demonstrated in the study.

Commissioner Fowler said that Alabama requires insurers to offer a FORTIFIED endorsement and that there has been meaningful uptake. He said the department had identified a small number of situations in which insurers sold endorsements but failed to deliver the promised benefit after a loss, requiring the companies to provide additional funding. He said regulators should remain attentive to whether endorsements are implemented as represented at the point of claim.

4. Discussed Endorsement Items

Commissioner Mulready led a discussion on the importance of tracking endorsement sales and program data, particularly FORTIFIED roof endorsements, to improve planning and resource allocation, and to serve as a critical component of mitigation programs that encourage resilient rebuilding after losses. Suggestions included incorporating endorsement data into existing homeowners insurance data calls and exploring data collection

methods while respecting legal constraints, and enhancing data sharing to better understand program uptake and needs.

Fred Malik (IBHS) said FORTIFIED roof endorsements can help homeowners obtain a more resilient roof at the critical point when a roof is being replaced following a catastrophe. He said homeowners are often focused on speed and limiting out-of-pocket costs after a loss, which can lead them to restore a roof quickly without incorporating resilience improvements. A voluntary endorsement can change that decision by providing the resources needed to rebuild to the FORTIFIED standard.

Malik said IBHS currently lacks sufficient visibility into how many FORTIFIED endorsements have been sold or remain active in particular markets. That information would help IBHS plan staffing and resources before and after a catastrophe. Commissioner Mulready and Bradner discussed the possibility of adding endorsement information to future NAIC Homeowners Market Data Calls, potentially providing ZIP-code-level information on where the endorsements are in force.

Malik also described challenges in the post-storm sales environment. He said homeowners may be approached by storm-chasing contractors and pressured to sign contracts before speaking with their insurer. That can conflict with endorsement and FORTIFIED requirements, including stripping the roof to the deck, verifying deck nailing, using a certified roofing contractor, and engaging an independent evaluator. He said homeowners need immediate information at the point of loss about the endorsement requirements and where to obtain qualified assistance.

Working Group members discussed the possibility that a major catastrophe could create shortages of certified roofing contractors and evaluators. Bradner said states should learn from jurisdictions that have already managed post-disaster surges. Cerniauskas said planning and communication are essential, but states should not relax standards to accelerate production, as the quality and performance associated with the FORTIFIED designation must be protected. Malik said IBHS is expanding relationships with roofing manufacturers and the International Association of Certified Home Inspectors (InterNACHI) to reach contractor and inspector networks that can be trained and credentialed more quickly.

Hatchette raised concern that limited contractor capacity could delay repairs long enough for some policyholders to exhaust additional living expense coverage. Michael Newman (IBHS) said that installing a FORTIFIED roof does not inherently take longer than installing a conventional roof, but the Working Group agreed that a shortage of certified contractors could create a practical delay. Bradner said Connecticut was beginning to identify and train contractors before its program became fully operational.

Director Dwyer asked whether the required evaluation and documentation touchpoints could delay roof installation. Malik said the field visits should not delay completion when roofing contractors and evaluators communicate effectively about the installation schedule. He said IBHS has also permitted roofing contractors to collect portions of the required documentation to help avoid unnecessary delays.

Jeff Klein (American Bankers Association—ABA) noted that bills in approximately 15 to 20 states would create disaster savings accounts and said funds in those accounts could potentially be used for FORTIFIED roofs and other mitigation expenses. He also asked whether FORTIFIED certifications could support deployment across state lines after a catastrophe. Malik said an IBHS-certified contracting firm may work in another state, provided the certified firm maintains an appropriate representative in the state and does not simply subcontract the work to an uncertified roofer.

Brickwedde said states should consider both the evaluator's and the contractor's capacity. He said Minnesota had partnered with IBHS and Smart Home America to train contractors but had fewer evaluators ready to support projects. Malik said recruiting and retaining evaluators becomes easier when they can see a sustained market for FORTIFIED work. He said experience in Minnesota and Oklahoma had reinforced the value of alliances with organizations whose members already possess relevant inspection knowledge.

Commissioner White asked whether IBHS could collect information from member insurers on their use of endorsements. Newman said federal and state antitrust requirements limit IBHS discussions with members about company business practices and that IBHS would not collect that information directly from member insurers.

Data transparency emerged as a key concern, with calls to better track endorsement sales and program participation to inform planning and resource allocation. While IBHS cannot collect detailed member business data due to legal constraints, integrating endorsement data into existing insurance data calls was proposed.

Having no further business, the Pre-Disaster Mitigation and Risk Modeling (EX) Working Group adjourned.

Draft: 6/23/26

Pre-Disaster Mitigation and Risk Modeling (EX) Working Group
Virtual Meeting
June 10, 2026

The Pre-Disaster Mitigation and Risk Modeling (EX) Working Group of the Natural Catastrophe Risk and Resilience (EX) Task Force met June 10, 2026. The following Working Group members participated: Glen Mulready, Vice Chair and Sarah Smith-Drozdov (OK); Mark Fowler (AL); Tom Zuppan (AZ); Holly Vuong (CA); George Bradner (CT); Sharon Shipp (DC); Anoush Brangaccio and Steven Fielder (FL); Jackie Horigan (MA); Greg Ricci (MD); Sandra Darby (ME); Parker Fisher (MI); Peter Brickwedde and Phil Vigliaturo (MN); John Thornton (MS); Connie Van Slyke (NE); Cherry Mui (NY); and David Forte (WA). Also participating was: Rebekah Allen (VA).

1. Adopted its May 12 Minutes

The Working Group met May 12. During this meeting, it took the following action: 1) adopted its Spring National Meeting minutes; 2) discussed its 2026 priorities; 3) discussed the real-time event predicted testing approach; and 4) received an update on model law development.

Commissioner Fowler made a motion, seconded by Brangaccio, to adopt the Working Group's May 12 minutes (Attachment Two-A1a. The motion passed unanimously.

2. Received an Update from the Drafting Group on Mitigation Model Law Development

Allen reported that the Mitigation Model Law Drafting Group continues to meet and remains on track to have an exposure draft ready for consideration by the 2026 Summer National Meeting. She said contributions from drafting group members have been robust and helpful. Brian Powell (NAIC) said the drafting group has moved quickly, and the level of activity and engagement has been significant.

Commissioner Mulready said discussions among the chair, NAIC committee support, and drafting group members have identified program funding as an important topic. He noted that states have used different funding approaches, and the Working Group should consider how to share information on those approaches without necessarily incorporating specific funding mechanisms into the model law.

Allen said funding is highly state-specific and was scheduled for discussion at the drafting group's next meeting. Powell said the model law may provide general authority for commissioners to seek or receive funding, while leaving specific funding sources to individual states. He said the NAIC Catastrophe Modeling Center of Excellence (CAT COE) could gather information from states and develop a funding resource guide, building on prior work with the Federal Alliance for Safe Homes (FLASH) and other available resources.

Commissioner Fowler said states need flexibility to use different funding sources and should avoid being locked into a single mechanism. He said Alabama uses available insurance fees and can accept funds from other sources. He cautioned that relying on annual general-fund appropriations can create uncertainty and may jeopardize the long-term viability of a mitigation program. Commissioner Mulready agreed that annual appropriations can create instability for programs.

Powell said the NAIC is also working with national mortgage, banking, and related associations to identify additional funding mechanisms that could support both grants and the infrastructure needed to deliver mitigation

programs at scale. He said additional stakeholder financing mechanisms may help reduce program costs and expand the impact of available public funding.

Amy Bach (United Policyholders) noted that Colorado recently created a program with an insurer-funding mechanism for roof-fortification grants and suggested that approach be included in the resource review. She also described discussions with a Northern California credit union regarding a possible microloan product to help homeowners pay for wildfire mitigation or designation-related improvements. Commissioner Mulready said funding approaches from multiple states are expected to be included as a resource rather than as a prescriptive part of the model law.

3. Discussed State Mitigation Program Successes and Challenges

Smith-Drozdov provided an update on the Strengthen Oklahoma Homes program. The program provides grants of up to $10,000 to homeowners seeking to upgrade roofs to the Insurance Institute for Business & Home Safety (IBHS) FORTIFIED wind and hail standard.

Smith-Drozdov said participating homeowners are seeing an average premium savings of $733. She said the program has 39 participating contractors, eight active evaluators, approximately 500 applications in process, and approximately $3.8 million in grant funds issued. The program is expected to reach its 400th home around the week of this meeting.

