Draft date: 11/12/2026

2026 Fall National Meeting
Dallas, Texas

NATURAL CATASTROPHE RISK AND RESILIENCE (EX) TASK FORCE
Sunday, November 15, 2026
11:00 a.m. – 12:15 p.m.
Convention Center—Grapevine CD—Level 3

ROLL CALL

NAIC Member	Representative	State/Territory
Ricardo Lara, Chair	Ricardo Lara, Chair	California
Mark Fowler, Vice Chair	Mark Fowler, Vice Chair	Alabama
Heather Carpenter	Heather Carpenter	Alaska
Joshua Hershman	George Bradner	Connecticut
Trinidad Navarro	Christina Miller	Delaware
Sharon P. Clark	Sharon P. Clark	Kentucky
Marie Grant	Marie Grant	Maryland
Julie Dreier	Peter Brickwedde	Minnesota
Angela L. Nelson	Angela L. Nelson	Missouri
Jon Godfread	Matt Fischer	North Dakota
Scott A. White	Scott A. White	Virginia
Patty Kuderer	Byron Welch	Washington
Nathan Houdek	Sarah Smith	Wisconsin

NAIC Support Staff: Aaron Brandenburg

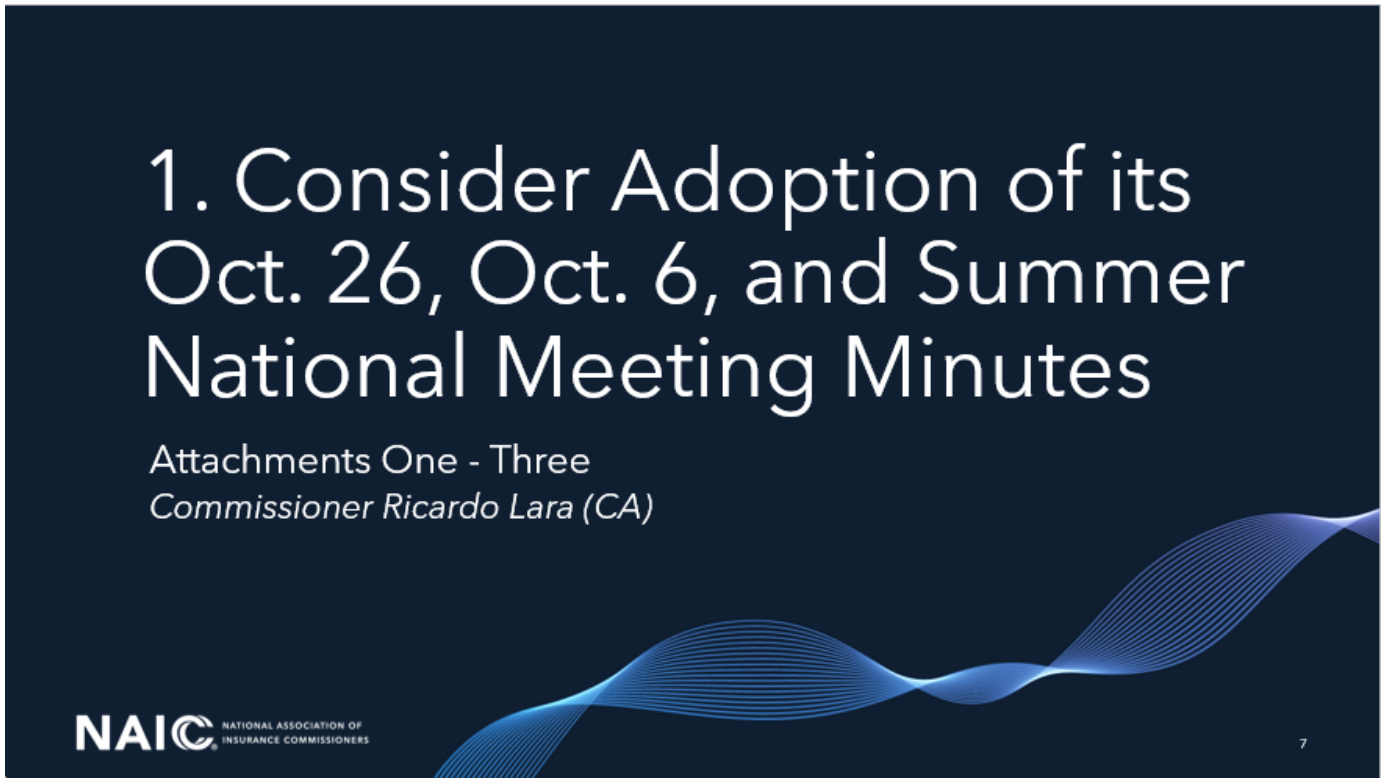
AGENDA

1. Consider Adoption of its Oct. 26, Oct. 6, and Summer National Meeting Minutes—*Commissioner Ricardo Lara (CA)* — Attachment One / Attachment Two / Attachment Three
2. Consider Adoption of the Reports of its Working Groups — Attachment Four
   A. Pre-Disaster Mitigation and Risk Modeling (EX) Working Group —*Commissioner Timothy J. Temple (LA)*
   B. Severe Peril (EX) Working Group—*Director Angela L. Nelson (MO)*
3. Hear a Presentation on the Future of Flood Insurance and Risk Mitigation Strategies—*Raghuveer Vinukollu (Munich Re)*

4. Hear a Report on International Issues—*Commissioner Ricardo Lara (CA) and Guillermo Plate (Association of Insurance Supervisors of Latin America—ASSAL)*

5. Discuss Any Other Matters Brought Before the Task Force —*Commissioner Ricardo Lara (CA)*

6. Adjournment


1. Consider Adoption of its Oct. 26, Oct. 6, and Summer National Meeting Minutes
Attachments One - Three
Commissioner Ricardo Lara (CA)
NAIC
NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS
7

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: 11/4/26

Natural Catastrophe Risk and Resilience (EX) Task Force
Virtual Meeting
October 26, 2026

The Natural Catastrophe Risk and Resilience (EX) Task Force met Oct. 26, 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); Sharon P. Clark (KY); Marie Grant (MD); Julia Dreier 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 were: Jane Nelson (FL) and Chris Cerniauskas (LA).

1. Heard the Reports of its Working Groups

A. Pre-Disaster Mitigation and Risk Modeling (EX) Working Group

Cerniauskas reported on the Pre-Disaster Mitigation and Risk Modeling (EX) Working Group. He said the model law drafting group had completed its review of comments on the model mitigation law and made final revisions. A summary of the comments and their disposition was being prepared for posting. The revised model was re-exposed Oct. 26 for a second comment period through Nov. 6, and the Working Group plans to consider adoption on Nov. 14 at the Fall National Meeting.

B. Severe Peril (EX) Working Group

Director Nelson reported on the Flood Insurance Blueprint. She said the producer group had developed a work plan calling for two focus groups of four producers each. Discussion topics would include producer experience and motivation; consumer demand, perceptions, and affordability; financial incentives and market opportunities; administrative and operational barriers; and producer training, knowledge, and support. One-on-one follow-up interviews could be held, and information would be anonymized and aggregated. Nelson said the effort is intended to identify practical actions state departments of insurance can take to help address barriers to flood insurance coverage.

Nelson also reported that the research and data group would meet to select among three research themes: consumer messaging and outreach; consumer decision-making; and coverage evaluation and selection. The Working Group also planned a regulator-only session with representatives of the Federal Emergency Management Agency (FEMA) regarding the National Flood Insurance Program's (NFIP's) new direct-to-consumer purchasing option on Oct. 28. The Working Group plans to participate in a joint meeting with the Pre-Disaster Mitigation and Risk Modeling (EX) Working Group at the Fall National Meeting to discuss building codes and disaster resilience.

