JOINT MEETING OF THE CATASTROPHE INSURANCE (C) WORKING GROUP AND THE NAIC/FEMA (C) ADVISORY GROUP

Saturday, March 16, 2024
10:00 – 11:30 a.m.
Phoenix, AZ
Consider Adoption of its 2023 Fall National Meeting Minutes
Catastrophe Insurance (C) Working Group
and the NAIC/Federal Emergency Management Agency (FEMA) (C) Advisory Group
Orlando, Florida
December 1, 2023

The Catastrophe Insurance (C) Working Group of the Property and Casualty Insurance (C) Committee met in Orlando, FL, Dec. 1, 2023, in joint session with the NAIC/Federal Emergency Management Agency (FEMA) (C) Advisory Group of the Catastrophe Insurance (C) Working Group of the Property and Casualty Insurance (C) Committee. The following Working Group members participated: Chlora Lindley-Myers, Chair, represented by Cynthia Amann, and Jo LeDuc (MO); Mike Causey, Vice Chair, represented by Jackie Obusek (NC); Mark Fowler and Yada Horace (AL); Sara Ahn, Deirdre Digrande, Elsa Carre, Ken Allen, Lucy Jabourian, and Mitra Sanandajifar (CA); George Bradner and Wanchin Chou (CT); Catherine Chen, Nicole Crockett, Christina Huff, Chad Mason, Jane Nelson and Megan Walker (FL); Melanie Fujiwara, Andrew Kurata, and Cindy Neeley (HI); Travis Grassel (IA); Emily Beets and Julie Holmes (KS); James D. Donelon (LA); Jackie Horigan and Matthew Mancini (MA); Joy Hatchette (MD); Mike Chaney (MS); Jesse Kolodin (NJ); Melissa Robertson (NM); Tim Biler, Tom Botsko, and Maureen Motter (OH); Glen Mulready (OK); David Buono and Gary Jones (PA); Glorimar Santiago (PR); Beth Vollucci (RI); Wendy Cox (SC); Carter Lawrence (TN); Connie Adams, J’ne Byckovski, Brenda Talavera, Sam Watkins, Nancy Wilson, and Mark Worman (TX); Nicole Bisping, David Forte, Matt Stoutenburg, and Bryon Welch (WA); Ellen Potter (WV). Also participating were Julie Rachford (IL); Ron Kreiter (KY); Sandra Darby (ME); Peter Brickwedde and Teresa Fischer (MN); Paige Dickerson and Kevin Dyke (MI); Mike Andring, Debra Estes, and Santana Edison (ND); Nguyen Thai (NE); Hermoliva Abejar and Dede Benissan (NV); John Lamena and Arlena Zajac (NY); Isabelle Turpin Keiser (VT); Monica Hale (WI); and Joanne DeBella and Shamika McDonald (WY). The following Advisory Group members participated: Glen Mulready (OK), Chair; Carter Lawrence, Vice Chair (TN); Mark Fowler (AL); Lucy Jabourian (CA); George Bradner (CT); Jane Nelson (FL); Travis Grassel (IA); Patrick O’Connor (IN); Julie Holmes (KS); James J. Donelon (LA); Joy Hatchette (MD); Mike Chaney (MS); Cynthia Amann and Jo LeDuc (MO); Melissa Robertson (NM); Beth Vollucci (RI); Tony Dorschner and Sam Watkins (SD); Rebecca Nichols and Marly Santoro (VA); Nicole Bisping, David Forte, Matt Stoutenburg, and Brian Welch (WA).

1. **Adopted its Summer National Meeting Minutes**

   Botsko made a motion, seconded by Obusek, to adopt the Working Group’s Aug. 13 minutes (see NAIC Proceedings – Summer 2023, Joint Meeting of the Catastrophe Insurance (C) Working Group and the NAIC/FEMA (C) Advisory Group). The motion passed unanimously.

2. **Heard an Update on Federal Legislation**

   Shana Oppenheim (NAIC) said that in coordination with the Fifth National Climate Assessment, President Joe Biden announced that more than $6 billion will be available to strengthen climate resilience across the country. The assessment includes the Department of Energy (DOE) announcing $3.9 billion in funding through the Bipartisan Infrastructure Law to strengthen and modernize America’s grid. There also is an environmental justice piece, and the Federal Emergency Management Agency (FEMA) announced $300 million through a second round of funding through the Swift Current initiative, fueled by the Bipartisan Infrastructure Law, to help communities that have been impacted by catastrophic flooding during the 2022-2023 flood season become more resilient to future flood events. The Swift Current initiative is focused on making mitigation assistance rapidly available for those who have suffered the effects of flooding disasters. It also boosts climate resilience through the Department of Interior. The Department of Defense is also launching a new climate resilience portal.
Additionally, the White House is publishing a synthesis of insights from 13 roundtable discussions on climate resilience that the administration hosted earlier this year. It also invests in conservation and makes several investments in this field. The federal government remains active in this area.