Smith-Drozdov said one major lesson has been the importance of public awareness. The Oklahoma Insurance Department has used social media campaigns, media appearances, industry partnerships, and outreach to contractors, evaluators, local agencies, real estate professionals, and homeowners. She said another major lesson has been the importance of regular communication among stakeholders, so contractors, evaluators, and homeowners understand technical requirements, program expectations, and IBHS standards.

In response to a question from Brickwedde, Smith-Drozdov said Oklahoma tracks premium savings through homeowner declarations pages submitted during the application process and through post-completion verification with the insurer and the homeowner. The program specifically tracks the FORTIFIED discount and notes other premium changes that may result from new roofs or coverage changes.

Fielder said Florida's mitigation program began in fall 2022 and provides grants of up to $10,000 per homeowner. He said low-income homeowners do not have a match requirement, while moderate-income homeowners participate through a two-to-one match in which the state provides two dollars for each homeowner dollar. He said Florida's program is reimbursement-based, which can create cash-flow challenges for some low-income homeowners who must pay for work up front and then receive reimbursement.

Fielder said Florida's enabling statute limits eligible improvements primarily to roof work, including roof-to-deck attachment, roof-to-wall connections, secondary water-resistance barriers, and hurricane-impact shutters, doors, and windows. Since 2022, Florida has inspected approximately 147,000 homes, awarded approximately 82,000 grants, reimbursed 49,682 homeowners, provided an average reimbursement of approximately $9,400, and issued approximately $467 million in grant funds.

Fielder said approximately 25,500 participating homeowners saw an actual premium reduction; approximately 15,500 saw their premiums remain stable or remain insured; and approximately 6,200 saw premiums increase even after mitigation, though in many cases by less than they otherwise would have increased.

Fielder said Florida's program is funded through nonrecurring general revenue and that the state has had to return to the legislature for funding. He said an earlier version of the Florida program was created around 2006 or 2007 following hurricanes, but funding was eliminated at one point, and the program remained in law without funding until it was revived and funded in 2022.

Vuong provided an update on two California programs enacted in 2025. She said Senate Bill 429 established a Wildfire Safety and Risk Mitigation Program to provide grant funding to a university consortium to create a research and education center focused on developing, demonstrating, and deploying a public wildfire catastrophe model and aligning wildfire risk-reduction efforts across agencies and jurisdictions. She said a request for expertise opened in April. Submissions are due on June 22, with selection and initial funding expected in late 2026. The legislature allocated $8.5 million over three years to establish the center and develop the model.

Vuong said the program is intended to support wildfire-risk mitigation research, training opportunities, actuarial analysis, insurance regulation, and financial oversight. She said challenges include the California Department of Insurance administering a complex grant involving multiple contracting entities for the first time and navigating state contracting statutes and regulations while creating a foundation for the program beyond the current funding cycle. Vuong also said the California Safe Homes Program received approximately $3 million and remains in development, with the grant portal not yet open.

4. Reviewed the NAIC State Mitigation Program Mapping Tool

Powell presented a new NAIC interactive mapping tool that consolidates information about state insurance department-led mitigation programs, states considering programs, related legislation, program websites, and supporting materials. He said the tool was developed in response to inquiries about what states are doing and how their programs are structured.

Users can click on individual states to access external links, program information, legislation, and related resources. She said additional resources at the bottom of the map include mitigation grant program materials, papers, final reports, and studies intended to support state discussions. Powell said the NAIC expects to add mitigation discount tables and the funding resource guide to the mapping tool as those resources are completed.

5. Received an Update on Mitigation Discount Tables

Tim Farrell (NAIC) said the Working Group has discussed three key elements of successful mitigation programs: grant programs, mitigation discount tables, and mitigation-related endorsements. He said grant programs cannot reach every home that would benefit from mitigation, so premium discounts are important to incentivize homeowners who participate in grant programs and those who pay for mitigation work themselves.

Farrell said the NAIC has worked with states to determine appropriate mitigation discounts for different programs. Discount tables may be used as internal references for rate reviewers, as published benchmarks for insurers, or as mandated minimum discounts depending on state law and policy decisions. He said the work can address individual mitigation features as well as IBHS FORTIFIED designations, including Roof, Silver, and Gold levels; coastal wind programs; and inland severe convective storm, high-wind, and hail designations.

Farrell described the technical process for developing discount tables. Staff first work with a state to determine the scope, including the perils, lines of business, intended use, and mitigation features to be evaluated. They then use NAIC-licensed catastrophe models to compare modeled expected annual losses for an average home in the

state with those for the same home after specified mitigation measures are applied. The reduction in expected loss informs the indicated discount.

Farrell said the indicated loss reduction must be adjusted for expenses because only part of an insurance premium reflects the peril-specific expected loss. He emphasized that mitigation discounts apply only to the premium for the relevant peril, such as hurricane, wind, or hail, and not to the entire homeowners premium. He said this can create consumer communication challenges because a large peril-specific discount may translate into a smaller reduction in total premium, and because overall rates may still increase even after mitigation if other rating factors change. NAIC committee support work with states to review assumptions, compare results with other studies or neighboring states, and prepare methodology documents supporting the analysis.

Brickwedde described Minnesota's experience developing a mitigation discount table with NAIC support. He said Minnesota law requires insurers to provide a premium discount or rate reduction on the wind portion of the premium for policyholders who install a FORTIFIED roof, but the department lacked a regulatory reference point for reviewing filings. He said the project began with a voluntary data call and extensive discussions with insurers about the value of the work. He said the resulting bulletin and technical methodology document help the department articulate its review process, identify filing elements it expects carriers to provide, and support efficient filing review and speed to market for consumers.

Vigliaturo said Minnesota is beginning to receive filings following the issuance of the bulletin. He emphasized that the discount applies to the specified peril covered by the statute. Wind and hail represent more than 50% of Minnesota homeowners losses, so an indicated 40% wind and hail discount would translate to an overall premium threshold closer to 20%. He said that distinction is important for regulators and nontechnical staff implementing discount tables.

Commissioner Mulready said NAIC involvement and the use of consistent methodology across states can provide consistency and a sense of comfort to companies and regulators.

Having no other business, the Pre-Disaster Mitigation and Risk Modeling (EX) Working Group adjourned.

Draft: 6/8/26

Pre-Disaster Mitigation and Risk Modeling (EX) Working Group
Virtual Meeting
May 12, 2026

The Pre-Disaster Mitigation and Risk Modeling (EX) Working Group of the Natural Catastrophe Risk and Resilience (EX) Task Force met May 12, 2026. The following Working Group members participated: Timothy J. Temple, Chair (LA); Glen Mulready, Vice Chair (OK); Mark Fowler (AL); Holly Vuong (CA); George Bradner (CT); Sharon Shipp (DC); Anoush Brangaccio (FL); Jackie Horigan (MA); Joy Y. Hatchette (MD); Sandra Darby (ME); Parker Fisher (MI); Peter Brickwedde (MN); John Thornton (MS); Cherry Mui (NY); and David Forte (WA). Also participating was: Rebecca Allen (VA) and Valecia Patrick Morris (VI).

1. Adopted its Spring National Meeting Minutes

Bradner made a motion, seconded by Commissioner Fowler, to adopt the Working Group's March 25 minutes (Attachment Two-A1ai). The motion passed unanimously.

2. Discussed its 2026 Priorities

Commissioner Temple emphasized the Working Group's role in helping states improve resilience, catastrophe response, mitigation planning, and risk communication. He outlined several major priorities currently underway within the Working Group, including the development of mitigation-focused model legislation, creating mitigation discount tables, the examination of mitigation-related policy endorsements, and continued work on flood mitigation and insurance pricing. He added that the Working Group activities closely align with its charges. He also previewed updates on a new catastrophe response initiative being developed by NAIC committee support.

3. Discussed the Real-Time Event Predicted Loss Report Testing Approach

Tim Farrell (NAIC) discussed the development of the NAIC's new Automated Event Response (AER) dashboard. He explained the initiative is being developed in partnership with Impact Forecasting and is intended to provide regulators with near-real-time catastrophe intelligence during severe weather events. Farrell described the system as an effort to convert complex catastrophe modeling data into a practical regulatory tool that insurance departments can use during active disaster situations. The initial focus will be on severe convective storms and hurricanes, although he noted that expansion into additional perils may occur in the future.