Commissioner White commented on the progress of the Flood Insurance Blueprint and the importance of continuing work on consumer flood insurance issues.

2. Adopted the Natural Catastrophe Risk and Resilience (EX) Task Force Catastrophe Risk Brief

Commissioner Lara presented the Task Force's catastrophe risk brief, which summarizes catastrophe information and the ongoing work of the Task Force and its working groups. He said the brief is intended to serve as a regularly updated resource for insurance regulators and other state policymakers on catastrophe events and potential

insurance and reinsurance market impacts. Commissioner Lara noted that the document is intended to support communication about catastrophe risk, mitigation, and market conditions and to remain current as conditions change.

Commissioner White asked how the brief relates to the strategic document previously adopted by the Task Force. Commissioner Lara clarified that the brief is an additional informational tool intended to work alongside, rather than replace, the existing strategic document.

David Snyder (American Property Casualty Insurance Association—APCIA) commented that the brief should recognize improvements in primary insurance and reinsurance markets and reference prior NAIC work as well as insurance cost drivers, including inflation and population movement into catastrophe-prone areas. Commissioner Lara agreed that related NAIC resources could be referenced while maintaining the brief's focus on natural catastrophe issues and reiterated that the document would be updated over time.

Commissioner Clark made a motion, seconded by Commissioner Fowler, to adopt the catastrophe risk brief (Attachment XX). The motion passed unanimously.

3. Adopted the 2027 Proposed Charges for the Task Force and its Working Groups

Commissioner Lara presented the 2027 proposed charges for the Task Force and its working groups. He said the charges were discussed at the Oct. 6 meeting and subsequently reviewed by members. The proposed charges remain consistent with the 2026 framework while shifting emphasis from developing several deliverables to operationalizing them. The three sets of charges were presented for adoption as one item.

Director Carpenter made a motion, seconded by Commissioner White, to adopt the Task Force's 2027 proposed charges (Attachment XX). The motion passed unanimously.

4. Heard State Experiences with the Automated Event Response Dashboard

Commissioner Fowler discussed Alabama's use of the NAIC Center of Excellence's Automated Event Response (AER) dashboard during the recent hurricane that affected Florida and Alabama. Fowler said the AER dashboard, developed in partnership with Impact Forecasting, provides regulators with near-real-time catastrophe intelligence, including projected storm impacts, estimated insured loss ranges, ZIP code-level hazards, and insured exposure concentrations. Alabama received eight NAIC updates from Oct. 7 through Oct. 11 and incorporated the information into its internal storm team site and interagency coordination efforts.

Commissioner Fowler said Alabama shared AER information through emergency management coordination calls, with the state fire marshal's office, and in public communications. He also used the information during a call with the governor and cabinet. He described the information as well-organized, concise, and useful as the storm's projected path and intensity changed. Alabama planned a limited post-event review to identify lessons learned and potential improvements to the tool.

Nelson said the AER dashboard was beneficial because it provided estimates before Florida began receiving results from its post-storm data call. She said the information also assisted the commissioner in briefing the governor and other cabinet offices. Florida looked forward to working with the NAIC team on continued improvements.

Tim Farrell (NAIC) thanked the states for their feedback and said the NAIC would continue to evolve the tool to better support regulators during real-time catastrophe response. Commissioner Lara said the Alabama and Florida

experiences demonstrated the value of providing regulators with timely information before, during, and after catastrophe events.

5. Received a Preview of the 2026 Fall National Meeting Task Force Agenda

Commissioner Lara previewed the Task Force's Nov. 15 meeting at the Fall National Meeting. The agenda is expected to include updates from its working groups and presentations addressing flood risk, mitigation, and potential El Niño-related implications for jurisdictions exposed to flooding. Commissioner Lara also announced a presentation on the initial work of the joint catastrophe risk assessment project of the NAIC and the Asociación de Supervisores de Seguros de América Latina (ASSAL) by Superintendent Guillermo Plate, the president of ASSAL, who also serves as Argentina's insurance superintendent.

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

Draft: 10/23/26

Natural Catastrophe Risk and Resilience (EX) Task Force
Virtual Meeting
October 6, 2026

The Natural Catastrophe Risk and Resilience (EX) Task Force met Oct. 6, 2026. The following Task Force members participated: Ricardo Lara, Chair (CA); Mark Fowler, Vice Chair, and Travis Taylor (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 Y. Hatchette (MD); Julia Dreier represented by Peter Brickwedde (MN); 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. Received an Update on the NAIC *National Climate Resilience Strategy for Insurance*

Commissioner Lara said the Task Force was advancing the NAIC *National Climate Resilience Strategy for Insurance* through practical deliverables and the work of its two working groups. NAIC committee support are revising the disaster preparedness guide to incorporate relevant updated NAIC materials, avoid duplication, and improve its usefulness to state insurance regulators. He said a Task Force briefing document distributed at the Summer National Meeting was being finalized with updated August catastrophe information, examples of mitigation program accomplishments, and information on anticipated Super El Niño conditions. The document would be distributed to Task Force members and exposed for comment.

By the end of 2026, Commissioner Lara said the Task Force will provide an update on the NAIC *National Climate Resilience Strategy for Insurance*, outlining progress to date, next steps for implementation, and the remaining deliverables, while ensuring the strategy stays current and fulfilling its responsibility to oversee implementation. He identified the draft residential mitigation grant program model law, the flood insurance blueprint, and the future vision for the Catastrophe Risk Management Center of Excellence (COE) as principal Task Force priorities. He emphasized the importance of communicating the practical value of the COE to commissioners, including the questions they should ask and the tools available to support their departments, rather than focusing solely on technical model details.

2. Received the Reports of its Working Groups

A. Pre-Disaster Mitigation and Risk Modeling (EX) Working Group

Commissioner Temple reported on its development of the residential mitigation grant program model law. The proposed framework is intended to help states establish or strengthen voluntary residential mitigation grant programs while remaining adaptable to state-specific risks, market conditions, and statutory authority. Public comments supported the value of mitigation grants but raised differing views on mandatory premium discounts, recognized standards, program funding, data requirements, and eligibility. Remaining issues include coordination with the National Council of Insurance Legislators (NCOIL), rental and multifamily properties, independent verification of completed work, eligibility, a rebuild-stronger endorsement, and regulatory discretion concerning discounts. Commissioner Temple said premium discount benchmarks should serve as reference points rather than inflexible floors, while the draft should preserve safeguards, verification and state flexibility. The Working Group is resolving these policy questions in advance of additional exposure and final consideration.

Commissioner Temple reviewed a presentation by The Water Institute concerning a Dauphin Island, AL, coastal

marsh restoration pilot. The analysis identified measurable reductions in flood hazard and expected loss near the project but highlighted the continuing challenge of making verified mitigation benefits visible and usable in insurance decisions. Scaling similar approaches would require consistent data, repeatable analysis, and clearer identification of beneficiaries and funding. He described presentations from Moody's and Verisk on how catastrophe models incorporate engineering evidence, claims information, building characteristics, and mitigation measures. He noted that catastrophe modeling can inform, but does not itself determine, rates, coverage, or premium discounts. Insurers must translate the results through actuarial, underwriting, and product decisions.

Other Working Group activities included discussions of the NAIC real-time loss prediction tool, a mitigation funding resource guide, and catastrophe-related fraud prevention.

B. Severe Peril (EX) Working Group

Director Carpenter presented an update on behalf of Director Angela Nelson (MO). She said the flood insurance blueprint is the Working Group's central 2026 initiative and is intended to translate the national strategy into practical consumer education, as well as regulatory and market-development activities. Two rounds of regulator surveys helped identify priorities, including flood insurance uptake, consumer purchase decisions, producer engagement, consumer tools, localized risk communication, and message testing. Director Carpenter emphasized the need to communicate flood exposure beyond Federal Emergency Management Agency (FEMA) flood zone designations, including households outside designated high-risk areas.