3. **Heard a Presentation from FEMA about the NFIP, Underserved Communities, and Penetration Rate of NFIP Policies.**

David I. Maurstad (FEMA) said he spends much time and energy seeking solutions to one question: What more can we do to close the flood insurance gap and reduce needless suffering from disasters? The U.S. experienced catastrophic flooding this year, which is the No. 1 cause of natural disasters.

Maurstad said he views the effort to reduce suffering from flood events as a movement that unites everyone around a common purpose. He said the actions taken now will tremendously impact future generations. During the 28th meeting of the Conference on the Parties (COP28) of the United Nations Framework Convention on Climate Change (UNFCCC), a chief meteorologist with a major reinsurance insurer noted that the action momentum has been too slow.

A resilient National Flood Insurance Program (NFIP) must be resilient and structured for long-term success. Flooding remains a greatly underappreciated risk nationwide, illustrated by the NFIP policies in force, which are 4.7 million. Following a downward trend of NFIP policies nationwide, the numbers recently leveled off. Given recent flooding events, the NFIP policy penetration rates for FEMA Region 4 are far lower than necessary. (FEMA Region 4 includes the states of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee)

Despite evidence of the mounting flood risk in Florida, people are still rapidly relocating to the state. In 2022, Florida became the fastest-growing state, gaining nearly half a million new residents. Nationwide, only about 4% of homeowners have flood insurance despite all U.S. counties having experienced flooding at some level of flooding event. However, the private flood insurance market is beginning to grow.

FEMA believes there needs to be a long-term reauthorization of the NFIP to close the insurance gap. Last month, the NFIP received its 27th short-term reauthorization. FEMA believes Congress needs to pass a 10-year reauthorization. FEMA has proposed a reauthorization including 17 legislative reforms. These reforms strategically structure the NFIP for long-term sustainability. For more information, details can be found at FEMA.gov.

One of FEMA’s proposed NFIP reforms is to build a solid financial framework, starting with the NFIP’s debt and capacity to pay it. Over the last 20 years, when losses from catastrophic events exceed the NFIP’s ability to pay, Congress raised the NFIP’s borrowing authority rather than providing the needed funds. Currently, the NFIP is $20.525 billion in debt and pays an average interest rate of 3.02%, meaning every day, the NFIP accrues $1.7 million in interest. Debt cancellation and other recommendations would create a sound financial framework that balances the support of the program between policyholders and taxpayers.

Affordability is a significant barrier to accessing flood insurance. Underserved communities are disproportionately hit hardest by flood damage and take longer to recover than communities with greater access to resources like insurance. FEMA worked with academia and other government agencies to create the first quantitative data-driven analysis for developing an affordability program. An extensive affordability framework was delivered to Congress in 2018. The framework is intended to help guide the policy discussion based on data and facts and to
separate the debate about the ability to pay from the willingness to pay the bottom line, absent legislative action. FEMA is constrained in its ability to offer affordable options to those who need it, which is why FEMA believes Congress must pass FEMA’s means-tested premium assistance program that has been a part of the last three Biden administration proposals.

The Bipartisan Infrastructure Law includes $3.5 billion in flood mitigation, or Flood Mitigation Assistance (FMA), grants over five years. These grants target multi-loss properties. The Swift Current program provides money to mitigate eligible insured structures immediately following a major presidential disaster declaration as part of this funding. Eligible projects include property acquisition, structure demolition, relocation, and elevation. $60 million was allocated during the inaugural launch of the Swift Current funding for the 2022 fiscal year. The funding aided repetitively flooded homes for the survivors of Hurricane Ida in Louisiana, Mississippi, New Jersey, and Pennsylvania. Swift Current funding for the 2023 fiscal year is approximately $300 million and is now available nationally. The application period opened on Nov. 14 and closes on Jan. 15, 2025. Funding for eligible properties will be made on a rolling basis. The application period for building resilient infrastructure in communities or Building Resilient Infrastructures and Communities (BRIC) grants and other funding is available under the FMA grants. The application period for these opportunities closes on Feb. 29, 2024.

Aaron Brandenburg (NAIC) provided an update on private flood insurance data, which has been collected by the NAIC since 2019. The 2019 data was received via a data call; however, since 2020, the data has been collected through the property/casualty (P/C) annual statement. The data is separated into commercial flood policies and homeowners policies. Private flood insurance has increased not only in the number of policies but in direct written premiums from 2018 to 2022, and there has been substantial growth each year. There are approximately 640,000 private flood insurance policies and $1.3 billion in premiums. There was approximately a 16% increase in the number of residential flood policies from 2021; premiums increased at a higher rate. The International Insurance Department (IID) also receives alien surplus line data. When this data is added to what is written in the admitted market, there is a total of around 900,000 private flood insurance policies. There has been a decline in the number of NFIP policies in force since 2018.