Using recent severe weather outbreaks from May 2026 as examples, Farrell demonstrated how the system can display storm footprints, tornado tracks, hail swaths, and wind impacts across affected states. The dashboard is expected to provide estimated industry loss ranges, state-level and ZIP code-level impact information, and detailed breakdowns by lines of business, such as residential, commercial, auto, and agricultural exposures.

Farrell explained that catastrophe data currently arrives in large, highly technical data files that are difficult for regulators to use quickly during an event. The dashboard is intended to streamline that process and present the information in a more usable format. The proposed platform would also integrate data from the Homeowners Market Data Call, allowing regulators to identify major carriers operating within heavily impacted ZIP codes. Farrell explained that this functionality could help regulators better understand insurer exposure concentrations, monitor solvency implications, and coordinate claims response efforts.

Farrell explained that hurricane information would likely update alongside National Hurricane Center forecast advisories, potentially refreshing within an hour of updated storm guidance. Using Hurricane Milton from 2024 as an example, Farrell showed how the dashboard could display projected wind fields, expected insured loss ranges, ZIP code-level hazard intensity, and insurer market share information in areas expected to be affected by landfall.

He noted that, unlike severe convective storms, hurricanes provide regulators with an opportunity to monitor exposure and claims preparation before the event occurs. This would allow regulators to coordinate more effectively with insurers and emergency management officials ahead of landfall.

Commissioner Temple reflected on Louisiana's hurricane experience and stated that access to a tool like this during previous storms would have significantly improved the information available to regulators and policymakers as events unfolded.

The presentation prompted extensive discussion among regulators regarding how the dashboard could improve catastrophe response and public communication. Commissioner Mulready strongly supported the initiative and described it as a major advancement for insurance departments. He explained that after severe weather events, regulators are often immediately contacted by media outlets seeking insured loss estimates and information about the scope of damage, yet departments currently lack reliable early-stage tools to provide that information. Commissioner Mulready stated that the dashboard could dramatically improve regulators' ability to communicate publicly during disasters and better inform governors, emergency managers, and the public regarding the magnitude of insured losses. Commissioner Temple agreed and emphasized that the tool could help regulators provide more informed leadership during emergencies while improving coordination with the insurance industry.

Vuong asked whether the system might eventually expand into wildfire modeling and monitoring. Farrell responded that wildfire is already under consideration as a future enhancement. However, he explained that the industry exposure data necessary to generate reliable wildfire loss estimates is still being developed. Farrell said that if the initial 2026 rollout for hurricanes and severe convective storms proves successful, wildfire functionality could potentially be explored as early as 2027. He also noted that additional perils beyond wildfire may eventually be incorporated into the platform over time.

Farrell advised that pilot testing opportunities would likely become available once the dashboard is operational. Participation would depend largely on whether actual catastrophe activity occurs within a state during the testing phase. Commissioner Mulready volunteered Oklahoma for participation; as did Valecia Patrick Morris for US Virgin Islands. Farrell welcomed the interest and indicated that affected states would likely be contacted as real-world testing opportunities arise.

The discussion then shifted toward how the dashboard could complement broader disaster response efforts. Jeff Klein (American Bankers Association—ABA) asked how insurance departments might use the dashboard alongside state emergency management agencies and whether conflicting information could emerge between insured-loss estimates and government damage assessments. Commissioner Temple and others noted that insurance departments are frequently placed at a disadvantage during the early stages of disasters because they lack timely insured-loss data. Participants stated that the AER dashboard could significantly improve regulators' ability to contribute meaningful information during emergency management discussions, including conversations surrounding federal disaster assistance and Federal Emergency Management Agency (FEMA) preliminary damage assessments. The Working Group also discussed how the tool could help regulators assess whether insurers are deploying an appropriate number of adjusters and claims personnel into heavily impacted regions. Commissioner Temple emphasized that the dashboard could support better coordination with carriers during large-scale catastrophe response operations.

4. Received an Update on Model Law Development

Allen provided an update on the model law development, explaining that a drafting group has already been established with representation from all NAIC zones, including states facing different catastrophe risks and mitigation priorities. Allen stated that the drafting group has established a regular meeting cadence and has already circulated an initial chair draft. The draft draws heavily from mitigation programs already implemented in states such as Alabama and Louisiana.

Early discussions have focused on identifying the core principles and objectives that should underpin a successful state mitigation framework. Allen explained that the group intends to expose drafts publicly, solicit stakeholder feedback, conduct legal review, and develop supporting materials necessary for implementation. The supporting materials may include mitigation discount tables, model regulations, training resources for insurers and agents, and guidance regarding funding mechanisms available to states pursuing mitigation programs.

Allen also emphasized that financial considerations and funding structures vary significantly among states and will require careful attention as the model law evolves.

The Working Group discussed the importance of coordinating with the National Council of Insurance Legislators (NCOIL), which has previously developed mitigation-related model legislation. Allen explained that outreach to NCOIL is already planned and emphasized that the NAIC effort is intended to complement existing legislative work rather than duplicate it.

5. Discussed Other Matters

Commissioner Temple briefly addressed the recent FEMA Review Council report that had been accepted by FEMA leadership and transmitted to the White House. He noted that the report contains several recommendations on FEMA modernization, reforms to the National Flood Insurance Program (NFIP), and improvements to state disaster response coordination. Shana Oppenheim (NAIC) advised attendees that the report would be discussed further during an upcoming Government Relations (EX) Leadership Council meeting and offered to answer questions if needed. Commissioner Temple noted that many of the recommendations would require congressional or legislative action before implementation.

Having no other business, the Pre-Disaster Mitigation and Risk Modeling (EX) Working Group adjourned.

Draft: 4/1/26

Pre-Disaster Mitigation and Risk Modeling (EX) Working Group
Virtual Meeting
March 25, 2026

The Pre-Disaster Mitigation and Risk Modeling (EX) Working Group of the Natural Catastrophe Risk and Resilience (EX Working Group met March 25, 2026. The following Working Group members participated: Timothy J. Temple, Chair (LA); Glen Mulready, Vice Chair (OK); Tom Zuppan (AZ); George Bradner (CT); Sharon Shipp (DC); Jackie Horigan (MA); Joy Hatchette (MD); Sandra Darby (ME); Parker Fisher (MI); Peter Brickwedde (MN); Andy Case and John Thornton (MS); Connie Van Slyke (NE); Cherry Mui (NY); and David Forte (WA).

1. Discussed its Charges and Responsibilities

Commissioner Temple said that in 2026, the Working Group will be tasked with several items, including considering a model law for state mitigation programs and developing a long-term vision for the Catastrophe Risk Management Center of Excellence (COE).

He said these initiatives fully support the first and third Working Group charges and said that Working Group members will receive a more specific work plan on how the Working Group will accomplish these items. The Working Group members and the charges were distributed to all members before the meeting began. There were no questions or comments.

2. Heard a Presentation on the CIPR and the COE

The Working Group heard a recap of the March 23 Center for Insurance Policy and Research (CIPR) event with the Insurance Institute for Business & Home Safety (IBHS). Brian Powell (NAIC) provided an update on the CIPR and COE and listed several activities.

First, regarding legislative activity, Powell said that currently, five states are engaged in some level of legislative action related to resilience and mitigation programs. Additional states are expected to introduce legislation in the coming year. The COE and Resilience Hub are actively supporting these efforts by assisting in drafting legislative language and providing guidance and technical support.

Second, regarding program expansions and launches, he said the South Carolina Safe Home Program has expanded to adopt the IBHS Fortified standard, transitioning from a coastal-focused program to a statewide program. He said Kentucky has recently launched its mitigation program. Approximately 200 grants have been issued to date. The program has successfully completed its first FORTIFIED home. In Maine, the state mitigation program is expected to launch soon and will adopt the IBHS FORTIFIED standard. He added that Maine is notably incorporating tree-fall mitigation and other unique elements beyond typical state programs.

Powell also said that the COE has rolled out new tools and capabilities, including economic impact analysis as a new support tool. He said that currently, it is being used by Hawaii to support legislative efforts. Its purpose is to help states demonstrate return on investment (ROI) for mitigation programs, support requests for additional funding and expanded program authority, and assist with program scaling and growth.