Director Carpenter described the development of a local leaders quick connect guide as an adaptable outreach resource for state insurance departments to work with elected officials, emergency managers, planning professionals, insurance agents, real estate professionals, and financial planners. Related work includes reviewing plain-language flood insurance materials with consumer representatives and researching barriers to coverage, affordability, product innovation, risk data, and market development. The Working Group also examined the NAIC's real-time event reporting initiative, which integrates wind, hail, and tornado footprints with modeled losses, exposure, carrier market share, and policy data. She noted the potential value of extending the tool beyond its current geographic coverage, including to Alaska, Hawaii, and U.S. territories.

The Working Group has reviewed state practices and research, including Pennsylvania's flood insurance outreach experience, and heard from FEMA regarding state, local, tribal and territorial data-sharing agreements. Director Carpenter said further discussion was needed on how the NAIC and states with limited analytic capacity can use federal information. She also referenced a presentation by Munich Re on a lower-limit flood endorsement product intended for properties outside special flood hazard areas.

The Working Group's 2027 proposed work would also address federal flood insurance developments in coordination with the NAIC Government Relations Leadership Council, including National Flood Insurance Program (NFIP) and FEMA-related matters.

3. Received an Update on Current and Future Activities and Initiatives of the NAIC Catastrophe Risk Management COE

Jeff Czajkowski (Center for Insurance Policy and Research—CIPR) reviewed the evolution of the COE since its establishment in 2022, noting increased access to catastrophe models, data, technical assistance, and partnerships at a time when catastrophe risk has added pressure to property insurance availability and affordability. He presented a forward-looking vision organized around three broad areas: 1) robust data and

governance; 2) resilience program design and implementation; and 3) expanded research and communication. The goal is to provide commissioners and their departments with tailored, actionable information on their individual catastrophe exposures, building on existing capabilities rather than replacing them.

Eli Russo (NAIC) described existing services for financial, rate, and policy regulators. These include support for interpreting catastrophe-related information in risk-based capital (RBC) filings; training on property/casualty (P/C) reinsurance and the use of catastrophe models in rate filings; state catastrophe-risk data packets incorporating homeowners market information; and emerging real-time event and loss reporting. The COE also provides technical assistance to states at different stages of creating mitigation grant programs, develops mitigation premium discount reference tables, and studies the economic and insurance effects of resilience investments. Russo said the center was working with approximately 25 states on mitigation grant programs and requested regulator feedback on which services should be expanded or prioritized.

Commissioner Lara urged the COE to continue developing forward-looking capabilities to address severe convective storms, atmospheric rivers, extreme heat, wildfire smoke, and other evolving hazards. He suggested regional, forward-looking analysis of anticipated El Niño winter conditions to help regulators assess potential impacts on flooding and insurance markets before they occur. Czajkowski said the COE is working with model providers on emerging issues, including smoke damage and broader geographic coverage of real-time event tools, and expects additional emphasis on flood modeling in connection with the flood insurance blueprint. Discussion highlighted the importance of continued technical capacity, model-provider partnerships, regulator input, and appropriate Task Force governance to prioritize future work.

4. Discussed the NAIC Partnerships on Natural Catastrophe Issues

   A. IBHS

Czajkowski and Brian Powell (NAIC) discussed the NAIC's partnership with the Insurance Institute for Business & Home Safety (IBHS), supported by a memorandum of understanding (MOU) established in 2023. Following Task Force input to the IBHS' strategic planning process, the NAIC and IBHS have been discussing an updated MOU and a draft tactical implementation plan, which was shared with Task Force members. Czajkowski identified three proposed areas: 1) education and training; 2) research and development of the resilience ecosystem; and 3) metrics and evaluation. He invited further feedback from the Task Force on the draft plan.

Powell summarized the Sept. 22 visit to the IBHS research campus, attended by regulators and legislators from nine states. He said the visits help department leadership, technical regulators, and legislators understand the research supporting IBHS FORTIFIED and Wildfire Prepared Home standards and their potential use in grant programs, legislation, and insurance markets. Powell also described an IBHS technical bulletin concerning redesignation of FORTIFIED asphalt-shingle roofs at 15 years. He said such updates illustrate how research and changing technical standards can affect state mitigation program administration and insurance considerations.

Commissioner Lara reported concerns raised by Western Zone regulators about limited insurer participation in, and recognition of, state mitigation programs and premium discounts, even when those programs rely on IBHS-backed standards. He said the states intended to raise these concerns directly with industry representatives and IBHS. Powell and Czajkowski agreed that industry engagement, evidence, discount development, and implementation support would be important to scaling effective mitigation programs.

   B. SmarterSafer.org

Chris Brown, the SmarterSafer Coalition, described the coalition's federal policy work to advance pre-disaster mitigation and resilience. He said the coalition brings together insurers, reinsurers, trade associations, environmental organizations, housing advocates, and taxpayer groups to pursue areas of consensus. Priorities include risk-informed land use and building practices, nature-based approaches, actuarially sound insurance, affordability, and assistance for vulnerable communities. Brown discussed NFIP reform and reauthorization, modern floodplain mapping, private-sector participation and flood-risk transfer; a growing emphasis on wildfire; and emerging engagement on severe storms, wind-resistant construction, earthquakes, and resilient infrastructure.

Commissioner Lara encouraged continued coordination between the NAIC and SmarterSafer on state and federal resilience priorities. Commissioner Temple asked Brown to explore opportunities for federal tax incentives or other industry-facing measures that could encourage insurers to more actively promote mitigation, including stronger roofs, fire-resistant construction, and building code improvements. Brown agreed to raise the issue in his discussions with industry and federal stakeholders.

5. Discussed its 2027 Proposed Charges

Commissioner Lara reviewed the Task Force's 2027 proposed charges, describing a shift from studying and developing initiatives toward implementing, coordinating, governing, and measuring them. For the Task Force, proposed changes would refine the national climate resilience strategy deliverables, emphasize stakeholder partnerships, and establish a more explicit governance and oversight role regarding the COE. New deliverables would include finalizing the disaster preparedness guide and developing a coordinated insurance-sector incident response and continuity framework.

For the Pre-Disaster Mitigation and Risk Modeling (EX) Working Group, the draft charges would address monitoring mitigation model law development, state adoption and implementation, consideration of related regulations, catastrophe model evaluation oversight, and tools for catastrophe exposure and reinsurance early warnings. For the Severe Peril (EX) Working Group, the draft would direct refinement and implementation of the flood insurance blueprint, incorporate the national flood insurance awareness initiative, and coordinate with the Government Relations Leadership Council on federal disaster and insurance legislation and administration, including NFIP and FEMA issues.

Task Force members were asked to send comments on the proposed charges to committee support by Oct. 15. The Task Force plans to consider adoption of the final charges by Oct. 31.

6. Discussed Other Matters

Commissioner Fowler announced that Alabama had enacted legislation codifying its Resilience Council and authorizing appointment of a chief resilience officer. He congratulated Travis Taylor, Director of the Alabama Office of Risk and Resilience, on his appointment as the state's first chief resilience officer.