Chaney asked Maurstad to address the portability issues that have been a problem for several years. Maurstad said the regulations currently restrict the NFIP from bringing someone back to the NFIP who has left the program and allow them to follow the same premium glide path they were on before leaving the NFIP. Once a policyholder has left the NFIP, they are considered a new policyholder if they return to the program and must pay the full risk rate. One of FEMA’s recommendations in its reauthorization package is to allow a policyholder to return to the program at the point they were on the glide path prior to leaving the NFIP.

Chaney asked if there was anything state insurance regulators could do to encourage re-entry to the NFIP program with the same rates they had when they left to encourage this to happen nationally. Maurstad said it is important to continue working with insurers and insurance agents on the importance of policyholders keeping their coverage in place to continue having an NFIP policy with a discounted premium.

4. Received a Presentation from NAIC Staff on Ways to Create an Efficient Process for Proof of No Insurance to FEMA for Individual Assistance

Sara Robben (NAIC) discussed what individual assistance (IA) applicants need to provide to FEMA before getting IA. Individuals must inform FEMA of all insurance, including flood, homeowners, vehicle, mobile home, medical, and burial, among others. The documentation necessary for a consumer to get IA includes all insurance settlements or benefits for categories of assistance that may be covered by insurance. Following a declared
disaster, the FEMA’s IA program provides help with uninsured or under-insured disasters that cause home repair or replacement, require temporary housing, or cause personal property expenses, damage, or losses. Applicants must meet the eligibility criteria for each of FEMA’s categories of assistance to receive it. If an IA applicant has insurance coverage for the cause of damage identified, additional verification is needed. Verification includes either verification of settlement or a denial letter from the insurer. An insurer is also able to confirm these items verbally. Consumers needing rental assistance or temporary and direct housing assistance must simply provide a declaration page showing a lack of additional living expenses (ALE).

Robben said the Working Group may consider providing information on its webpage to help insurers understand the documentation needed by FEMA by posting frequently asked questions (FAQs). The Working Group might also consider putting this information into a template for insurers to use. FEMA Region 4 could try using these options to see which works best for insurers and FEMA to provide IA money to consumers as soon as possible.

Chaney said Mississippi experienced severe tornados in March and is still dealing with FEMA adjusters. He said that additionally, company adjusters do not have to be certified in FEMA flood programs, where other adjusters must be certified. Chaney said he just wanted to tell FEMA about these issues once again.

Amy Bach (United Policyholders—UP) said it is difficult for the insured because many claims are not fully adjusted for a long period of time. Now that FEMA is offering more housing assistance than they had in the past, she is not sure insurers have been asked to provide this information in the past.

5. Heard a Presentation from the American Property and Casualty Insurance Association on the Latest Mitigation Developments

David Snyder (American Property and Casualty Insurance Association—APCIA) said risk mitigation is a shared priority. Most of the premium dollars today go toward paying claims resulting from losses. These losses are high in cost and are continuing to rise due to the frequency and severity of weather events; more people and property in vulnerable areas; and inflation, among other reasons.

Inflation has greatly impacted the replacement costs of structures in the U.S. in the past two to three years. The APCIA believes that risk mitigation must continue to be a shared priority. Insurers and state insurance regulators are more engaged across a wide range of communications and actions on mitigation. Other sectors and the media are also beginning to understand the role of losses and the importance of mitigation.

The Wildland Fire Mitigation and Management Commission's recent report, On Fire: The Report of the Wildland Fire Mitigation and Management Commission, says the use of proactive pre- and post-fire planning and mitigation is necessary to break the cycle of increasingly severe wildfire risk and losses, restore fire-adapted ecosystems, reduce risks to communities, and increase resilience. The International Association of Insurance Supervisors (IAIS) issued A Call to Action: The Role of Insurance Supervisors in Addressing Natural Catastrophe Protection Gaps in November. Recommendations include assessing insurance protection gaps; improving financial literacy and risk awareness; incentivizing risk prevention and reduction of insured losses; creating an enabling regulatory/supervisory environment to support the availability of insurance products and services and uptake of coverage; and advising government and industry, including on the design and implementation of public-private partnerships (PPPs) or insurance schemes. Insurance discounts may play an additional small role but need to be cost-effective. When insurance discounts are regulated, APCIA asks that they be regulated consistently using the following principles: voluntary, flexible, and limited in scope; verifiable, grounded in science, and risk-based; and cost-effective, consistent, and complementary.
APCIA believes it is necessary to continue to help the public understand that natural catastrophe losses must be mitigated to improve insurance conditions, which is a society-wide challenge. Public buy-in about the risk policyholders are subject to is important and must be addressed by insurers and state insurance regulators so the public better understands their risk and how to mitigate it. Bach asked APCIA to share how its members see renewal assurances and discounts when using mitigation. Snyder said insurers are willing to work with state insurance regulators to increase consumer knowledge of mitigation efforts and help create a mitigation mindset.