Powell said the COE continues to host visits to the IBHS Research Facility in Richburg, SC, for state insurance department staff and legislators. A recent visit three weeks prior was attended by representatives from seven states. Another visit is planned for Sept. 23 and is recommended for states exploring FORTIFIED programs, new

staff requiring training, and states launching or expanding mitigation initiatives. He said these visits provide hands-on exposure to IBHS FORTIFIED standards along with broader education on mitigation programs and resilience strategies. In closing, Powell said attendees were encouraged to reach out to the COE for participation in training opportunities and support in developing or expanding state programs.

3. Heard a Presentation from IBHS on SCS

Michael Newman (IBHS) gave a presentation on severe convective storms (SCS), focusing on wind- and hail-related damage to residential roofs. He referenced ongoing discussions at the meeting regarding wildfire risk, including a recent tour of a wildfire-prepared neighborhood and related presentations by colleagues.

Newman provided an overview of IBHS, explaining that it is a nonprofit organization funded entirely by the property insurance industry, which has invested more than a quarter billion dollars over the past 16 years. This funding supports scientific research and large-scale experiments to identify affordable, effective, and practical mitigation strategies for homeowners and communities. The overarching goal of IBHS is to improve the survivability and insurability of homes, businesses, and communities in the face of severe weather.

The presentation then turned to trends in severe convective storm losses. From 1990 through 2022, losses increased steadily at an average annual rate of 8.9%. However, a significant shift occurred in 2023 and 2024, when insured losses surged to approximately $123 billion over the two-year period. This level of loss far exceeds historical benchmarks, including the combined impacts of major hurricane years such as 2004 and 2005. Newman emphasized that, despite receiving less public attention than hurricanes, severe convective storms are now a major and growing driver of insured losses. This elevated loss trend has continued, with annual losses exceeding $50 billion in recent years and early indications suggesting that 2026 may follow a similar pattern.

He explained that severe convective storms affect a broad geographic area across the U.S., extending well beyond traditional regions such as “Tornado Alley” or “Hail Alley.” Hail and wind were identified as the primary drivers of loss, with hail representing the larger share. The discussion first focused on wind, particularly its impact on roofing systems.

Drawing on decades of IBHS research, Newman highlighted the vulnerability of roofs—especially asphalt shingle roofs, which are the most common in the U.S. The key factor influencing roof performance was identified as age. While roofs may continue to shed water effectively over time, the sealant that bonds shingles degrades, reducing resistance to wind uplift. Laboratory observations demonstrated that even a 10-year-old roof can have shingles lifted by hand, illustrating the extent of degradation.

Empirical findings from a study of a 2020 derecho event showed that a 10-year-old asphalt shingle roof has a one-in-12 chance of visible damage at wind speeds of 60 miles per hour, increasing to a one-in-four chance at 90 miles per hour, and approaching near certainty at higher wind speeds. Newman emphasized that 10 years represents a critical performance threshold for asphalt shingle roofs under high-wind conditions, regardless of how such products are marketed.

Newman introduced IBHS “roofing road maps,” which compare the performance of different roofing materials over time. Metal and properly installed tile roofs were shown to offer significantly longer performance lifespans—often decades—while asphalt shingles typically provide reliable performance for only a limited number of years. As a mitigation solution, Newman highlighted the IBHS FORTIFIED program, a voluntary standard for new construction and re-roofing designed to reduce damage from wind, hurricanes, and hail. The program includes three increasing levels of resilience and has been shown to significantly reduce damage, including up to 80% of tornado-related losses based on analysis of events between 2014 and 2022.

The presentation then shifted to hail, which accounts for approximately 70% of severe convective storm losses. Newman illustrated the scale of hail impacts, noting that a typical storm can result in hundreds of thousands of impacts on a single residential roof. Asphalt shingles were identified as particularly vulnerable, being significantly more susceptible to damage from repeated small hail impacts. In high-risk regions, roof lifespans are dramatically shortened, often lasting only five to seven years, and in some areas as little as three years.

To address this vulnerability, Newman discussed the use of impact-resistant shingles, which perform better than conventional shingles. While performance gains are modest when new, they increase over time as conventional shingles degrade. IBHS conducts independent testing of these products and publicly rates them based on their resistance to various forms of hail damage, including tearing, breaching, and granule loss. These ratings are intended to inform consumers, insurers, and regulators about product performance and support better decision-making.

He returned to the broader concept of roofing road maps to emphasize that different roofing materials perform differently over time and under varying hazard conditions, reinforcing the importance of aligning expectations with actual performance characteristics.

The presentation concluded with an illustration of the financial impact of major severe weather events, including tornado outbreaks and individual catastrophic storms, which have resulted in billions of dollars in insured losses. Newman emphasized that a significant portion of these losses is preventable through the adoption of proven mitigation strategies. They noted that meaningful reductions in losses are achievable through coordinated action among homeowners, insurers, regulators, builders, and manufacturers, supported by existing scientific evidence.

Stolyarov inquired about the real-world performance of asphalt shingles marketed with long-term warranties, including products advertised as having 50-year lifespans. The question specifically referenced high-rated architectural shingles and whether such products maintain strong wind resistance after 10 years or more. In response, Newman clarified that IBHS product ratings referenced in the presentation apply specifically to hail performance and should not be interpreted as indicators of wind resistance. He further noted that while asphalt shingles are often marketed with extended warranties, these warranties may not reflect actual performance under severe weather conditions. Attendees were encouraged to review warranty terms carefully and to consider IBHS research findings, which indicate that asphalt shingle performance against wind tends to decline significantly over time, particularly after the 10-year mark.

Commissioner Mulready asked whether asphalt shingles might eventually be excluded from mitigation programs such as the FORTIFIED standard, given their comparatively lower durability relative to materials like metal or tile. Newman responded that a range of roofing materials must remain available due to varying price points and affordability considerations. While more durable materials may offer longer-term benefits, asphalt shingles continue to serve an important role by providing homeowners with accessible options. He also noted the emergence of innovative roofing products that may further expand market choices.

Darby asked about lifecycle cost considerations, specifically whether repeated replacement of asphalt roofs over time may ultimately be less economical than investing in more durable materials upfront. Newman acknowledged this as an important consideration and emphasized that affordability should be evaluated over the long term rather than based solely on initial cost. IBHS aims to provide consumers with data to support informed, economically rational decisions, particularly given that a home is typically a household's largest financial investment.

Additional discussion focused on how IBHS evaluates and incorporates new roofing materials. Amy Bach (United Policyholders—UP) asked about the organization's process for vetting emerging products. Newman explained that IBHS is not a commercial testing facility but does receive frequent inquiries from vendors. Due to limited testing capacity, the organization must balance ongoing research on established materials with the evaluation of new products gaining market traction. IBHS works closely with industry members to monitor innovations and prioritize testing efforts accordingly.

Participants also discussed the need for broader promotion and adoption of mitigation programs. One participant emphasized the importance of increased outreach and marketing to raise consumer awareness of FORTIFIED standards and encouraged continued collaboration among insurers, contractors, and other stakeholders to expand adoption.

Questions were raised regarding engagement with the construction and contractor community. Newman highlighted that proper installation is critical to the effectiveness of mitigation measures and explained that only trained and certified contractors are eligible to install FORTIFIED roofs. IBHS provides training through its online platform, where contractors must complete coursework and pass an examination to become certified. Certified contractors are then listed in a directory and are eligible to perform FORTIFIED installations. Newman also noted ongoing collaboration with manufacturers, training organizations, and state partners to build the necessary workforce infrastructure, particularly in states launching new grant programs.

State representatives provided examples of these efforts in practice. Brickwedde described an upcoming contractor training initiative, developed in partnership with IBHS and industry groups, that emphasizes equipping contractors to communicate directly with homeowners about mitigation options. It was noted that, in some states, contractor participation tends to increase rapidly once consumer demand for FORTIFIED roofing becomes evident, creating a self-reinforcing cycle of adoption.

Finally, a clarifying question was raised regarding contractor certification requirements. Newman confirmed that contractors do not need to be affiliated with a specific manufacturer to become certified as FORTIFIED installers, provided they meet IBHS training and licensing requirements.