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

2. Consider Adoption of its Working Group Reports

A. Pre-Disaster Mitigation & Risk Modeling Working Group–*Commissioner Tim Temple (LA)*
B. Severe Peril Working Group–*Director Angela Nelson (MO)*

Attachment Four

NAIC NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

8

Draft: 11/4/26

Pre-Disaster Mitigation and Risk Modeling (EX) Working Group
Virtual Meeting
October 15, 2026

The Pre-Disaster Mitigation and Risk Modeling (EX) Working Group of the Natural Catastrophe Risk and Resilience (EX) Task Force met Oct. 15, 2026. The following Working Group members participated: Timothy J. Temple, Chair, (LA); Glen Mulready, Vice Chair (OK); Mark Fowler and Travis Taylor (AL); Tom Zuppan (AZ); Anoush Brangaccio (FL); Jackie Horigan (MA); Joy Y. Hatchette (MD); Parker Fisher (MI); Peter Brickwedde (MN); Andy Case (MS); Sahana Zutshi (NY); and Lauren Burnes (WA). Also participating were: Jimmy Harris (AR); Brad Wilson (KY); and Rebekah Allen (VA).

1. Adopted its Sept. 15 Minutes

The Working Group met Sept. 15. During this meeting, it took the following action: 1) received an update on the draft mitigation program model law; and 2) discussed fortified roof endorsements.

Commissioner Fowler made a motion, seconded by Hatchette, to adopt the Working Group's Sept. 15 minutes (Attachment XX). The motion passed unanimously.

2. Received an Update on the Draft Mitigation Program Model Law

Allen reported that the drafting group had met twice since the Working Group's prior meeting and had reviewed the comments received during the exposure period. She said the drafting group revised the model in response to those comments and submitted the revised draft to NAIC Legal for review. Allen said she would work with NAIC committee support to prepare formal responses to the comments for inclusion in the project history.

Commissioner Fowler asked about the next steps for the model. NAIC committee support explained that after the Working Group receives the final product from the drafting group, it can expose it for additional comment. The Working Group would need to adopt the model before forwarding it to the Natural Catastrophe and Risk Resilience (EX) Task Force.

Commissioner Fowler encouraged commenters to review the redline and provide feedback. Commissioner Temple said the Working Group should continue moving the project forward while allowing its members and interested parties an additional opportunity to review the revised draft.

The Working Group agreed that an additional public exposure period will take place prior to consideration of the model for adoption at the Fall National Meeting.

3. Received a Follow-Up Presentation on Endorsements

Brian Powell (NAIC) continued the Working Group's discussion of the Insurance Institute for Business & Home Safety (IBHS) FORTIFIED roof endorsements. He said states need better information about the number and location of endorsements in force and that the infrastructure needed to support them, including qualified contractors and evaluators and the processing of documentation through IBHS.

Commissioner Temple described Louisiana's requirement that admitted insurers offer a FORTIFIED roof endorsement. He identified potential challenges following a catastrophe, including the capacity to process a large volume of FORTIFIED roof projects, determining whether a structure can receive a FORTIFIED roof, administering premiums, and ensuring that endorsement language clearly establishes the insurer's obligations. He also emphasized the need to educate agents, adjusters, insurers, and consumers and said additional discussion with IBHS would be helpful.

Commissioner Fowler said Alabama requires insurers to offer the endorsement and has encountered instances in which damaged roofs covered by an endorsement were replaced without being FORTIFIED because homeowners, agents, or adjusters did not recognize that the endorsement applied. He said some insurers subsequently refunded amounts or offered to replace the roofs. Alabama is working to obtain better data on endorsement penetration and implementation. Commissioner Temple said Louisiana had encountered similar situations and emphasized that the issues appeared to result from unfamiliarity with a relatively new product rather than intentional misconduct.

Commissioner Harris asked how many states require the endorsement. Powell estimated that approximately six states have such requirements. Wilson said Kentucky recently issued a bulletin addressing endorsement filings that attempted to restrict coverage. He emphasized that endorsements could result in more FORTIFIED homes than the state's grant program because grant funding is limited.

Aaron Brandenburg (NAIC) said the homeowners market data call collected ZIP Code-level information on mitigation discounts, including FORTIFIED discounts. He noted concerns about data quality and said proposed refinements had been discussed. He also said the Homeowners Market Data Call (C) Task Force was considering whether to add mitigation endorsement data elements to the next data call.

Horigan asked about IBHS training for producers and other interested parties. Powell said the available course provides an overview of FORTIFIED construction from the homeowner's perspective and includes some information on endorsements. He said NAIC committee support and IBHS were exploring scalable education opportunities, including a train-the-trainer approach for agents, adjusters, and other stakeholders. The Working Group agreed to continue its discussion of endorsement data, education, implementation, and post-catastrophe capacity.

4. Discussed Options for Financing Large-Scale Mitigation Projects

Brickwedde led a discussion of how state insurance regulators could help move community-scale mitigation projects from pilot programs to broader implementation. He said prior presentations had demonstrated the value of mitigation at the neighborhood and community levels. He asked the Working Group to consider where projects would be most useful and how they could be financed and scaled.

Brickwedde described the Mississippi River Cities and Towns Initiative's (MRCTI's) work with Munich Re to develop a parametric product to provide financial resources following flooding. He also discussed Minnesota's work with its housing finance agency to incorporate insurance and risk information into affordable housing project development and the potential use of homeowners market data to inform disaster response, infrastructure priorities, and financing. He cited catastrophe bonds issued by the North Carolina residual market as an example of financing that could support disaster response and home hardening.

Commissioner Temple said the NAIC could convene catastrophe modelers, reinsurers, primary insurers, and state insurance regulators to identify projects with the greatest potential return and connect measurable risk reduction to insurance and reinsurance pricing. He described Louisiana's coastal protection and restoration work and said

insurance considerations should be incorporated at the front end of project planning. Commissioner Mulready agreed that a more robust discussion with reinsurers would be helpful. Commissioner Fowler supported a coordinated effort to identify additional sources of financing.

Brickwedde asked whether states had partnered with organizations outside the insurance sector. Commissioner Fowler said Alabama had previously approached employers and other industries for mitigation support, but the effort predated the availability of substantial data demonstrating the effectiveness of the program. He said the timing may now be better because states have more experience, empirical data, and evidence of market benefits. Powell said national engagement with home builders, lenders, mortgage organizations, legislators, and other stakeholders had increased as mitigation programs produced additional proof points.

Commissioner Mulready said Oklahoma had successfully engaged real estate professionals, but some lower-income grant applicants could not afford the evaluator's fee. He said the state had approached foundations and might need to consider a legislative change allowing certain evaluation costs to be paid from grant funds. Commissioner Temple said some Louisiana parishes had provided funding to help residents pay evaluation costs and bridge gaps between grant amounts and project costs. He encouraged states to engage county and local governments and suggested outreach to a national association representing county governments. Powell said NAIC staff had contacts with such organizations and offered to collaborate.

In response to questions, Commissioner Fowler said Alabama planned a smaller data call on the effects of a recent storm and would decide after reviewing the results whether to conduct a broader study of FORTIFIED home performance. Participants also discussed engaging Federal Home Loan Banks (FHLBs) and other lenders. Commissioner Temple said the Dallas FHLB had offered grants of up to approximately $17,000, and Commissioner Fowler said the FHLBs should be included more broadly in future discussions.

David Snyder (American Property Casualty Insurance Association—APCIA) offered to share APCIA's roundtable findings from discussions with mortgage bankers, real estate professionals, and other stakeholders. He also offered to seek feedback from primary insurers about community-scale mitigation and reiterated APCIA's interest in a mitigation program model law that could be supported and implemented nationally. Commissioner Temple said the Working Group would follow up on those offers.

5. Discussed Other Matters

Commissioner Temple announced that the Working Group expected to meet Nov. 14 in joint session with the Severe Peril (EX) Working Group at the Fall National Meeting. He said the meeting would include a deeper discussion of building codes, code compliance, and accountability, with presentations from representatives involved in building code issues.