Birny Birnbaum (Center for Economic Justice—CEJ) said the NFIP has been in existence for more than 50 years and consumers still do not understand that their homeowners policy does not cover flood insurance. He believes the federal government needs to change the way it requires flood insurance because it gives consumers the misperception that if they are not in a Special Flood Hazard Area (SFHA) then insurance is not required, and therefore, the consumer believes they are not at risk for flooding. Birnbaum said an alternative would be to tell consumers that any federally insured mortgage requires the purchase of flood insurance.

Dennis Burke (Reinsurance Association of America—RAA) said the Florida mitigation program made some mistakes in the program and with the mandatory credits that it imposed. He said mistakes will likely be made if more discounts are mandated than the mitigation credits entail or if a one-size-fits-all approach to mitigation discounts is used.

Burke said the insurance industry is willing to work with states during the creation of a mitigation program. Insurers want to help their customers and ensure affordable insurance so that consumers can mitigate their homes.

6. **Heard a Summary of the Earthquake Summit**

Amann said the Second Annual Earthquake Summit was held in St. Louis, MO, on Nov. 13–14. The summit was held in conjunction with the annual Central United States Earthquake Consortium (CUSEQ) meeting and sponsored by CUSEQ, the NAIC, and the Missouri Department of Commerce and Insurance.

There were approximately 100 attendees comprised of emergency management personnel, the insurance industry, state and federal government agencies, and state and local governments. Presentations were heard from leaders in communication research, disaster preparedness, earthquake science, and insurance.

The topics covered were diverse, and not all were insurance-related. Summit attendees heard about the role parametric insurance can play in providing protection, the role of risk mitigation programs, the need for funding and grants to improve awareness and preparation, and the need for preparation and coordination in insurance, seismic, and emergency management perspectives.

The Third Annual Earthquake Summit will be held next fall and will tentatively be held in Arkansas.

7. **Discussed State Mitigation Programs**

Amann said she envisions the Working Group creating some documentation on creating a mitigation program by using the experience of the states that have already created such a program. NAIC staff will distribute a document that Amann created, which addressed these matters following the national meeting.
Having no further business, the joint meeting of the Catastrophe Insurance (C) Working Group and the NAIC/Federal Emergency Management Agency (FEMA) (C) Advisory Group adjourned.

SharePoint/NAIC Support Staff Hub/Committees/C MTE/2023_Summer/Catastrophe/Minutes – CatFEMA – FNM 120123
Hear a Federal Update
Hear an Update on the Center of Excellence (COE) Resiliency Activities
Hear an Update from California on its Recent Flooding
**UPDATE ON THE CALIFORNIA 2023 & 2024 DISASTER EVENTS**

Lucy Jabourian, CPCU, ARC
CSD Chief

California Department of Insurance
Joint Meeting – Catastrophe Insurance WG/FEMA Advisor Group
Spring National Meeting, March 16, 2024

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**2023 Governor Declared Disasters**

- **December 2022 – January 2023 Storms**
  - 1 Emergency Declaration
  - Issued on 1/4/2023
  - Statewide

- **February – March 2023 Storms**
  - 8 Emergency Declarations
  - Issued on 3/1, 3/8, 3/12, 3/14, 3/28, 4/20, 5/15, 6/16
  - 51 Counties Impacted

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- **Tropical Storm Hillary - August 2023**
  - 3 Emergency Declarations
  - Issued on 8/19, 8/20 & 9/12
  - 13 Counties Impacted

- **Smith River Complex & Happy Camp Complex Fires**
  - 2 Declarations were issued on 8/29
  - 2 Counties Impacted
2024 YTD Governor Declared Disasters

- December 2023 – January 2024 Storms
  - 3 Emergency Declarations
  - Issued on 1/23 and 2/2
  - 7 Counties Impacted

- Early February 2024 Storms
  - 1 Emergency Declaration
  - Issued on 2/4/2024
  - 8 Counties Impacted

Disaster Management

- Monitor Current Events
- Work Closely with CalOES
- Staff LACs/DRCs
- Work with Enforcement Branch
- Work Closely with Licensee CAT Teams
- Provide Assistance Via Consumer Hotline
- Keep CDI Disaster Resources Page Current
- Utilize the Residential Policy Locator Tool