4. Discussed the Potential Development of a Model Law on Mitigation Grant Programs

The Working Group discussed the potential development of a model law on mitigation grant programs. Commissioner Temple said he wants the model to be flexible enough for any state to use for any peril they choose, yet consistent enough from state to state that insurers and legislators can look at other states, see similar working programs, and quickly support their adoption. He discussed Louisiana's effective law and how many opportunities they have had to apply grant funds to more FORTIFIED roofing using IBHS standards. Commissioner Temple said, hopefully this NAIC model law would provide some consistent guidance for states developing mitigation programs by standardizing process and metrics, premium, discount calculations, certification, and data gathering strategies and documentation requirements built on an established framework (e.g., IBHS-aligned practices), and enable the NAIC to provide supporting tools and resources and ensure uniform program administration. This consistency helps insurers and stakeholders better plan, budget, and support long-term risk reduction efforts.

Commissioner Fowler said a similar program in his state has already proven its effectiveness in Hurricane Sally and recommended a report on his state's website about the Alabama program.

Several members had questions about whether the model law would be standard-agnostic (not limited to IBHS standards) and multi-peril to account for states with high wildfire risk. Commissioner Temple said both topics

would be discussed during development. He stressed that even if the standards in the model are not "branded" as IBHS, they must be consistent across states and with currently accepted standards. He noted that if the industry is going to give discounts and credits for these types of mitigation efforts, there has to be belief in the product, and uniformity

Commissioner Mulready also voiced his support. He encouraged others to read the research study conducted by the University of Alabama and the Alabama Department of Insurance on non-FORTIFIED home roofs, code-fortified roofs, and grant-fortified roofs, and how much better true IBHS-FORTIFIED roofs performed.

Commissioner Temple asked members to join a drafting group. He reiterated his support for a multi-peril product that could cover wind, flood, wildfire, and other perils.

5. Discussed Real-Time Events Modeling Capability for States

Jeff Czajkowski (CIPR) introduced a potential new initiative under consideration by the COE, framing it as a prospective addition to the set of tools available to states. The discussion was situated within the Working Group's broader charge to identify next steps and future priorities for the COE.

Czajkowski described the current approach state departments of insurance use to respond to catastrophe events, using a hurricane scenario as an example. Under the existing process, meaningful loss data is typically not available until several weeks after landfall, often 20 to 30 days or more, as regulators rely on outreach to insurers or formal data calls conducted after the event. This delay occurs despite the need for timely information to support decision-making, particularly given the relatively short timeframe for making disaster assistance determinations at the state and federal levels. As a result, states often face pressure to provide estimates and situational updates to governors, emergency management agencies, and other stakeholders without having access to timely or complete loss data. Czajkowski noted that this challenge is not limited to hurricanes, citing recent flooding events in Hawaii as an example of how states must quickly assess impacts even when insurance data may be limited.

In contrast, Czajkowski outlined a proposed future-state approach centered on catastrophe modeling to generate near-real-time loss estimates before and during an event. Under this model, states would begin receiving estimated loss information earlier in the storm lifecycle, potentially days before landfall, based on forecast data. These estimates would then be continuously updated as the event unfolds and as additional information becomes available. The proposed approach would allow increasingly refined estimates over time and the capability to analyze impacts at various geographic levels, including down to the ZIP code level.

Czajkowski explained that adopting such a capability could provide several benefits. More timely access to loss estimates would enhance regulators' ability to monitor solvency and market impacts, improve coordination with emergency management partners, and enable departments of insurance to play a more central role in disseminating loss-related information across state agencies. The availability of near real-time insights could also support more informed communication with consumers and policymakers, even if such communications are limited to general expectations rather than precise loss figures. Additionally, the approach could leverage existing data collection efforts, such as ZIP code-level homeowners data, and create a modeling "footprint" that could be used for future analysis by the COE.

Czajkowski noted that many insurers already use similar modeling tools internally to estimate losses and prepare operational responses in advance of storms, including staging claims resources and monitoring potential exposures. In that context, the proposal aligns with the broader vision of the COE to provide regulators with tools and capabilities comparable to those used by the industries they oversee.

At the same time, Czajkowski acknowledged several considerations and potential challenges associated with the proposal. These include the cost of implementing and maintaining modeling capabilities, whether through existing licensed tools or third-party vendors, as well as the inherent uncertainty in modeled estimates, particularly in the early stages of an event. Czajkowski also noted that introducing real-time modeling could require additional staff attention during already demanding pre- and post-event periods, and that the approach would represent a new operational process for many states.

Czajkowski concluded by noting that the concept has been discussed with regulators in prior forums and has received general support. The purpose of presenting the concept to the Working Group was to solicit feedback on whether this initiative represents a worthwhile investment of COE time and resources, with the potential to begin development in 2026. The Working Group expressed support for moving forward with the initiative.

Having no further business, the Pre-Disaster Mitigation and Risk Modeling (EX) Working Group adjourned.

Draft: 7/30/26

Severe Peril (EX) Working Group
Virtual Meeting
July 13, 2026

The Severe Peril (EX) Working Group of the Natural Catastrophe Risk and Resilience (EX) Task Force met July 13, 2026. The following Working Group members participated: Angela L. Nelson, Chair (MO); Heather Carpenter, Vice Chair (AK); Mark Fowler and Travis Taylor (AL); Lori Dreaver Munn (AZ); Rabab Charafeddine (CA); George Bradner (CT); Anoush Brangaccio (FL); Caleb Malone (LA); Jackie Horigan (MA); Joy Y. Hatchette (MD); Sandra Darby (ME); Peter Brickwedde (MN); Andy Case (MS); and David Forte (WA). Also participating were: Michael Humphreys and Dudley Ewen (PA).

1. Adopted its June 11 Minutes

The Working Group met June 11. During this meeting, it took the following action: 1) adopted its May 14 minutes; 2) received results from the regulator survey on flood priorities; and 3) received an update on the Natural Catastrophe Risk Dashboard.

Director Carpenter made a motion, seconded by Darby, to adopt the Working Group's June 11 meeting minutes (Attachment Three-A). The motion passed unanimously.

2. Received Results of the Follow-Up Survey on Specific Tactics for the Flood Insurance Blueprint

Director Nelson opened the discussion by acknowledging the loss of life and damage caused by recent flooding in Missouri. She reported that the Missouri Department of Commerce and Insurance had already received two legislative inquiries involving constituents who attempted to file homeowners insurance claims and then learned that flood was not covered under their homeowners policies. She said the experience reinforced the importance of the Working Group's flood insurance education and communication work.

Jeff Czajkowski (Center for Insurance Policy and Research—CIPR) presented the results of a follow-up survey designed to identify the specific Flood Insurance Blueprint tactics that Working Group members believed would have the greatest impact. The survey focused on the four highest-ranked strategic categories from the Working Group's earlier survey. Respondents rated approximately 20 tactics on a one-to-five impact scale and then selected their three highest priorities across all categories. Twelve responses were received, representing approximately 83% of the Working Group's membership.

- Consumer awareness, education, and risk communication: Develop a state-specific flood insurance consumer education toolkit and create an outreach guide and companion challenge for departments of insurance to engage builders, developers, lenders, real estate professionals, emergency managers, and other partners.
- Behavioral research and policy design: Analyze flood insurance take-up rates by geography, income, flood history, property type, and risk zone to identify underserved or underinsured communities and develop and test pilot programs using messages focused on affordability, recovery, and community resilience.
- Consumer protection standards and claims practices: Encourage insurers and producers to provide clear information at policy sale and renewal regarding flood exclusions and available coverage options and develop a consumer guide comparing key features of the National Flood Insurance Program (NFIP) and private flood insurance products, including coverage limits, exclusions, and claims handling.

- Mitigation, resilience, and incentives: Develop a consumer-facing before, during, and after flood resilience checklist addressing insurance documentation, mitigation, and recovery; promote awareness of mitigation measures; and examine which mitigation measures provide the greatest risk reduction for purposes of insurance incentives.

Czajkowski noted that respondents could also submit additional tactics. Suggestions included developing flood insurance education materials and continuing education for producers, providing producers with localized risk-assessment tools, addressing catastrophe modeling, and creating content tailored to the intended audience. He said the overall priority selections did not show wide separation among most tactics, although analyzing flood insurance take-up rates by demographic and risk characteristics received the top three selections. Producer-focused work, a consumer education toolkit, and pilot messaging programs also ranked among the top priorities overall.

Director Carpenter supported the suggestion to develop continuing education resources for producers and said NAIC committee support could explore ways to provide materials rather than placing the full development burden on producers. She also asked members to consider how flood mitigation could be promoted, given that many consumers are already struggling to afford insurance and that some structural mitigation measures may be costly.