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

Draft: 10/20/26

Pre-Disaster Mitigation and Risk Modeling (EX) Working Group
Virtual Meeting
September 15, 2026

The Pre-Disaster Mitigation and Risk Modeling (EX) Working Group of the Natural Catastrophe Risk and Resilience (EX) Task Force met Sept. 15, 2026. The following Working Group members participated: Timothy J. Temple, Chair, represented by Chris Cerniauskas and Adam Patrick (LA); Glen Mulready, Vice Chair (OK); Mark Fowler and Travis Taylor (AL); Tom Zuppan (AZ); Holly Vuong (CA); George Bradner (CT); Anoush Brangaccio (FL); Jackie Horigan and Matthew Mancini (MA); Joy Y. Hatchette (MD); Sandra Darby (ME); Parker Fisher (MI); Peter Brickwedde (MN); Andy Case (MS); Connie Van Slyke (NE); Cherry Mui (NY); and David Forte (WA). Also participating were: Gennady Stolyarov (NV) and Rebekah Allen (VA).

1. Adopted its Summer National Meeting Minutes

Commissioner Fowler made a motion, seconded by Horigan, to adopt the Working Group's Aug. 11 minutes (*see NAIC Proceedings – Summer 2026, Natural Catastrophe Risk and Resilience (EX) Task Force, Attachment Two)*. The motion passed unanimously.

2. Received an Update on Comments Received During the Exposure Period of the Draft Mitigation Program Model Law

Allen reported on the public comment period ending Sept. 8 for the draft residential mitigation grant program model law. The drafting group received 10 initial comment letters representing 12 organizations, plus an additional regulator comment after the presentation was finalized. Allen noted that no commenter opposed mitigation grant programs in principle, and most supported the draft's overall objective, although views differed on the appropriate statutory framework. Key issues included whether premium discounts should be mandatory or discretionary, whether a benchmark discount table should serve as a binding floor or nonbinding reference, how recognized mitigation standards should be defined, and the appropriate treatment of funding, insurer assessments, data collection, confidentiality, and program eligibility. Commenters also differed on eligibility for rental and multifamily properties, eligibility for low- and moderate-income households, and eligibility for applicants without existing insurance coverage.

Allen highlighted several organization-specific recommendations. The American Academy of Actuaries (Academy) called for credible actuarial and engineering support, transparent standards, and possible pilot implementation; the Insurance Institute for Business & Home Safety (IBHS) sought stronger definitions of recognized mitigation standards; the National Association of Mutual Insurance Companies (NAMIC) and the American Property Casualty Insurance Association (APCIA) opposed mandatory discounts and binding benchmarks; the National Association of Home Builders (NAHB) and Public Citizen supported mandatory discounts and broader eligibility; and the National Council of Insurance Legislators (NCOIL) suggested coordinating the draft with its existing Strengthen Homes Program Model Act.

Allen identified several matters requiring additional Working Group direction, including the relationship to the NCOIL model, contractor and verifier requirements, multifamily eligibility, insurance requirements for grant applicants, "rebuild stronger" endorsements and insurer data collection.

During discussion, Commissioner Mulready, Commissioner Fowler, Bradner, and Brickwedde emphasized the importance of preserving state flexibility, particularly regarding multifamily eligibility, funding, and differing state

housing needs. Stolyarov urged maintaining regulatory discretion over mitigation discounts while retaining appropriate actuarial or scientific justification. Cerniauskas and Patrick described Louisiana's benchmark approach, under which insurers may justify departures from a department-established benchmark, as consistent with the intent of the draft. Commissioner Mulready asked the drafting group to continue working through the comments and policy questions over the coming month. No final policy decisions were made.

3. Heard a Presentation from Moody's and Verisk on Mitigation Investments and Modeling

Commissioner Mulready continued the Working Group's discussion from the prior month on how mitigation investments are reflected in insurance risk assessment.

Michael Young (Moody's) explained that catastrophe models synthesize scientific and engineering information rather than relying on actuarial experience alone. He identified three principal sources used to develop and validate mitigation relativities: historical claims data, engineering analysis, and building codes. Modelers look for consistent signals across those sources and test model components both individually and in the aggregate.

Young noted that historical claims data can materially improve understanding of mitigation effects, but the usefulness of those data depends on whether relevant property characteristics are captured and retained. He cited data collected after the 2004–2005 Florida hurricanes as an example of how improved claims information changed modelers' understanding of the impact of year built. He said regulatory data calls, data made available by public insurers, and engineering research can help fill information gaps and improve model validation.

Young encouraged efforts to make consistent, detailed data sets available to modelers on a level playing field. He also cautioned that mitigation programs should avoid reverse incentives. Drawing on his experience with Florida's early wind-mitigation credit program, he said discounts tied to fixed building characteristics—such as roof shape—can produce large credits without motivating a property owner to undertake additional risk-reduction measures. He urged regulators to focus program incentives on actions that can actually change or improve the structure.

Borman (Verisk) said catastrophe-modeling firms generally use similar frameworks for incorporating mitigation and depend heavily on data. She explained that catastrophe-model engineers translate hazard intensity into expected damage ratios for classes of structures, allowing models to assess broad portfolios rather than individual buildings. This framework permits mitigation characteristics to be evaluated across many simulated events and intensity levels.

Borman emphasized the importance of both damaged and undamaged-property data. Understanding which structures survive an event, and why, can be as important as studying losses. She said modelers combine insurer claims data, engineering research, academic literature, and work by organizations such as IBHS to estimate how mitigation measures affect loss.

Borman explained that insurers can test different secondary risk characteristics and mitigation assumptions across their books of business, but catastrophe model outputs are only one input to an insurer's decisions. Actuarial and underwriting teams ultimately determine how model results are translated into pricing and products. She said Verisk continues to expand the mitigation-related characteristics available in its models when sufficient data exists to support and validate those features. Where evidence is inadequate, modelers may appropriately differ in whether and how a mitigation feature is represented.

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

Draft: 10/16/26

Severe Peril (EX) Working Group
Virtual Meeting
October 5, 2026

The Severe Peril (EX) Working Group of the Natural Catastrophe Risk and Resilience (EX) Task Force met Oct. 5, 2026. The following Working Group members participated: Angela L. Nelson, Chair (MO); Heather Carpenter, Vice Chair (AK); Mark Fowler (AL); Tom Zuppan (AZ); Michael Peterson (CA); George Bradner (CT); Sharon Shipp (DC); Anoush Brangaccio (FL); Timothy J. Temple (LA); Jackie Horigan (MA); Joy Y. Hatchette (MD); Peter Brickwedde (MN); Andy Case (MS); and David Forte (WA).

1. Adopted its Sept. 1 Minutes

The Working Group met Sept 1. During this meeting, it took the following action: 1) adopted its June 13 minutes; 2) discussed leadership direction on the Flood Insurance Blueprint; 3) received an update on the NAIC Real-Time Reporting Tool; and 4) heard a presentation from Pennsylvania on their flood ombudsman program.

Commissioner Mark Fowler made a motion, seconded by Director Carpenter, to adopt the minutes. The motion passed by voice vote without opposition.

2. Received a Status Update on Flood Insurance Blueprint Activities

Butch Kinerney (NAIC) reported on implementation of the Working Group's Flood Insurance Blueprint, noting that three principal workstreams had been established and that 11 state regulators had volunteered to participate, with some serving on multiple efforts. Initial workstream meetings had begun, and additional regulator participation was encouraged. He explained that the research, data, and market development workstream could be divided into separate research and data-planning efforts as work progresses.

Kinerney described the Flood Insurance Quick Connect Guide as an initial major deliverable. The guide is intended to provide practical outreach tools for state insurance regulators to engage local community leaders and other trusted voices, including elected and appointed officials, public safety personnel, insurance agents, real estate professionals, attorneys, and financial planners. The guide, which was undergoing a second review, is designed to help regulators initiate conversations about both public and private flood insurance and is targeted for completion by year-end. Regulator feedback has emphasized the need for readily deployable materials, such as introductory emails and talking points, as well as newer communications formats, including video.