LACs and DRCs
Disaster Deployments Since 2000

• 2020 ➔ 21 Events
• 2021 ➔ 16 Events
• 2022 ➔ 9 Events
• 2023 ➔ 52 LACs/DRCs
• YTD 2024 ➔ 5 LACs + 1 DRC

Disaster Related Complaints
Hear from FEMA via a Recording About FEMA’s Updated Policies
Hear from Maryland About the Catastrophe Materials it Has Available Following a Catastrophe
Disaster Marketing Materials

Presented by Joy Y. Hatchette, Associate Commissioner
Agenda

• Introduction
• Pre-Disaster Materials
• During the Disaster Materials
• Post-Disaster Materials
Social Media

• Our Strategy
  • Create engaging content that can help inform consumers about insurance products, assist with insurance-related concerns, and prevent insurance claims.

• How we Execute
  • Easy to read content
    • Less text, Short and to the point
    • Provide links and QR Codes to additional content
    • Vibrant and fun images that are consistent with our brand

Disaster Preparedness Message

Social Media Example:
Are you truly prepared for a disaster? Check your insurance coverage limits before disaster strikes. For resources to help you prepare, visit: https://insurance.maryland.gov/Consumer/Pages/InsurancePreparednessNaturalDisasters.aspx
#MDInsurance #LastingLegacy #StayReady #MakeAPlan #NatlPrep #MDPrepares
Social Media Example:
Secure your items and avoid a potential accident. Clear your yard debris that could become projectiles in high winds and make sure to #secureyourload on the road. Any items that can become airborne should be secure. Visit our website for more information:
https://insurance.maryland.gov/ #MDInsurance #SafetyTips #TipTuesday #SecureYourLoadDay
Videos Pre-Disaster

- Flooding in Maryland is More Common than You Think: Video
- Flood Insurance Tips: Video
- Flood Insurance Tips: Video
- Tips to Help Prepare for a Disaster Video
- Do I Need Flood Insurance? Video
- Tips for Purchasing Flood Insurance: Video
CONSUMER ADVISORY

CONTRACTORS OR INDIVIDUALS THAT OFFER TO HELP YOU WITH YOUR INSURANCE CLAIM

After a disaster, whether it impacts you or your community, many people may reach out to help you. This could include your neighbors, family or friends, the Red Cross, or a community group. You might also be approached by contractors or individuals that offer to help you with your insurance claim. You should be aware that these contractors or individuals may not have the expertise or training to help you properly.

When you contact your insurance claim, there are four groups of people that you might come in contact with:

1. Adjusters that work for insurance companies. Some work for only one insurance company and their work is monitored by the state (known as independent adjusters). Your insurance company pays these adjusters. The adjuster will settle the claim on behalf of the insurance company based on the insurance coverage you have and the amount of damage to your home and property. Remember, you do not pay a company adjuster. For more information about working with an insurance company’s adjuster, visit our Consumer Advisory or scan the QR code https://insurance.maryland.gov/insuranceClaimAdjuster.

2. Public adjusters are people that you can hire to assist you with your insurance claim. They are licensed by the insurance company. They estimate the damage to your home and property, review your insurance coverage, and negotiate a settlement for the insurance claim on your behalf. You can hire a public adjuster to help you with your insurance claim. You have to pay a public adjuster.

CONSUMER ADVISORY (Continued)

Public adjusters may give you a written contract that includes:

- the name of the public adjuster giving the contract, as specified in the evidence of this Advisory;
- the permanent business address and phone number of the public adjuster in the public adjuster’s home state;
- the license number issued by the Administration for the public adjuster;
- the name of the insurance company name and policy number, if known or on notification;
- a description of the loss and location of the loss, if applicable;
- a description of services to be provided to the insured;
- the signature of the public adjuster and the insurance company’s name;
- the dates when the contract was signed by the public adjuster and the insurance company;
- instructions in writing to the insured:
   - the public adjuster may incur out-of-pocket expenses on behalf of the insured;
   - these expenses are reimbursed by the public adjuster from the insurance proceeds; and
   - the fee, if any, for commission, compensation or other consideration the public adjuster is to receive for services. You have three business days after signing a contract with a public adjuster to cancel the contract. For more information on whether you should hire a public adjuster, take a look at our Consumer Advisory https://insurance.maryland.gov/insuranceClaimAdjuster or scan the QR code.

- You have three business days after signing a contract with a public adjuster to cancel the contract.