Director Nelson said the communication-related tactics were of short-term interest, including outreach to partners, consumer education, producer engagement, and message testing. She invited Working Group members to identify tactics they believed would produce practical, near-term results.

Bradner said Connecticut's recent catastrophes had largely involved flooding, and that consumers often lacked an accurate understanding of their flood risk. He emphasized the role of producers in conducting informed conversations and said regulators should provide tools that go beyond reliance on the Federal Emergency Management Agency (FEMA) flood zone information. Bradner also identified lenders and real estate professionals as important partners in helping homebuyers understand flood risk at the time of purchase.

Director Nelson agreed that producers and financial institutions should be central partners. Drawing on her own experience as a producer, she said consumers may not be clearly told that homeowners insurance excludes floods or may be advised that flood insurance is unnecessary when a lender does not require it. She said providing coverage advice regarding flood risk demonstrates the value of producer involvement.

Hatchette said the Working Group should analyze where consumers are currently purchasing flood insurance so that limited outreach resources can be directed effectively. She also identified affordability as a major reason consumers do not purchase coverage and suggested that education efforts include lower-cost mitigation steps for consumers who cannot afford a flood policy. Director Nelson agreed that affordability and mitigation were important, while noting that many consumers first need to understand that flood is not covered by a standard homeowners policy.

Commissioner White said floods and earthquakes represent significant insurance protection gaps and supported further research into consumer decision-making. He recommended using consumer surveys to identify why people do not purchase flood insurance and then testing tailored messages based on those findings.

Commissioner Humphreys described Pennsylvania initiatives arising from a prior flood affordability study. Pennsylvania requires property/casualty (P/C) producers who sell homeowners insurance to complete at least one hour of flood insurance education within the existing 24-hour biennial continuing education requirement. He said Pennsylvania worked with insurers and producer associations to implement the requirement.

Commissioner Humphreys also reported that Penn State was completing a second flood study that included consumer surveys and potentially surveys of producers and real estate professionals. He offered to share the study with the Working Group when it becomes available. In addition, Pennsylvania had procured a study of innovative flood insurance opportunities, including limited-coverage products that could provide approximately $20,000 to $40,000 of protection at a lower premium. He described private-market examples involving limited coverage and an extended water endorsement and said these options could provide meaningful protection for appliances, heating and cooling equipment, and portions of a home's first floor.

He said Pennsylvania had also hired a flood ombudsman to coordinate with FEMA and local communities, support outreach, and assist following flood events. He identified the relative cost of low-limit NFIP coverage as an issue Pennsylvania wanted to explore further. Director Nelson asked that information on the extended water endorsement be shared and said limited-coverage options should be included among the Working Group's considerations.

Darby asked whether information about companies offering these products could be shared with the regulatory community. Humphreys said the information could be distributed through P/C regulatory channels. Butch Kinerney (NAIC) offered to circulate materials and suggested inviting Pennsylvania's flood ombudsman to a future meeting. Ewen, who serves in that role, said he would welcome the opportunity to provide a future presentation.

Director Nelson stated that she, Director Carpenter, and NAIC committee support would organize the priority tactics into short-, medium-, and long-term projects and develop a proposed sequence of work. The leadership team planned to present the proposed approach at the next Working Group meeting for member feedback. Members interested in participating in potential subgroups were asked to contact Kinerney.

Kinerney then previewed a proposed outreach guide and companion challenge for state departments of insurance. He described a turnkey package that departments could customize with state-specific risk information, names, and branding for presentations to producers, chambers of commerce, civic organizations, fire departments, local officials, and other community audiences. Potential materials would include brief talking points, elevator speeches, template news releases, opinion pieces, and messaging explaining the relationship between insurance coverage and community economic resilience. NAIC committee support planned to begin collecting and developing materials over the following one to two months, with the goal of producing a deliverable before the end of 2026. The companion challenge would encourage friendly participation among states.

3. Heard a Presentation from Verisk on Homeowners Insurance Market and Severe Perils

Laura Panesso (Verisk) and Nancy Clark (Verisk) presented homeowners market and roof-risk trends related to severe convective storms. Panesso said the presentation addressed hail exposure, homeowners insurance market conditions, roof age and materials, claim severity, depreciation, deductibles, and tools available to regulators.

Panesso explained that the presentation used Verisk statistical data from contributing admitted carriers representing approximately one-third of the market, although participation varies by state. The data was preliminary, reflected accident-year losses, and was evaluated as of Dec. 31, 2025.

Panesso reviewed countrywide homeowners insurance loss ratios divided between catastrophe and non-catastrophe components. She said improved catastrophe experience in a single year does not eliminate broader market pressures because loss trends vary by peril, geography, and year. She noted that 2025 did not include a

major landfalling hurricane and that a first-quarter 2025 increase in catastrophe fire losses reflected the California wildfires.

By peril, Panesso reported that 2025 wind and hail losses declined 27% from the prior year, while water losses increased moderately. The five-year period shown indicated that 2025 was the first year with no hurricane losses. Hail severity declined from 2024 and was slightly below the five-year average, but state results remained highly regional. The highest 2025 hail severity was reported in Montana, Rhode Island, and Connecticut, while hail frequency was highest in Missouri, Kansas, and Wyoming. Non-hurricane wind severity was lower than in 2024 but remained above the five-year average. Missouri, Mississippi, and Arkansas had the highest wind severity, and Missouri, Arkansas, and Maryland had the highest wind frequency.

Clark said roofs are central to severe-peril analysis because they are directly exposed to hail, wind, wildfire embers, and other weather events and are a major driver of property claim costs. She reported that Verisk's Property Claim Services team estimated just over $20 billion in severe convective storm losses in 2026 as of the meeting date.

Clark explained that hail size alone does not determine damage. Storm duration, hailstone quantity, hardness, fall velocity, and hailstone size range can materially affect outcomes. She said severe convective storm risk should therefore be evaluated as a multidimensional exposure when underwriting, claims, and mitigation are considered.

Reviewing recent roof-impact data, Clark reported that 16 states had at least 20% of roofs affected by hail in 2025, compared with 12 states in 2024. Kansas, Nebraska, Oklahoma, South Dakota, and Arkansas had particularly high percentages of roofs affected by severe hail. She said the roof's age and material are important indicators of susceptibility to damage. In designated hail states, 57% of roofs were nine years old or newer, compared with 38% in non-hail states, which may reflect greater replacement activity in hail-prone areas.

Clark said roof resistance can decline over time because of material aging and exposure to sunlight, temperature, wind, and precipitation. She cited research from Verisk and the Insurance Institute for Business & Home Safety (IBHS) indicating that older asphalt-shingle roofs are generally more vulnerable than newer roofs. She said roof age and material are relevant to claim frequency, claim severity, and the potential benefit of resilient construction and mitigation.

On claim costs, Clark reported that roofing material inflation continued to outpace roofing labor cost growth in 2025, with labor increasing 0.79% and materials increasing 1.48% on a national basis. She cautioned that state experience can differ substantially from national averages.

Clark also discussed changes in loss settlement terms. Nonrecoverable depreciation on roofing claims increased to nearly 20% of total claim estimates in 2025, reflecting increased use of actual cash value provisions and roof coverage endorsements. She said these provisions may reduce premium pressure but increase the policyholder's financial responsibility at the time of loss.

Roofing items represented approximately 30% of all line items in property claim estimates. Clark said total replacement cost value grew from 2021 through 2023 and declined in 2024 and 2025, but the pattern should not be interpreted as a broad reduction in underlying claim costs. She attributed the higher 2023 and 2024 totals in part to above-average weather-related claim volume and said that claims costs continued to rise modestly due to inflation and other factors.

Clark reported a continuing shift toward higher fixed-dollar and percentage-based wind and hail deductibles, particularly in areas with recurring severe weather. She said these changes may help insurers manage loss severity and premium pressure but can also increase policyholder out-of-pocket costs.

The presenters identified no-cost Verisk resources available to regulators for visualizing statistical data; evaluating premiums, exposures, losses, and claim counts; conducting catastrophe data calls; and assessing post-disaster economic impacts.

Director Nelson asked members to send follow-up questions to Kinerney. Kinerney agreed to coordinate responses with Panesso and Clark and distribute the information to the Working Group.