Other workstreams focus on consumer and market research, producer engagement, and updated consumer communications. Kinerney said future research should explore why consumers do or do not purchase flood coverage, their interest in alternative products, and how price and product design may influence decisions. Producer engagement will examine barriers to recommending flood insurance and identify tools and incentives that may support more frequent conversations with customers. NAIC Communications Staff are also reviewing and updating existing consumer materials, with regulator input anticipated.

Next steps include completing the Quick Connect Guide, advancing a producer engagement strategy, and identifying priority research and data recommendations for 2027.

During discussion, consumer representative Brenda Cude requested opportunities for consumer representatives to review work products. George Bradner volunteered to participate in the data and producer engagement efforts and indicated he would explore participation by Connecticut communications staff. David Snyder (APCIA) offered to circulate draft outreach materials among local elected officials and suggested regional councils of governments as another means of reaching municipalities. Amy Bach (United Policyholders) offered to share recent consumer communications materials addressing flood risk and public and private coverage options.

3. Received a Briefing from Munich RE on Novel Flood Insurance Products

Bonnie Guth and Serena Garrahan (Munich Re) presented on an inland flood endorsement product offered by Munich RE companies intended to help close the flood insurance protection gap for homeowners outside Special Flood Hazard Areas.

Garrahan explained that the product is offered through participating insurers as an endorsement to existing policies rather than as a separate flood insurance policy. This structure is intended to simplify purchase and claims handling. Coverage is available with limits ranging from $5,000 to $50,000 per occurrence, subject to a maximum aggregate limit equal to twice the per-occurrence limit. The endorsement offers a combined limit covering specified property and related expenses, with limited coverage for basement personal property and loss of use that differs from NFIP coverage. It is available for homeowners, renters, and certain farm dwelling policies. The product is fully reinsured by Munich Re and offered through participating carriers under their own policy forms.

Garrahan said the endorsement was introduced in 2016, had been approved in 46 states, and had more than 200,000 active endorsements across participating carriers. At the time of the presentation, it was not offered in Alaska, Florida, Hawaii, or Louisiana. The product is designed for low- to moderate-risk properties outside mapped Special Flood Hazard Areas and storm-surge-exposed locations; it does not satisfy mandatory flood insurance purchase requirements applicable to certain mortgaged properties in high-risk zones. The speakers emphasized that the endorsement is intended to address more limited flood losses rather than to replace comprehensive coverage for catastrophic losses.

Regulators discussed opportunities to improve consumer awareness and distribution. Bradner asked about Connecticut availability and policy uptake, citing the state's use of First Street flood-risk mapping in agent education. Garrahan confirmed that carriers offer the endorsement in Connecticut and agreed to provide additional information separately. Representatives from Maryland and Illinois also expressed interest in being connected with Munich Re. In response to a question about risk assessment, Garrahan clarified that eligibility excludes mapped high-risk flood zones and surge-exposed areas, while private risk modeling supports underwriting and pricing.

Consumer representative Ken Klein asked how frequently the coverage would respond to losses above the deductible but within the relatively low policy limit and how substantially it could assist affected homeowners. Munich Re representatives acknowledged the importance of explaining coverage limits and described the product as a more affordable option for losses that might otherwise be uninsured. Director Nelson observed that even relatively modest repairs from water damage can impose significant financial burdens on households. Bradner and Garrahan also discussed the value of coverage for basement property and temporary loss of use. Peterson asked whether the endorsement incorporates mitigation incentives; Garrahan stated that it does not currently offer mitigation credits.

4. Received a Briefing on the National Flood Insurance Program (NFIP) Data Sharing Agreements with State, Local and Tribal Territories

Kelly Bronowicz (FEMA), Director of Product and Policy Development for the National Flood Insurance Program (NFIP) at FEMA, introduced Ariana DiMeo, FEMA's NFIP Data Analytics Branch Chief and deputy chief data officer, to discuss state, tribal, and territorial (STT) agreements for access to NFIP data. DiMeo explained that the new STT framework replaces earlier, more restrictive information-sharing arrangements and enables authorized state, tribal, and territorial personnel to access policy and other NFIP information through FEMA's PIVOT system. Data downloaded and curated for a state purpose becomes a state record, to be handled and shared under the applicable state's information-security and disclosure requirements. Approximately 25 STT agreements were in place at the time of the meeting.

DiMeo outlined how participating agencies designate authorized personnel for PIVOT access, including arrangements for units within agencies and designated account holders. She encouraged agencies to designate more than one authorized user to ensure continuity. FEMA also offers job aids, a community of interest, and individual or group training to help jurisdictions access and use the information.

Directors Carpenter and Nelson emphasized that smaller state insurance departments may lack the staff or technical capacity to extract, manage, and analyze large datasets. They asked whether the NAIC could serve a coordinating or support role to help states use NFIP information alongside homeowners and private flood insurance datasets already maintained by the NAIC. Nelson noted that a centralized arrangement could reduce duplicate effort and support more comprehensive cross-market analysis. DiMeo explained that FEMA's present framework provides access to states and leaves subsequent decisions on use and sharing of state records to the jurisdictions themselves. She also noted opportunities for collaboration with public universities and research entities.

The Working Group expressed interest in continued discussions about practical mechanisms for NAIC assistance, particularly for resource-constrained states. Carpenter requested information on existing agreements, procedures for obtaining access, and step-by-step guidance that could be shared with regulators and commissioners. DiMeo offered further briefings, training, and direct assistance. Kinerney agreed to coordinate follow-up and distribute relevant information to the Working Group and other interested commissioners.

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

Draft: 9/9/26

Severe Peril (EX) Working Group
Virtual Meeting
September 1, 2026

The Severe Peril (EX) Working Group of the Natural Catastrophe Risk and Resilience (EX) Task Force met Sept. 1, 2026. The following Working Group members participated: Angela L. Nelson, Chair (MO); Heather Carpenter, Vice Chair (AK); Mark Fowler (AL); Tom Zuppan (AZ); Michael Peterson (CA); Wanchin Chou (CT); Sharon Shipp (DC); Anoush Brangaccio (FL); Timothy J. Temple (LA); Jackie Horigan (MA); Joy Y. Hatchette (MD); Peter Brickwedde (MN); Andy Case (MS); and David Forte (WA). Also participating were: Dudley Ewen and Joe Keller (PA).

1. Adopted its July 13 Minutes

The Working Group met June 13. During this meeting, it took the following action: 1) adopted its June 11 minutes; 2) received results of the follow-up survey on specific tactics for the Flood Insurance Blueprint; and 3) heard a presentation from Verisk on homeowners insurance market and severe perils.

Commissioner Fowler made a motion, seconded by Director Carpenter, to adopt the Working Group's July 13 meeting minutes (Attachment XX). The motion passed unanimously.

2. Discussed Leadership Direction on Flood Insurance Blueprint Based on Working Group Feedback and Next Steps

Director Nelson reviewed the Working Group's prior Blueprint surveys and the priority strategies identified through that process: consumer awareness, education, and risk communication; behavioral research and policy design; consumer protection standards and claims practices; and mitigation, resilience, and incentives. She said leadership and NAIC staff had consolidated the near-term work into focused projects that could be advanced by small regulator teams.

Director Nelson identified four immediate opportunities for Working Group participation: 1) review and refine the Local Leaders QuickConnect Guide, so it is practical for insurance departments to use in outreach with elected officials, public safety officials, planning offices, insurance agents, real estate professionals, financial planners, and other local influencers; 2) review NAIC consumer-facing flood insurance materials as those materials are developed and help finalize plain-language information on flood risk, coverage options, exclusions, and common misconceptions; 3) organize and facilitate a mini-summit with insurance producers and agents to better understand producer views on public and private flood insurance, consumer questions, risk awareness, and opportunities to encourage a flood insurance discussion with property customers; and 4) work with NAIC research staff on research questions, risk data, and project ideas involving consumer decision factors, product innovation, pricing, coverage limits, risk awareness, market development, solvency monitoring, and potential referrals to other NAIC groups.