CONSUMER ADVISORY (Continued)

3. Contractors - These are the individuals that perform work on your home. Individuals that perform home improvements or repairs are required to be licensed by the Maryland Home Improvement Commission. Home improvement contractors can perform work such as the following:
   - construction, remodeling, repair, or replacement of a building or part of a building that is used or designed to be used as a residence or dwelling unit or a structure adjacent to that building or an improvement to land adjacent to the building.
   - Visit their website or scan the QR code:
     - https://homeimprovement.maryland.gov

4. Home Improvement Contractors - These companies provide services such as digging up your home or your personal property. These companies work to limit property damage and prevent additional damage after a loss using tools and methods like landscaping or sealing and tarping or removing water from flooding or weather. These companies are not licensed by the Maryland Insurance Administration. If you have questions about your contractor, contact the Insurance Commissioner’s Bureau to find out information about their complaint history. No contractor or public adjuster may promise to pay a policyholder’s deductible directly or indirectly.

- Please contact the Maryland Insurance Administration at 410-442-5540 or 800-546-3030 with questions regarding this advisory or any other insurance matters.

Pre-Disaster Card

Disaster cards are handed out at in-person events and available in digital format.
FAQs

INSURANCE FAQs
FLOOD INSURANCE

Q. WHY DO I NEED FLOOD INSURANCE?
A. If you have a federally backed mortgage and live in a special flood hazard zone, federal law requires you to have flood insurance. If you are not required to purchase flood insurance because you do not live in a high risk flood area or your home is not federally insured, you may still want to consider purchasing flood insurance because of the potential loss caused by flooding. Visit floodsmart.gov to determine your risk and cost. Standard homeowners insurance policies do not typically provide any coverage for flood damage.

Q. I RECENTLY PURCHASED MY HOME. MY NEIGHBOR JUST ADVISED THAT THERE HAVE BEEN RECENT UPDATES TO THE FLOOD MAP AND IT NOW APPEARS THAT WE ARE IN A HIGH RISK FLOOD ZONE. DO I HAVE TO PURCHASE A FLOOD INSURANCE POLICY?
A. Although at the time of settlement your mortgage company may require you to obtain a homeowners insurance policy, your lender may require you to obtain flood insurance for the full amount of your mortgage. Your lender may also require flood insurance if you live in a high risk flood zone. If you are required to obtain flood insurance, you will be given a notice with information on how to obtain flood insurance. If you are not required to purchase flood insurance because you do not live in a high risk flood area or your home is not federally insured, you may still want to consider purchasing insurance because of the potential loss caused by flooding.

Q. WHAT IS CONSIDERED A REPETITIVE LOSS PROPERTY?
A. The NFIP defines a repetitive loss property as an NFIP insured structure that has had at least two flood insurance claims of more than $1,000 each in any 5 year period since 1978.

Q. I WAS TOLD I CAN’T BUY A FLOOD INSURANCE POLICY FROM A STANDARD CARRIER (ALLSTATE, STATE FARM ETC.) IS THAT TRUE?
A. Visit floodsmart.gov for a list of insurers that participate in the NFIP and to find the rate quote that is right for you. It is important to properly maintain and protect your property to carry it away. Your flood insurance will provide coverage if you have been approved by a water service provider. If the property is affected by water or sewage that backs up into your home, the cost to repair or replace the property and to make the property is not covered. Insurance policies are subject to certain terms and conditions. For more information, please contact your insurance provider.

Insurance Tips
DISASTER PREPAREDNESS

FLOOD DAMAGE VS. WATER DAMAGE

Homeowners policies generally do not cover all types of water damage. While the terms of your policy will determine what types of water damage are covered, the amount of coverage available. Homeowners policies generally do not cover damage from floods and water-related damages. Floods are classified as a special flood hazard area and are covered by the National Flood Insurance Program (NFIP). The policy allows “redu” or a general increase in the temporary condition of partial or complete loss of power to or more acres of normally dry land area or to two or more properties, at least one of which is your property. If your property is subject to the rule of floodwater and is covered by your flood policy, you are not eligible for coverage. If the property is subject to water-related damages, you may be eligible for coverage under your flood policy.

Q. HOW CAN I PROTECT MY HOME FROM FLOOD DAMAGE?
A. You can protect your home from flood damage by:

- Sealing any cracks or openings in your foundation with a mixture of concrete and mortar.
- Installing a sump pump to remove water from your basement.
- Elevating your furniture and other belongings.
- Installing flood sprinklers to alert you to a flooding event.
- Regularly checking your electrical systems for signs of damage.

INSURANCE ADMINISTRATION

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The MIA has its own podcast and utilizes the same content on our YouTube channel.

Click here to subscribe.
Consumer Monthly Emails

Over 40K subscribers receive our Consumer News. Every month we produce news that includes multiple topics on preparedness and much more. To read our consumer emails by month, click here – and make sure to sign up to receive our News.