Having no further business, the Severe Peril (EX) Working Group adjourned.

Draft: 6/18/26

Severe Peril (EX) Working Group
Virtual Meeting
June 11, 2026

The Severe Peril (EX) Working Group of the Natural Catastrophe Risk and Resilience (EX) Task Force met June 11, 2026. The following Working Group members participated: Angela L. Nelson, Chair (MO); Heather Carpenter, Vice Chair (AK); Mark Fowler and Travis Taylor (AL); Lori Dreaver Munn (AZ); Mike Peterson (CA); George Bradner (CT); Anoush Brangaccio (FL); Caleb Malone (LA); Jackie Horigan (MA); Joy Y. Hatchette (MD); Sandra Darby (ME); Peter Brickwedde (MN); Mike Chaney and Andy Case (MS); and David Forte (WA).

1. Adopted its May 14 Minutes

The Working Group met May 14. During this meeting, it took the following action: 1) discussed its 2026 priorities; 2) discussed the Flood Insurance Blueprint; 3) heard a presentation from the Center for Insurance Policy and Research (CIPR) on flood maps as a risk indicator for consumers; and 4) received an update on the private flood insurance market.

Bradner made a motion, seconded by Forte, to adopt the Working Group's May 14 meeting minutes (Attachment Three-A1). The motion passed unanimously.

2. Received Results from the Regulator Survey on Flood Priorities

Jeff Czajkowski (NAIC) presented the results of a survey conducted among members of the Working Group and the Natural Catastrophe Risk and Resilience (EX) Task Force to help prioritize activities for developing the Flood Insurance Blueprint. He explained that the survey was designed to evaluate six proposed strategic focus areas based on both potential impact and ease of implementation. The six strategic categories were:

- Consumer awareness, education, and risk communication.
- Market development, product expansion, and affordability.
- Behavioral research and policy design.
- Consumer protection standards and claims practices.
- Mitigation, resilience, and incentives.
- Data, technology, coordination, and implementation.

Czajkowski reported that the category of consumer awareness, education, and risk communication received the highest overall ranking, followed by the consumer protection standards and claims practices category. The behavioral research and policy design category and the mitigation, resilience, and incentives category ranked closely behind the top two priorities. He noted that market development, product expansion, and affordability scored high on potential impact but were viewed by respondents as more challenging to implement.

Director Nelson stated that the results reflected the complexity of flood insurance issues and reinforced the importance of focusing on practical initiatives that deliver meaningful outcomes.

Case discussed Mississippi's mitigation program and described challenges involving legislative processes, stakeholder coordination, and funding delays. He noted that bridge funding provided by the state wind pool had

allowed the program to continue while awaiting additional appropriations. Case also emphasized the continuing need for agent education and public outreach regarding mitigation opportunities and available incentives.

Commissioner Chaney discussed ongoing efforts to promote the program through media appearances and public speaking engagements. He observed that knowledge gaps remain among both consumers and insurance professionals regarding available mitigation benefits and premium discounts.

Commissioner Fowler shared Alabama's experience with resilience and mitigation initiatives and emphasized the importance of engaging home builders early in the process. He stated that support from the homebuilding community had significantly accelerated the adoption of mitigation standards in Alabama. Taylor added that agent education remains an ongoing challenge and noted that financial considerations can influence producer engagement with mitigation programs.

Brickwedde suggested that the discussion highlighted the importance of behavioral research in understanding why consumers take, or fail to take, actions to reduce risk. He stated that a greater understanding of consumer decision-making could help states deploy limited resources more effectively.

Horigan recommended offering one final opportunity for members to complete the survey to maximize participation.

Bradner discussed Connecticut's efforts to educate producers regarding mitigation programs and flood-risk tools that incorporate data beyond Federal Emergency Management Agency (FEMA) flood maps. Munn described recent outreach efforts involving real estate professionals and insurance producers and reported strong interest in consumer education and resilience programs.

Director Nelson commented that agents, realtors, and mortgage lenders represent important partners in communicating flood risk information and resilience opportunities. She stated that those stakeholder groups could play a significant role in future Blueprint initiatives.

Wes Bissett (Independent Insurance Agents & Brokers of America—IIABA) emphasized that independent agents have actively supported mitigation initiatives in several states and encouraged insurance departments to engage their state agent associations as education and outreach partners.

Amy Bach (United Policyholders) discussed consumer communication efforts on wildfire risk and offered to connect the Working Group with a behavioral psychologist who has conducted research on effective risk communication strategies. Director Nelson welcomed the suggestion.

Director Nelson advised members that NAIC committee support would develop a follow-up survey focused on identifying specific activities and deliverables within the highest-priority Blueprint categories.

3. Received an Update on the Natural Catastrophe Risk Dashboard

Tim Nauheimer (NAIC) provided an overview of the Natural Catastrophe Risk Dashboard and reviewed recent developments associated with the project. He explained that the dashboard originated from recommendations contained in the NAIC *National Climate Resilience Strategy for Insurance* and was formally released in March 2026.

Nauheimer explained that the dashboard consists of two components: a public-facing summary report and a regulator-only analytical tool containing historical data and trend information. He stated that the dashboard

evaluates physical risk, transition risk, and insurance coverage trends, including measures related to catastrophe protection gaps.

Nauheimer reviewed several existing protection-gap indicators, including flood insurance coverage measures and comparisons between economic and insured catastrophe losses. He noted that certain data sources previously used to support flood-related metrics are no longer available, requiring NAIC staff to identify alternative data sources. He outlined several potential enhancement opportunities, including:

- Identifying replacement sources for flood insurance coverage and catastrophe-loss information.
- Evaluating additional protection-gap indicators.
- Exploring homeowners market data call information for new risk measures.
- Expanding catastrophe-modeling inputs.
- Developing state-specific or regional dashboard views.

Bradner discussed Connecticut's data-sharing agreement with FEMA and suggested that similar arrangements could help address some of the dashboard's data needs. Forte noted that Washington is pursuing a similar agreement.

Butch Kinerney (NAIC) informed members that FEMA representatives had recently renewed discussions about broader data-sharing opportunities and stated that NAIC staff would follow up with FEMA on a possible formal presentation at a future date.

Peterson expressed interest in exploring additional reinsurance and catastrophe modeling data as potential indicators of flood insurance market activity and offered to assist in evaluating possible data sources.

Director Nelson said the dashboard is becoming an increasingly valuable resource for regulators, policymakers, and consumers as interest in catastrophe resilience and insurance protection gaps continues to grow. She noted that the dashboard also provides an important tool for communicating risk trends and preparedness needs to external audiences.

Director Nelson told Working Group members that a more comprehensive discussion of dashboard enhancements would occur during a future meeting.

Having no further business, the Severe Peril (EX) Working Group adjourned.

Draft: 6/9/26

Severe Peril (EX) Working Group
Virtual Meeting
May 14, 2026

The Severe Peril (EX) Working Group of the Natural Catastrophe Risk and Resilience (EX) Task Force met May 14, 2026. The following Working Group members participated: Angela L. Nelson, Chair (MO); Heather Carpenter, Vice Chair (AK); Lori Dreaver Munn (AZ); Kate Amano and Mike Peterson (CA); George Bradner (CT); Sharon Shipp (DC); Anoush Brangaccio (FL); Christopher C. Cerniauskas and Caleb Malone (LA); Jackie Horigan (MA); Joy Y. Hatchette (MD); Peter Brickwedde (MN); Andy Case (MS); Amar Kakirde (NY); and David Forte (WA).

1. Discussed its 2026 Priorities

Director Nelson outlined the Severe Peril (EX) Working Group's priorities for 2026. She explained that many of the Working Group's activities stem directly from its formal charges and from broader NAIC efforts related to climate resilience and catastrophe preparedness.

Director Nelson reviewed the background leading to the current flood insurance initiative. She noted that the NAIC established the Climate and Resiliency (EX) Task Force in 2020 in recognition of growing climate-related risks and the need for innovative approaches to insurance resilience. The Task Force later adopted the NAIC National Climate Resilience Strategy for Insurance in 2024.

She highlighted one of the central directives from that strategy: the development of the Flood Insurance Blueprint, focused on risk mitigation, awareness initiatives, producer and agent education, university partnerships, and stronger communication with local governments.