Director Nelson said staff would follow up by email so members could volunteer for one or more of the teams. Director Carpenter noted that the initial assignments primarily involve review of existing materials and encouraged members to volunteer.

3. Received an Update on the NAIC Real-Time Event Reporting Tool

Director Carpenter introduced Timothy Farrell (NAIC) and Roger Claybrooke (NAIC) for an update on the real-time event reporting initiative. Farrell said the goal is to provide regulators with timely information following severe convective storm events and in advance of, or following, hurricanes and tropical storms. NAIC is working with Aon's Impact Forecasting Catastrophe Modeling team to receive event and modeled loss data and display it through a regulator dashboard.

Claybrooke described the severe convective storm prototype. Aon combines National Weather Service (NWS) and other storm-report information into event footprints for wind, hail, tornado, and related subperils, runs the footprints through its industry exposure model, and provides modeled loss information that can be summarized by state and ZIP code. The NAIC dashboard is being designed to layer those event losses with information such as homeowners market share, policy counts, and potentially other demographic or market data. Regulators would be able to identify areas with the largest modeled losses and the carriers with the greatest market presence in affected ZIP codes.

Farrell emphasized that the visuals shown during the meeting used illustrative/sample data. He said the initial dashboard is intended for regulators and their staff, with broader public access raising additional data-sharing considerations. The current concept is forward-looking rather than a reconstruction of historical catastrophes, although staff could explore historical information if regulators identify a need.

In response to questions, Farrell said staff is currently using an approximately $100 million industry insured-loss threshold to trigger inclusion of an event, although that threshold can be adjusted based on experience and regulator feedback. He said the intent is to capture qualifying events automatically rather than require individual state requests. Staff expect users to be able to review recent events and year-to-date experience; the length of longer-term data retention remains under development. Farrell also noted that the vendor currently supports the contiguous 48 states. The NAIC is working with Aon on options for Alaska, Hawaii, Puerto Rico, and other territories and will continue to prioritize expanded geographic coverage.

Commissioner Temple thanked NAIC staff for their work and said the dashboard and related data would help regulators perform their jobs more effectively.

4. Heard a Presentation on Pennsylvania's Flood Ombudsman Program

Ewen, special assistant to the Pennsylvania insurance commissioner and the department's Flood Ombudsman, provided an overview of Pennsylvania's Flood Insurance Premium Assistance Task Force and related flood insurance initiatives. He highlighted several resources developed through this work, including the Task Force's final report, Penn State Harrisburg research on consumer flood insurance awareness and resilience, and a policy article examining options to increase flood insurance participation and resilience.

Ewen said the Task Force brought together state agencies, legislators, and a broad range of stakeholders to examine flood insurance affordability, consumer awareness, mitigation, and potential market solutions. Its final report included nine recommendations aimed at improving flood resilience and expanding insurance protection. He highlighted several areas of ongoing work, including the creation of the Flood Ombudsman role, increased flood insurance education for insurance professionals, assistance for communities pursuing mitigation and resilience activities, improved consumer information during the home-buying process, incentives for property-level mitigation, and further study of innovative flood insurance approaches.

Ewen also discussed Penn State Harrisburg research examining the flood insurance gap from the consumer perspective. He emphasized the importance of understanding different audiences and tailoring flood-risk communication to consumers' circumstances rather than relying on a single message.

Keller discussed a related policy article developed to help legislators and policymakers consider approaches that other states could adapt. He summarized the overall strategy as reducing underlying flood risk through mitigation, increasing flood insurance participation and broadening the risk pool, and improving consumer understanding of flood risk and insurance coverage.

Director Carpenter said NAIC staff would distribute the Pennsylvania materials to the Working Group.

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



Presentation slides will be added when available.

The Future of Flood Insurance and Risk Mitigation

From risk identification to insurability, mitigation and community liquidity

Raghuveer Vinukollu, *Ph.D*
Head of Climate Insights and Advisory

NAIC Natural Catastrophe Risk and Resilience Task Force
Dallas, TX

Munich RE



A thesis for the future of flood insurance

Munich RE

The market scales when risk, mitigation, and capital are connected rather than treated as separate systems.

01

See risk

Property-level analytics beyond regulatory flood zones

02

Reduce risk

Verified mitigation can reduce modeled loss

03

Transfer risk

Public and private products matched to the risk layer

04

Recover faster

Rapid liquidity for households and communities

Opportunity: enable transparent risk signals, allow companies to recognize mitigation through actuarially justified processes and preserve consumer protections while expanding durable private capacity

30

The future is a portfolio of solutions, not one flood policy

Different policyholders require different triggers, sources of capital and participation by different institutional risk takers.

Policyholder	Household / property	Community / district	Municipal / regional pool	Watershed / resilience investment
Product form	Indemnity or endorsement	Parametric community policy	Parametric liquidity or pooled cover	Modeled loss reduction + financing
Primary objective	Repair and replacement	Rapid, flexible household recovery	Emergency response and budget continuity	Lower future loss and improved insurability
Architecture	NFIP, admitted and E&S private markets	Local intermediary + public seed funding + private capital	Cities, philanthropy, public programs and reinsurance	Public infrastructure funds + private finance + insurance

Inland Flood Coverage:
embedding flood in the homeowners' relationship

A simple admitted endorsement can reach households outside mandatory-purchase zones before the next event.



Source: https://live.staticflickr.com/3041/2593473985_d9b784ed4a_b.jpg

200K

policies in force

countrywide portfolio

$5K–$50K

single-limit coverage

white-label endorsement

46

eligible states

broad admitted footprint

Why it matters

Flood can be underwritten as an insurable peril when product simplicity, granular analytics, rate filings, API-enabled delivery, and disciplined portfolio management are designed together.

32

Isleton: a first-of-its-kind community flood insurance architecture

A special district becomes the bridge between residents, public funding and a private parametric policy.

01 Delta Region GHAD acts as the institutional policyholder and community intermediary.

02 A two-year $200,000 California Department of Water Resources grant funds the initial premium.

03 A predefined flood trigger enables rapid, flexible payouts for residents after a severe event.

04 Coverage supplements existing NFIP or private insurance rather than replacing full indemnity protection.



Source: https://www.kqed.org/science/1996611/tiny-california-town-flooded-broke-reimagining-climate-insurance

Community governance can aggregate demand and extend a basic financial safety net to renters, low-income households and the uninsured.

33

Graveline Bay: turning nature-based mitigation into modeled insurance value

Engineering outputs were translated into catastrophe-model inputs, making risk reduction visible in loss metrics.



Source: The Water Institute Slides

9%–18%

Projected average annual loss for nearby properties declined by 9% to 18%.

Restore

Approximately 60 acres of marsh habitat completed in 2023.

Measure

The Water Institute and Moffatt & Nichol modeled changes in wave heights and water levels across storm conditions.

Translate

Munich Re US incorporated the changed hazard information into catastrophe-risk analysis.

Recognize

The remaining challenge is a durable pathway from verified local data into rating and underwriting systems.

Key distinction: lower modeled loss does not automatically equal an equivalent premium reduction, but it creates an auditable basis for recognition.

Mississippi River Risk Pool: liquidity when resilience is most fragile

A regional parametric pool can protect municipal operations when damaging events fall below federal disaster thresholds.

REGIONAL POOL Pilot concept

105 cities and towns

MRCTI represents 105 cities along the 10 mainstem states of the Mississippi River Basin.