Sample News April 2023

Scan this QR Code to sign up directly from your mobile device or click here.
Videos – During the Storm

• There's Been a Disaster - What Should I Do? Video
Brochures

After the Storm Message

Social Media Example:
If you experienced damage from severe weather, please read this Consumer Advisory for information on what to do after a storm. Visit: https://insurance.maryland.gov/Consumer/Documents/publicnew/After-the-Storm-Advisory.pdf #MDInsurance
Post-Disaster Message

There's been a disaster - what should you do now? Learn more from our Post Disaster Claims Guide: https://insurance.maryland.gov/Consumer/Documents/publicnew/PostDisasterClaimsGuide.pdf #MDInsurance #LastingLegacy #NationalPreparednessMonth #StayReady #MakeAPlan #NatlPrep #MDPrepares
Videos Post-Disaster

• If a tree falls on your property, are you covered by your homeowners policy? Video
• Storm damaged vehicles and comprehensive coverage: Video
The MIA created the Virtual Disaster Center (VDC) to help people get important information about helping people connect to their coverage after a disaster. Our VDC gives people affected by severe events another way to meet face-to-face with the MIA.

In the VDC, Maryland residents can ask general insurance questions or meet one-on-one with a MIA representative in a private breakout room. We have had great success with the program, helping hundreds of people with their insurance issues after a severe weather event.
Virtual Disaster Center Message

Sample Social Media Post:
Were you affected by recent severe weather events in Maryland? The Maryland Insurance Administration is hosting a Virtual Disaster Center, Tuesday, January 16th from 5-7 PM, to answer your questions and help you navigate the insurance process -- in a general session and in one-on-one breakout rooms. Registration is not needed. Please join us by Zoom or Dial-In:

- Date: Tuesday, January 16th 5-7 PM
- Join us on Zoom: https://link.here
- or Dial-in number: (646) 828-7666
- Meeting ID: 160 380 2898
- Read more here: https://link.here
#MDInsurance #StormRecovery
Alerts

CONSUMER ADVISORY

AFTER THE STORM

The Maryland Insurance Administration can assist you by providing contact information for your insurer or by helping you with questions about how to file a claim. You can reach us at 800-492-6166.

Quick Tips if you have damage after a storm:

• Make sure your adjuster and insurer have your current phone number.
• Make sure your address is visible from the street. You may need to post a sign with your address in the street.
• Try to be there when the adjuster visits and point out all damage.
• Get multiple bids from contractors and compare them with the adjuster’s report before settling the claim.
• Save proof that you paid the deductible on the claim. State law makes it illegal for contractors or vendors to offer to waive the deductible or to promise a rebate for your deductible. It also allows your insurer to reject proof such as a receipt or canceled check, that you paid the deductible.
• In the event a federal disaster declaration is issued, Marylanders can apply for federal aid for damage not covered by insurance at DisasterAssistance.gov.
• Report price gouging. It’s illegal to charge excessive prices for building materials and needed items to take advantage of a disaster. You can report suspected price gouging to the Office of the Attorney General or the Maryland Department of Labor.

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• https://insurance.maryland.gov/Consumer/Documents/publicnew/After-the-Storm-Advisory.pdf
• https://insurance.maryland.gov/Consumer/Documents/publications/advisory_understanding_the_difference_between_flood_water.pdf
FAQs

INSURANCE FAQS
STORM RELATED DAMAGE

Q. DOES HOMEOWNERS INSURANCE COVER WATER REPLACEMENT?
A. No. Damage resulting from surface or subsurface water seeping or leaking into your home or basement through the foundation will not be covered under most homeowners insurance policies.

Q. MY NEIGHBOR’S TREE FELL ON MY PROPERTY DURING A STORM. WHO IS RESPONSIBLE FOR DAMAGE TO MY PROPERTY?
A. Your neighbor is responsible for damages to your property if the neighbor caused the damage. If a natural event such as a storm caused the damage, you would look to your own insurance to pay for any loss incurred.

INSURANCE FAQS
HURRICANE PREPAREDNESS

Q. HOW MUCH IS THE DEDUCTIBLE FOR HURRICANE DAMAGE?
A. Deductibles vary by policy. Most insurance policies carry a deductible, which is the amount you will be asked to pay before your insurance company will begin paying for damage caused by a hurricane or tropical storm.

Q. CAN YOU BUY A LAST-MINUTE INSURANCE POLICY TO COVER DAMAGE FROM A HURRICANE OR TROPICAL STORM?
A. Generally, there is not a specific policy that covers damage caused by hurricanes or tropical storms. Policies usually cover only damage from flooding or wind. However, if you need immediate protection and are able to pay for your policy, you can purchase a policy after the hurricane or tropical storm has occurred.