2. Discussed the Flood Insurance Blueprint

Peterson provided an overview of the Flood Insurance Blueprint from its initial discussions to the present day. Peterson explained that the blueprint initiative is centered on six major objectives:

- Raising national awareness of flood risks and flood insurance options (public and private).
- Developing partnerships with universities and research institutions.
- Improving local communication regarding mitigation and resilience efforts.
- Collecting and using better flood-related data.
- Exploring innovative insurance products, including parametric solutions.
- Identifying state-level regulatory tools that could help expand private flood insurance markets.

Peterson stressed that although the Working Group focuses broadly on severe perils, flooding represents the most universal peril across the United States and, therefore, provides a useful model for future work on hail, wildfire, wind, and hurricane risk. Peterson emphasized that the initiative should not be viewed merely as a flood-focused exercise but rather as a framework for improving catastrophe communication

and resilience efforts more broadly. He encouraged regulators to think about how successful flood-related communication and mitigation strategies might later be adapted to other severe perils.

Peterson also emphasized the need to broaden the target audience for flood risk communications. Historically, efforts have focused primarily on policyholders, but he suggested the Working Group should also engage realtors and the broader real estate industry, local government officials, floodplain managers, community planners, and other local stakeholders involved in mitigation and development decisions.

He noted that many local officials and floodplain managers are already deeply interested in reducing flood losses and improving resilience, making them natural partners in any national flood communication strategy. Peterson further discussed the geographic diversity of flood risks throughout the country, citing examples such as river flooding, atmospheric rivers in western states, and other region-specific flooding mechanisms. He stated that communication and mitigation strategies would need to be adaptable to differing regional flood realities.

Finally, he described the anticipated process for the development of the Flood Insurance Blueprint. The Natural Catastrophe Risk and Resilience (EX) Task Force would continue providing broad direction, while the Severe Peril (EX) Working Group would help shape the substantive recommendations and coordinate with other NAIC groups where appropriate, including those focused on modeling and mitigation.

Director Nelson specifically highlighted two publications for members to review in advance of future discussions: 1) *Considerations for State Insurance Regulators in Building the Private Flood Insurance Market* (2019); and 2) *Flood Insurance Redesigned: Regulatory Considerations for a Viable and Sustainable Private Market* (2023).

3. Heard a Presentation from the CIPR on Flood Maps as a Risk Indicator for Consumers

Brenda Rourke (Center for Insurance Policy and Research—CIPR) presented preliminary research findings regarding flood risk communication and consumer understanding of flood exposure. She explained that the research was designed to evaluate whether current methods of communicating flood risk, particularly Federal Emergency Management Agency (FEMA) flood maps, are effectively helping consumers understand their actual exposure to flood events. Rourke stated that the project aligned directly with the NAIC *National Climate Resilience Strategy for Insurance*, particularly the strategy's focus on improving flood risk communication and increasing preparedness.

Rourke reported that the focus groups revealed a generally low level of formal flood risk awareness among consumers. Most participants could not identify their flood risk level and were unsure where to obtain reliable information. Participants expressed a strong preference for highly localized information, simpler and more accessible tools, clear explanations of flood risks, and actionable mitigation guidance. Cost and time were identified as barriers to mitigation activities, and many participants perceived themselves as low risk, despite living in flood-prone areas, according to CIPR research.

Rourke also explained experimental survey research that tested several communication approaches against traditional FEMA flood maps, including FEMA flood maps, the Federal Alliance for Safe Homes Strong Homes website, the Flood Facts dashboard using localized National Oceanic and Atmospheric Administration (NOAA) flood data, and combinations of these tools.

Rourke explained that the Strong Homes website uses FEMA and NOAA data but repackages the information into a more user-friendly, interactive format. Users could view flood risk levels and also explore mitigation techniques to strengthen their homes. The Flood Facts dashboard displays more than two decades of localized NOAA flood event data, allowing users to see historical flooding activity within their counties.

Rourke noted that simply presenting users with information improved flood awareness overall, but the Strong Homes and Flood Facts tools produced substantially larger improvements than FEMA maps alone.

Director Carpenter asked whether the research examined the timing of communications campaigns or whether flood messaging differed based on specific flood sources, such as glacial flooding and seasonal river breakup in Alaska. Rourke responded that while the study did not specifically analyze timing or flood-source-specific messaging, those topics represented promising areas for future research. She agreed that communications efforts should likely be timed before seasonal flood periods and suggested future research could examine regional differences in flood perceptions.

Bradner discussed the limitations of FEMA mapping data and referenced Connecticut's use of First Street flood modeling tools. He emphasized growing concerns regarding pluvial flooding and heavy rainfall events that are not always captured effectively in FEMA flood zones. Rourke acknowledged those concerns and stated that one of the clearest findings from the research was that regulators need to move beyond reliance on FEMA flood maps alone. She noted that while FEMA maps were generally trusted by consumers because of the FEMA brand, more accessible and interactive communication tools performed far better in helping consumers understand actual risk.

Director Nelson commented that one of the next critical research questions involves understanding what motivates consumers to purchase flood insurance once they recognize the risk. She observed that some consumers who inquire about flood insurance are still discouraged from purchasing coverage by producers who emphasize that coverage is not mandatory outside Special Flood Hazard Areas. Rourke agreed and stated that future research should examine the friction points between awareness and actual insurance purchase decisions.

Commissioner McVey emphasized that states may need to prepare for the possibility of reduced federal involvement in flood programs in the future. He encouraged regulators to focus on strengthening private flood insurance markets, improving public awareness, and expanding mitigation efforts at the state level. Commissioner McVey also stressed the importance of encouraging rebuilding practices that reduce repetitive flood losses rather than simply rebuilding vulnerable structures in the same manner after each event.

Ken Klein (NAIC Consumer Representative) raised questions regarding whether increased awareness alone actually leads to meaningful increases in flood insurance take-up rates. He referenced prior flooding events where flood insurance participation increased only marginally even after significant uninsured losses. Klein also raised concerns regarding the adequacy of available flood coverage, particularly in states such as Florida, where National Flood Insurance Program (NFIP) limits may fall well below the replacement cost of many homes. Director Nelson responded that overcoming public perceptions of invulnerability remains one of the largest challenges facing regulators and insurers alike.

4. Received an Update on the Private Flood Insurance Market

Aaron Brandenburg (NAIC) provided an overview of recent NAIC private flood insurance market data through 2025. He explained that the NAIC collects both residential and commercial private flood insurance data, including standalone policies and endorsements. He noted that one insurer had experienced reporting issues that likely understated the total number of private flood policies by more than 100,000 policies, meaning actual market growth was somewhat stronger than currently reflected in the data. Key observations from the data included:

- Relatively modest but continued growth in private flood insurance policy counts.
- Premium levels remaining relatively flat overall.
- Stronger growth trends over the last four to five years in residential private flood insurance.
- Loss ratios varying substantially by state, depending on recent flooding activity.
- A slight decline in average premium levels.

Brandenburg said Alaska, Indiana, Kansas, Kentucky, and Wisconsin were among states experiencing particularly high flood losses during the reporting period. He also reviewed market concentration within the private flood insurance sector, noting that the top 15 insurers currently account for approximately 87% of the residential private flood market. He noted that although the private flood market has grown, it has not made up for the loss of flood policies in the NFIP.

Following the presentation, Director Nelson stated that the data illustrated both the opportunities and challenges facing regulators as they work to close flood protection gaps and expand resilient insurance options. Director Nelson then asked regulators what components would make up an ideal Flood Insurance Blueprint. Topics discussed included:

- Flood communication assets and consumer education materials.
- Training and outreach resources for producers, lenders, realtors, and financial planners.
- Partnerships with universities and research institutions.
- Playbooks for engaging local officials and community leaders.
- Stronger mitigation communication tools.
- Increased coordination between state insurance regulators and private market participants.
- Strategies to improve flood insurance take-up among underinsured populations.

Director Nelson advised Working Group members that NAIC committee support would circulate a survey to regulators seeking feedback and prioritization of potential blueprint components before the next meeting.

5. Discuss Other Matters

Director Nelson acknowledged the recently released FEMA Review Council report to the White House, which included recommendations regarding FEMA operations, the NFIP, and state disaster response capabilities. She noted that many of the recommendations would require legislative action before implementation and advised state insurance regulators that the report was publicly available on FEMA's website for review and comment.

Having no further business, the Severe Peril (EX) Working Group adjourned.