Source: https://www.stlpr.org/economy-business/2024-11-21/mississippi-river-towns-pilot-new-insurance-model-disaster-response

Rapid funding

A parametric trigger is designed to provide rapid funding for emergency response and budget continuity.

Recovery gap

The pool addresses losses that may not receive a federal disaster declaration and can be too small or dispersed for traditional recovery mechanisms.

Pooled capital

Pooling diversifies geography and creates a scalable platform for philanthropy, public funding and private risk capital.

Value proposition: speed, flexibility and fiscal continuity, not replacement of property insurance or FEMA assistance.

A scalable flood-resilience market needs all five pieces

Munich RE

The objective is not simply more insurance. It is a system that makes risk visible, rewards action and accelerates recovery.

The next frontier is to connect these pieces at a property, community and watershed scale.

01 **Transparent risk**

02 **Verified mitigation**

03 **Accessible products**

04 **Layered capital**

05 **Fast recovery**



Thank You!

© 2026 Munich Reinsurance America, Inc. ("Munich Re US"). All rights reserved.

The material in this presentation is provided for information purposes only and is not permitted to be further distributed without the express written permission of Munich Re US. You are not permitted to add, delete or otherwise modify any Munich Re mark contained in this material. Munich Reinsurance America, Inc. and its affiliates disclaim any and all liability whatsoever resulting from use of or reliance upon this material. Munich Reinsurance America, Inc. retains all common law, statutory and other reserved rights, including copyrights in these materials.

Munich RE®

4. Hear a Report on International Issues

Commissioner Ricardo Lara (CA)

Guillermo Plate (Association of Insurance Supervisors of Latin America– ASSAL)



NAIC NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

10

Strengthening Climate & Catastrophe Risk Collaboration

ASSAL and NAIC: Progress, Priorities & Next Steps



Guillermo Plate, ASSAL President , Superintendent of the National Insurance Superintendence
Mike Peterson, Senior Deputy Commissioner, California Department of Insurance

NAIC NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

ASSAL Asociación de Supervisores de Seguros de América Latina

Regional Risk Landscape

Insurance supervisors need their own view of catastrophe risk. Across the Americas, exposures, available data, and modeling capabilities differ—making a clear understanding of each jurisdiction's risk essential.

Why this matters

- More Frequent and Severe Natural hazards
- Changing exposure to people and structures
- Significant economic and social impacts
- Need for stronger data, tools and regulatory capacity



What The Initial Survey Tells Us

13
of 20



Jurisdictions Participated

Finding 1

Data and capabilities

Participating jurisdictions reported different levels of access to catastrophe-related data, exposure information, and modeling resources.

Finding 2

Closing Protection gaps

Shared peril concerns and opportunities for technical cooperation to better understand and close insurance protection gaps.

Finding 3

Outreach and Public Communication

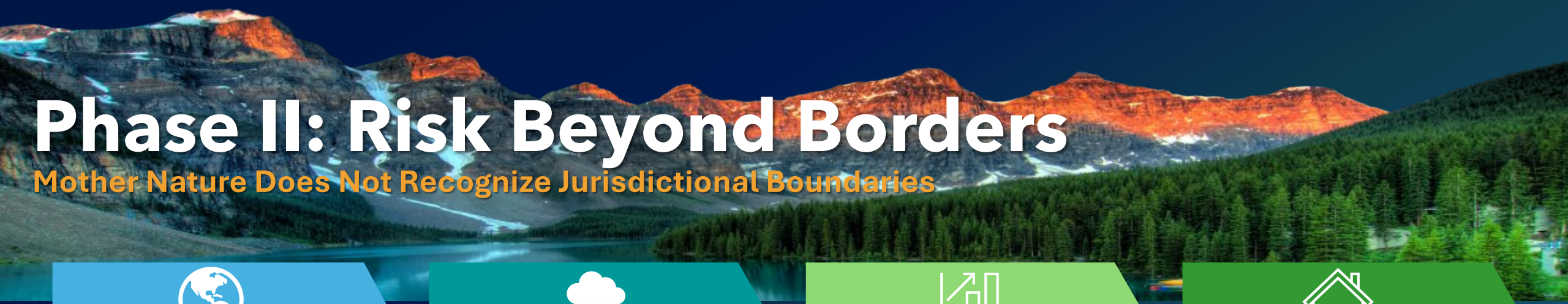
Improve accessible, comparable risk information.

Exchange technical expertise and modeling approaches.

Explore strategies to reach uninsured households and businesses

Key Hazards Across the Region

69%	54%	62%	31%	23%
Flood / rainfall	Earthquake	Drought	Storms / hurricanes	Wildfire



Phase II: Risk Beyond Borders

Mother Nature Does Not Recognize Jurisdictional Boundaries

Multi-jurisdictional

Examine risks across participating Latin American jurisdictions rather than a single-country study.

Two priority perils

Flood and earthquake as proposed focal hazards, subject to partner input.

Comparable analysis

Explore consistent data, exposure information, and modeling approaches across jurisdictions.

Local Mitigation

Incorporating local information and mitigation examples—not relying solely on models.

The NAIC Center of Excellence on Catastrophe Risk Management will collaborate with ASSAL members to assess risks, protection gaps, and potential mitigation strategies, informed by available data and jurisdiction-specific context.

Value that Grows Over Time

Building knowledge, tools, and capacity today for greater regulatory and market resilience tomorrow.

Shared understanding

Improve visibility into jurisdictional exposures, available data, and analytical gaps.

Practical application

Support capacity building and more informed regulatory and actuarial discussions.

Regional Collaboration

Leverage expertise and data across jurisdictions to identify protection gaps and mitigation opportunities

Long Term-Value

Strengthen markets, consumer protections, and climate resilience across the Americas.



Building the Collaboration

Through training and collaboration, we are building a shared understanding of catastrophe risk across the Americas

Technical exchange

Two training engagements have connected ASSAL and NAIC experts in catastrophe modeling, pricing, capital, solvency, and risk mitigation.

What we are learning

Catastrophe risks is a shared challenge across the region- we face many of the same risks. Training discussions and participant feedback will help inform the scope and technical priorities of the next phase.

Training Topics:

- Catastrophe modeling and risk assessment
- Mitigation and risk reduction
- Pricing, capital, and solvency
- Regulatory and supervisory applications
- Parametric and index-based solutions

What We Know – and What Remains

Informed by Ongoing Research

Flood



Risk Assessment

- Property Insurance
- Continuity of Business
- Crop Losses

Flood Protection Gaps

Widespread and substantial

Earthquake



Risk Assessment

- Local governments
- Businesses
- Homes

Earthquake Protection Gaps

Concentrated in areas that span many jurisdictions

Data needs



- Regional exposure data
- Local vulnerability information
- Case studies that blend modeled data and risk assessment data

Accomplishments For The Future

Goal: Provide actionable insights to strengthen resilience and reduce risk across the Americas

01

Scope

Access geographic data gaps, risk assessment use cases

02

Data

Evaluate exposure inputs and potential COE model resources

03

Analysis

Explore flood and earthquake scenarios and local mitigation

04

Align findings

Align results with the role of an insurance regulator



Looking Ahead: A Hemispheric Partnership

A stronger partnership can support independent regulatory views of risk, reduce protection gaps, and improve public communication across the Americas.

2027 Joint Collaboration

Finalize Phase 2

- ✓ Complete Phase II analyses
- ✓ Expand technical exchange and capacity-building opportunities
- ✓ Explore ongoing collaboration on data, modeling and research through CEO

Next Steps

- Refine scope, data needs, and technical partners
- Explore bilingual public communication and outreach strategies for uninsured households and businesses.
- Share approaches to communicating insurance options and engaging local communities.
- Continue targeted technical exchange and training.