Q. IS MY HOME COVERED IF I LEAVE IT DURING AN ANTICIPATED HURRICANE?
A. Your homeowners insurance policy applies whether you stay or evacuate your home. It is important to follow any evacuation orders issued by officials. Your home and belongings can be replaced. Your safety and the safety of your family is the biggest concern.

INSURANCE FAQS
AUTO & HOMEOWNERS POST DISASTER CLAIM FAQS

Q. How do I file a claim?
A. Call your insurance producer or insurance company as soon as you can. Your policy or insurance card should have the number to call. It is important to file your claim as soon as you can. Take photographs or video of the damage and take all necessary steps to prevent mold or mildew from developing in your car.

Q. Can I dry it out on my own?
A. It is important to properly dry out your vehicle to prevent mold and mildew. There are many professional companies that specialize in cleaning out wet vehicles. Your insurance company may choose to pay for a cleaning before looking to see if there is any floor damage that needs to be repaired.

Q. Will my car be totaled?
A. The insurance company will look at how much your car is worth versus how much the repairs will cost. Per Maryland law, your insurance company has to total your vehicle if the repairs are more than 75% of how much your car is worth. It is important to know that your insurance company is allowed to make a safety or financial decision to total your car even if the repairs are less than 75% of the value.

Post Disaster Cards

POST-DISASTER RECOVERY TIPS

WHAT TO DO IF YOUR HOME IS DAMAGED

Safety first: Make sure that you and your family are safe.

Contact your insurer as soon as possible to report the damage. Many insurers are utilizing a variety of virtual solutions to keep the claims process moving. Make sure you get clear guidance on how to proceed.

Photograph or videotape the damage to share with your insurer and keep a copy for your records.

Make temporary repairs if it is safe to do so. If there are holes in your roof or your windows are broken, be sure to cover them as quickly as possible to prevent further damage. Don't discard anything.

Save receipts for any materials you purchase to assist with repairs and for temporary living expenses. You may submit them to your insurer for reimbursement.

FOR MORE INFORMATION ON THE CLAIMS PROCESS GO TO OUR WEBSITE AT INSURANCE.MARYLAND.GOV OR CALL US AT 1-800-492-6116 OR USE THIS QR CODE TO ACCESS OUR INSURANCE PREPAREDNESS GUIDE TO POST-DISASTER CLAIMS.

POST-DISASTER PLANNING TIPS

WHAT TO KNOW WHEN CONTRACTORS REACH OUT TO YOU

Ask for proper identification so that you can be certain you know the identity of the individual and their company or organization.

Contractors can prepare an estimate of your loss and answer questions an insurance company has about the estimate.

Before you sign any contract, make sure you understand the terms and what you are required to pay. Need help? Give the MIA a call at 800-492-6116.

Don't pay the full amount of the repairs upfront.

Check with the Maryland Home Improvement Commission at 888-218-5925 to make sure that any contractor you are planning to hire is licensed.

FOR MORE INFORMATION ON THE CLAIMS PROCESS GO TO OUR WEBSITE AT INSURANCE.MARYLAND.GOV OR CALL US AT 1-800-492-6116 OR USE THIS QR CODE TO ACCESS OUR CONSUMER ADVISORY: CONTRACTORS OR INDIVIDUALS THAT OFFER TO HELP YOU WITH YOUR INSURANCE CLAIM.

POST-DISASTER RECOVERY TIPS

WHAT TO KNOW WHEN PUBLIC ADJUSTERS REACH OUT TO YOU

You can hire a public adjuster to assist you with your insurance claim. They estimate the damage to your home and property, review your insurance coverage, and help negotiate a settlement of the insurance claim for you.

Call the MIA at 1-800-492-6116 to verify that the adjuster is licensed.

Any compensation for a public adjuster must be clearly stated in a written contract. You have three business days after signing a contract with a public adjuster to cancel.

Your insurer may or may not agree with the public adjuster’s estimate of your damage.

FOR MORE INFORMATION, READ OUR CONSUMER ADVISORY: SHOULD I HIRE A PUBLIC ADJUSTER TO HELP ME SETTLE MY CLAIM? AT HTTPS://BIT.LY/38XZLOF OR USE THIS QR CODE.
Sample Social Posts
Contact Information

Maryland Insurance Administration

☎️ 800-492-6116 | 410-468-2000 | 800-735-2258 (TTY)
🌐 insurance.maryland.gov

MDInsuranceAdmin
en Español: MDInsuranceAdminES
Maryland Insurance Administration

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Questions?
Hear an Update on the FEMA Region 3 Workshop
Hear an Update on the 2024 Earthquake Summit
Discuss Any Other Matters